

— TEXAS — RACING COMMISSION

LEGISLATIVE APPROPRIATIONS REQUEST FOR FISCAL YEARS 2018 AND 2019



Commissioners	Term Expires	Hometown
Rolando Pablos, Chair	2021	Austin
Ronald F. Ederer, Vice Chair	2019	Corpus Christi
Gary P. Aber, DVM	2021	Simonton
Gloria Hicks	2017	Corpus Christi
Robert Schmidt, M.D.	2017	Fort Worth
John T. Steen III	2019	Houston
Margaret Martin	2021	Boerne

Ex-Officio Members

Glenn Hegar	Austin
Comptroller of Public Accounts	
A. Cynthia "Cindy" Leon	
Chair, Public Safety Commission	Mission

WWW.TXRC.TEXAS.GOV • 512.833.6699
PO BOX 12080 • AUSTIN, TEXAS 78711

TEXAS RACING COMMISSION

8505 Cross Park Drive, Suite 110
Austin, Texas 78754-4552

Mailing Address:
P.O. Box 12080
Austin, Texas 78711-2080

Phone: 512-833-6699
Fax: 512-833-6907

Web Page Address:
<http://www.txrc.texas.gov>

The Texas Racing Commission is an Equal Opportunity Employer.



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 (2016-17 GAA).

A handwritten signature in blue ink, appearing to read "C. G. Trout", written over a horizontal line.

Charles G. Trout
Executive Director

August 4, 2016

A handwritten signature in black ink, appearing to read "Rolando Pablos", written over a horizontal line.

Rolando Pablos
Chairman

August 4, 2016

A handwritten signature in blue ink, appearing to read "Adrienne Courtney", written over a horizontal line.

Adrienne Courtney
Chief Financial Officer

August 4, 2016

Table of Contents

Administrator's Statement	Page 1 of 5
Agency Mission.....	Page 1 of 1
Organizational Chart.....	Page 1 of 1
Budget Overview	Page 1 of 1
Summary of Request	
2.A. Summary of Base Request by Strategy	2.A. Page 1 of 3
2.B. Summary of Base Request by Method of Finance	2.B. Page 1 of 8
2.C. Summary of Base Request by Object of Expense	2.C. Page 1 of 1
2.D. Summary of Base Request Objective Outcomes	2.D. Page 1 of 2
2.E. Summary of Exceptional Items Request	2.E. Page 1 of 1
2.F. Summary of Total Request by Strategy	2.F. Page 1 of 3
2.G. Summary of Total Request Objective Outcomes	2.G. Page 1 of 3
Strategy Requests	
3.A. Strategy Request	3.A. Page 1 of 36
3.B. Rider Revisions and Additions Request.....	3.B. Page 1 of 6
Exceptional Item Requests	
4.A. Exceptional Item Request Schedule	4.A. Page 1 of 6
4.B. Exceptional Items Strategy Allocation Schedule	4.B. Page 1 of 17
4.C. Exceptional Items Strategy Request	4.C. Page 1 of 10
Supporting Schedules	
6.A. Historically Underutilized Business Supporting Schedule	6.A. Page 1 of 1
6.E. Estimated Revenue Collections Supporting Schedule	6.E. Page 1 of 2
6.I. Percent Biennial Base Reduction Options	6.I. Page 1 of 9
7.A. Indirect Administration and Support Costs.....	7.A. Page 1 of 19
7.B. Direct Administration and Support Costs	7.B. Page 1 of 4

Administrator's Statement

8/4/2016 3:45:03PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

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
Rolando Pablos, Chairman	11/06/2015 – 02/01/2021	Austin
Ronald F. Ederer, Vice Chair	07/17/2007 – 02/01/2019	Corpus Christi
Gary P. Aber, D.V.M.	05/15/2012 – 02/01/2021	Simonton
Gloria Hicks	11/09/2007 – 02/01/2017	Corpus Christi
Robert Schmidt, M.D.	11/09/2007 – 02/01/2017	Ft. Worth
John T. Steen III	10/03/2011 – 02/01/2019	Houston
Margaret Martin	11/06/2015 – 02/01/2021	Boerne
 Ex Officio Members		
Glenn Hegar, 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. Seven operational licensed racetracks operate throughout the state. Over 1.6 million patrons wagered \$317 million at these tracks in 2015 during 439 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 7,400 active racing participants under the jurisdiction of the Racing Commission.

All agency regulatory efforts are directed towards 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. This funding method directly ties to the viability of the Commission and its ability to effectively regulate. During FY 2016, three racetrack licensees stopped paying their annual fees. In order to generate sufficient revenue to cover its costs, the agency must redistribute the lost fees among the remaining licensees or receive alternative funding to provide relief to the remaining racetracks. If no alternative funding is enacted in the 85th Legislature, the agency will exercise its authority to raise the funds necessary to cover the requested appropriations for FY 2018 and FY 2019.

In response to the loss of revenue from the three class 2 horse tracks, the agency reduced its budget for FY 2016 by not filling 1.5 FTE positions that became open due to one retirement and one employee's resignation. The duties of the pari-mutuel manager were absorbed by the manager of the wagering compliance department, and the licensing position at Retama Race Park was reduced from 1 FTE to .5 FTE. The total savings to the agency is approximately \$33,900 in FY 2016 and \$97,450 in FY 2017. These reductions are reflected in this legislative appropriation request. This cut reduced the agency's base appropriations by \$65,675 for FY 2018 and \$65,675

Administrator's Statement

8/4/2016 3:45:03PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

for FY 2019. This decrease has made the four percent reduction requested by state leadership even more challenging. In addition, the agency prepares its base reconciliation using the principles of a zero based budget. The budget is prepared for each fiscal year beginning with salary costs based on work schedules utilizing the race days granted, travel costs are based on work schedules and other operating costs are created line by line starting from a zero base.

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 individuals. The number of racing opportunities has decreased as well as the money paid to winning owners, jockeys and breeders. From there the decline reaches into local communities – especially when owners, trainers, 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 REVENUE RECEIVED

As mentioned above, three class 2 horse racetrack license holders discontinued payment of their annual fees in FY 2016. The loss of revenue from the three tracks in FY 2016 totaled \$345,000 and will result in a loss of revenue of \$690,000 in FY 2017. The redistribution of lost fees among the remaining horse and greyhound race tracks will place an increased strain on an already struggling industry. The Commission intends to ask the Legislature for its assistance to change the agency's method of funding to direct funding from the General Revenue Fund or to redirect the tax paid on pari-mutuel wagering from the General Revenue Fund to the Commission's General Revenue Dedicated Fund.

IV. REVISION OF RIDER 2 – TEXAS BRED INCENTIVE PROGRAM RECEIPTS

In order to ensure that all revenue earned and deposited in the Texas Bred Incentive Program strategy is distributed according to §608(j) of the Texas Racing Act, the agency is requesting a revision to Rider 2. If additional revenue is collected above the amount appropriated in the Texas Bred Incentive Program, this rider would grant the additional appropriation needed to distribute the statutorily earned revenue.

V. REQUEST FOR NEW RIDER – PURCHASE OF EVIDENCE

The agency requests a new rider, Purchase of Evidence, to set up an imprest, or petty cash fund, in the amount of \$2,000 for the purchase of evidence and/or information and surveillance expenses deemed necessary by the Commission to enforce the Racing Act and Rules of Racing.

VI. REQUEST FOR NEW RIDER - ADDITIONAL DAYS ADDED BEYOND BASE OF 186 DAYS TO HORSE RACE DATE CALENDAR

Should any legislation be passed whereby the industry would request additional race days beyond the 186 horse race days upon which the budget is based, this rider would grant the additional appropriations needed for each additional day added to the race calendar. Additional revenue may be assessed for each additional day of live horse racing added pursuant to §309.8 of the Rules of Racing.

This rider would also grant additional appropriations to the Texas Bred Incentive Program strategy so that the statutorily earned revenue may be distributed to the Texas

Administrator's Statement

8/4/2016 3:45:03PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

owners and breeders.

VII. REQUEST FOR NEW RIDER - ADDITIONAL DAYS ADDED BEYOND BASE OF 36 DAYS TO GREYHOUND RACE DATE CALENDAR

The LAR request is based on 36 days of live greyhound racing for each fiscal year. Should the industry add any additional days to the race calendar, this rider would grant the additional appropriations needed for each additional day added beyond the base of 36 days. Additional revenue may be assessed for each additional day of live greyhound racing added pursuant to §309.8 of the Rules of Racing.

This rider would also grant additional appropriations to the Texas Bred Incentive Program so that all statutorily earned revenue from wagers may be distributed to the Texas owners and breeders.

VIII. EXCEPTIONAL ITEM – APPROPRIATIONS FOR INCREASE IN BUILDING LEASE

The agency is requesting additional appropriations of \$18,000 for each fiscal year for an increase in the office building lease. The agency's office lease expires on January 31, 2017. The new lease, negotiated by the Texas Facilities Commission, increased 20.7%. It will be challenging for the agency to absorb this increase without additional appropriations especially in light of the four percent reduction.

XI. EXCEPTIONAL ITEM – REOPENING GREYHOUND RACETRACK

On December 31, 2015, Gulf Greyhound Park ended live greyhound racing. Gulf Greyhound was the last greyhound racetrack to offer year-round live racing. Valley Race Park last conducted live racing in 2013 and Corpus Christi Greyhound Racetrack, now Gulf Coast Racing, last conducted live racing in December, 2007. The three racetracks have requested and have been granted 36 days of live racing each year to be rotated among the three tracks. These meets will run from mid-November through early February. Valley Race Park will be the first track to begin this schedule in November, 2016. Gulf Greyhound will host the live meet in 2017, and Gulf Coast Racing will conduct live racing in 2018.

This request of \$23,000 for each fiscal year would restore some of the appropriations lost due to the four percent reduction. Also, additional costs have been identified since the preparation of the Base Reconciliation. Travel costs have increased due to the numerous inspections needed and equipment installations needed prior to the actual start of live racing.

X. EXCEPTIONAL ITEM – RESTORE THE REDUCTION OF TRAVEL AND PERSONNEL COSTS

In response to a declining industry and to loss of revenue, the agency reduced its budget as outlined above for FY 2016 and FY 2017. This was reflected in the agency's baseline computation for FY 2018-19. Further cuts taken in response to the 4 percent reduction for FY 2018-19 would reduce the presence of staff at the racetracks. As part of the four percent reduction, the travel budget was reduced, and reductions were taken in other personnel costs. The reduction taken in other personnel costs would cause a delay in replacing essential staff who are eligible for retirement in the FY 2018-19 biennium. This exceptional item request of \$35,700 would minimize the effect of reduced oversight at the racetracks.

XI. EXCEPTIONAL ITEM – RESTORE ONE PERCENT REDUCTION TAKEN, OR \$29,500, TO PASS THROUGH TEXAS BRED INCENTIVE PROGRAM

A reduction of four percent in the Texas Bred Incentive Program could prevent all of the revenue earned and deposited from being distributed to Texas owners and breeders. In order to have sufficient appropriation authority to pay out all funds, this exceptional item would restore one percent or \$29,500 to the Texas Bred Program. This appropriation restoration is needed to ensure that all statutorily dedicated funds earned can be distributed to the breed registries for payments to the individual Texas owners and breeders. A revision of Rider 2, as mentioned above, would negate the need for this exceptional item.

476 Racing Commission

XII. SUPPLEMENTAL SCHEDULE – 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS

As directed, the agency reviewed its request and offers a reduction in 11 areas that equal a 10 percent reduction. It is important to note that 47 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, 73.5 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 \$332,500 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. Any further decrease to the appropriation for the Texas Bred Incentive Program would prevent statutorily dedicated revenue from being distributed to the breed registries, which in turn will reduce awards paid to accredited Texas bred greyhounds and horses.
2. Eliminate Accounting Professional Fees and Services – a biennial reduction of \$10,000 for professional fees and services related to providing internal auditing services.
3. Eliminate Training Budgets – a biennial reduction of \$13,550 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 \$34,070 for yearly membership dues to the Association of Racing Commissioners International (ARCI). Not being able to access the organization's national licensee database or participate in the development of national standards for racing regulation, medication policies, drug testing laboratories, totalizator systems, racetrack operations and security will negatively impact agency operations.
5. Elimination of Staff - a reduction of \$77,138 for the biennium related to the elimination of certain positions. This reduction will result in the reduced monitoring of several regulatory programs and delayed payments of travel and purchase vouchers.
6. Reduction of Staff Work Hours - a reduction of \$251,316 for the biennium. This reduction is achieved by reducing certain staff from 40 hour work weeks to 30 hour work weeks in areas with the least impact to overseeing live racing operations. It will result in reduced regulatory oversight of all racing operations.
7. Reduce Travel Reimbursements - a biennial reduction of \$11,754 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.
8. Texas Bred Incentive Program – an additional \$332,500 biennial reduction in appropriation authority for the Texas Bred Incentive Program.
9. Eliminate Accounting Professional Fees and Services – a biennial reduction of \$10,000 for professional fees and services related to providing internal auditing services. This reduction would completely eliminate any internal auditing services performed by the agency's contracted internal auditor.
10. Elimination of Staff - a further reduction of \$109,768 for the biennium related to the elimination of certain positions. The elimination of these positions would result in reduced monitoring of pari-mutuel wagering, a delay in response time to open records requests and reduced effectiveness of internal office procedures.
11. Reduction of Staff Work Hours - a reduction of \$225,414 for the biennium. This reduction is achieved by reducing certain staff from 40 hour work weeks to 30 hour work weeks in areas that would have an impact to overseeing live racing operations. It would result in reduced regulatory oversight of all racing operations. It would also affect the agency's ability to attract qualified individuals and retain staff with the knowledge and experience to regulate as required by the Racing Act.

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

STATUTE AND RULE:

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

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

Administrator's Statement

8/4/2016 3:45:03PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

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 resubmits fingerprints and obtains a new FBI background check at the three-year renewal mark for each occupational licensee. Between renewal periods, TxRC investigators rely on updates from DPS which alert the Commission if a licensee is arrested in Texas.

XIII. SUMMARY

The Commission regulates an industry that is large and complex, operating seven days a week and 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 items – 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

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016
TIME: 3:45:04PM
PAGE: 1 OF 1

Agency code: **476**

Agency name: **Racing Commission**

AGENCY MISSION

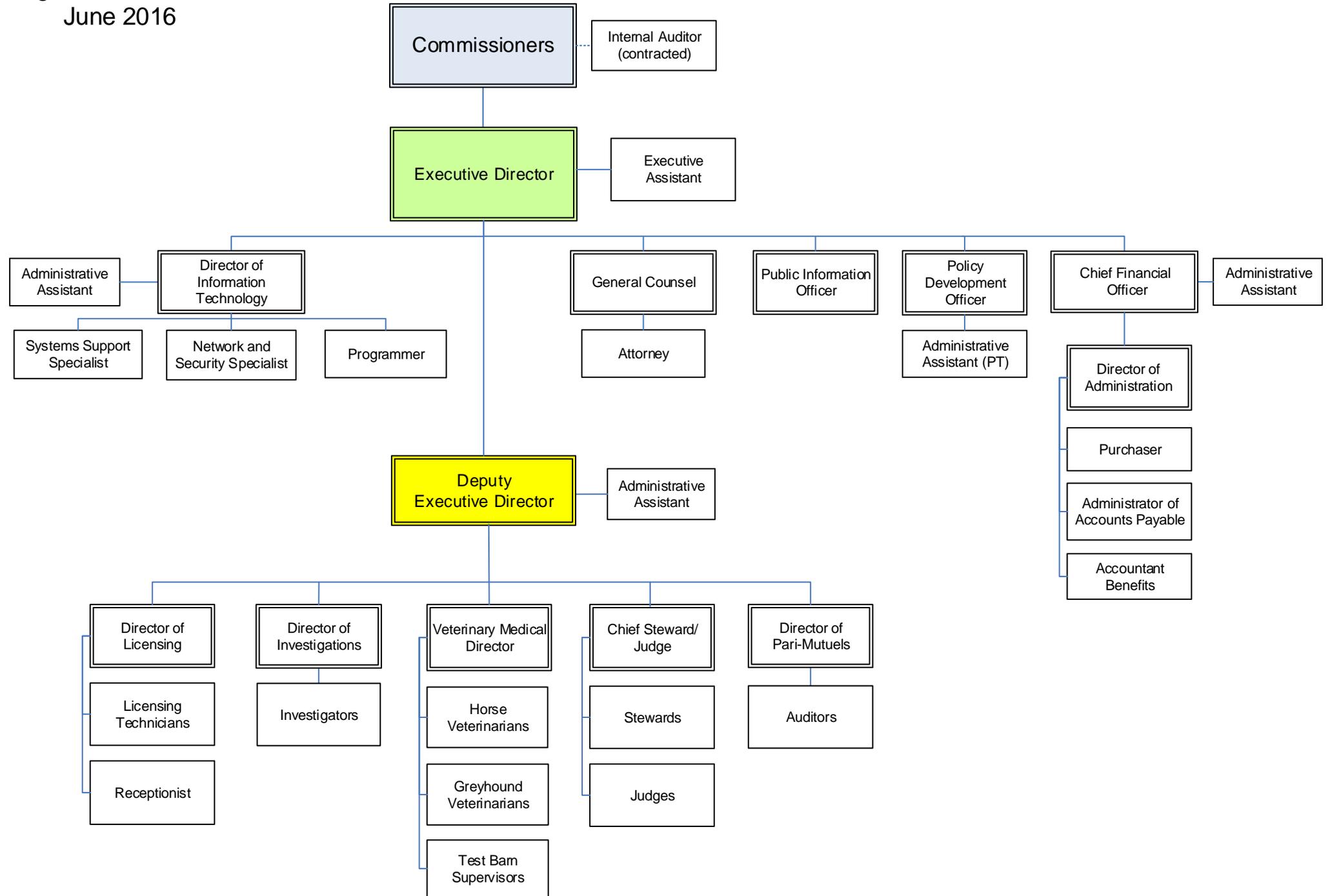
To enforce the Texas Racing Act and the Rules of Racing to ensure the safety, integrity and fairness of Texas pari-mutuel racing.

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

TEXAS RACING COMMISSION

Organizational Chart

June 2016



Budget Overview - Biennial Amounts
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission
Appropriation Years: 2018-19

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2018-19
	Goal: 1. Enforce Racing Regulations in Texas										
1.1.1. License/Regulate Racetracks			769,106	765,882					769,106	765,882	6,000
1.2.1. Texas Bred Incentive Program			6,866,340	6,591,686					6,866,340	6,591,686	59,000
1.3.1. Supervise & Conduct Live Races			1,099,756	1,062,482					1,099,756	1,062,482	29,000
1.3.2. Monitor Licensee Activities			481,005	456,494					481,005	456,494	14,000
1.4.1. Inspect & Provide Emergency Care			694,432	707,904					694,432	707,904	20,400
1.4.2. Administer Drug Tests			468,666	420,362					468,666	420,362	10,000
Total, Goal			10,379,305	10,004,810					10,379,305	10,004,810	138,400
Goal: 2. Regulate the Participation in Racing											
2.1.1. Occupational Licensing Program			879,039	816,032					879,039	816,032	8,000
2.1.2. Texas.Gov			40,370	38,370					40,370	38,370	
Total, Goal			919,409	854,402					919,409	854,402	8,000
Goal: 3. Regulate Pari-mutuel Wagering in Texas											
3.1.1. Monitor Wagering And Compliance			817,565	737,590					817,565	737,590	10,000
Total, Goal			817,565	737,590					817,565	737,590	10,000
Goal: 4. Indirect Administration											
4.1.1. Central Admin & Other Support Svcs			1,484,088	1,469,274					1,484,088	1,469,274	51,000
4.1.2. Information Resources			1,066,402	1,014,022					1,066,402	1,014,022	5,000
Total, Goal			2,550,490	2,483,296					2,550,490	2,483,296	56,000
Total, Agency			14,666,769	14,080,098					14,666,769	14,080,098	212,400
Total FTEs									47.0	46.4	0.0

2.A. Summary of Base Request by Strategy

8/4/2016 3:45:07PM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
1 Enforce Racing Regulations in Texas					
1 <i>Regulate Pari-mutuel Racetracks Effectively</i>					
1 LICENSE/REGULATE RACETRACKS	366,828	382,426	386,680	382,941	382,941
2 <i>Provide Oversight of Texas Bred Incentive Program</i>					
1 TEXAS BRED INCENTIVE PROGRAM	3,319,844	3,391,340	3,475,000	3,295,843	3,295,843
3 <i>Reduce the Rate of Rulings Per Occupational Licensee</i>					
1 SUPERVISE & CONDUCT LIVE RACES	667,067	556,408	543,348	531,241	531,241
2 MONITOR LICENSEE ACTIVITIES	261,068	230,432	250,573	228,247	228,247
4 <i>Reduce the Percentage of Race Animals Injured or Dismissed</i>					
1 INSPECT & PROVIDE EMERGENCY CARE	323,565	326,388	368,044	353,952	353,952
2 ADMINISTER DRUG TESTS	285,650	247,075	221,591	210,181	210,181
TOTAL, GOAL 1	\$5,224,022	\$5,134,069	\$5,245,236	\$5,002,405	\$5,002,405

2 Regulate the Participation in Racing

2.A. Summary of Base Request by Strategy

8/4/2016 3:45:07PM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>1</u> <i>Maintain the Efficiency of the Occupational Licensing Process</i>					
1 OCCUPATIONAL LICENSING PROGRAM	456,595	408,516	470,523	408,016	408,016
2 TEXAS.GOV	18,724	17,870	22,500	19,185	19,185
TOTAL, GOAL 2	\$475,319	\$426,386	\$493,023	\$427,201	\$427,201
<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 COMPLIANCE	511,740	440,575	376,990	368,795	368,795
TOTAL, GOAL 3	\$511,740	\$440,575	\$376,990	\$368,795	\$368,795
<u>4</u> Indirect Administration					
<u>1</u> <i>Indirect Administration</i>					
1 CENTRAL ADMIN & OTHER SUPPORT SVCS	720,958	723,382	760,706	734,637	734,637
2 INFORMATION RESOURCES	525,646	521,454	544,948	507,011	507,011

2.A. Summary of Base Request by Strategy

8/4/2016 3:45:07PM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
TOTAL, GOAL 4	\$1,246,604	\$1,244,836	\$1,305,654	\$1,241,648	\$1,241,648
TOTAL, AGENCY STRATEGY REQUEST	\$7,457,685	\$7,245,866	\$7,420,903	\$7,040,049	\$7,040,049
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$7,457,685	\$7,245,866	\$7,420,903	\$7,040,049	\$7,040,049
<u>METHOD OF FINANCING:</u>					
General Revenue Dedicated Funds:					
597 Texas Racing Comm Acct	7,457,685	7,245,866	7,420,903	7,040,049	7,040,049
SUBTOTAL	\$7,457,685	\$7,245,866	\$7,420,903	\$7,040,049	\$7,040,049
TOTAL, METHOD OF FINANCING	\$7,457,685	\$7,245,866	\$7,420,903	\$7,040,049	\$7,040,049

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

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/4/2016 3:45:07PM

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

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
---------------------	----------	----------	----------	----------	----------

GENERAL REVENUE FUND - DEDICATED

597 GR Dedicated - Texas Racing Commission Account No. 597

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2014-15 GAA)

\$8,315,407	\$0	\$0	\$0	\$0
-------------	-----	-----	-----	-----

Regular Appropriations from MOF Table (2016-17 GAA)

\$0	\$7,681,200	\$7,722,747	\$0	\$0
-----	-------------	-------------	-----	-----

Requested Appropriations

\$0	\$0	\$0	\$7,040,049	\$7,040,049
-----	-----	-----	-------------	-------------

RIDER APPROPRIATION

Art VIII, Sec 6, New Horse Racetrack or Reopening Racetrack (2014-15 GAA)

\$635,637	\$0	\$0	\$0	\$0
-----------	-----	-----	-----	-----

Comments: Matches GAA 2014-15 Rider 6 "Contingent Appropriation: New Horse Racetrack or Reopening Horse Racetrack and Accredited Texas Bred Program" Contingency rider for new horse tracks. Of the total, \$303,600 and 5.0 FTEs are for new horse track operations (Rider 6a), and \$332,037 is for projected Texas Bred Incentive Program revenue collected from the new horse tracks (Rider 6b).

Art VIII, Sec 5, New Horse Racetrack or Reopening Racetrack (2016-17 GAA)

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

8/4/2016 3:45:07PM

85th 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 2015	Est 2016	Bud 2017	Req 2018	Req 2019	
<u>GENERAL REVENUE FUND - DEDICATED</u>						
	\$0	\$635,637	\$635,637	\$0	\$0	
<p>Comments: Matches GAA 2016-17 Rider 5 "Contingent Appropriation: New Horse Racetrack or Reopening Horse Racetrack and Accredited Texas Bred Program" Contingency rider for new horse tracks. Of the total, \$303,600 and 5.0 FTEs are for new horse track operations (Rider 5a), and \$332,037 is for projected Texas Bred Incentive Program revenue collected from the new horse tracks (Rider 5b). The agency does not anticipate any racetracks opening before the end of the biennium and plans to lapse the appropriation.</p>						
<i>TRANSFERS</i>						
Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)						
	\$89,303	\$0	\$0	\$0	\$0	
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17)						
	\$0	\$51,251	\$44,440	\$0	\$0	
<p>Comments: Authority from 2016-2017 GAA Appropriation for a Salary Increase. For FY 2016 and FY 2017, the agency calculated this amount as 2.5% of total employee salaries according to their personnel schedule as of August 31, 2015.</p>						
<i>LAPSED APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2014-15 GAA)						
	\$(842,995)	\$0	\$0	\$0	\$0	

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

8/4/2016 3:45:07PM

85th 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 2015	Est 2016	Bud 2017	Req 2018	Req 2019
---------------------	----------	----------	----------	----------	----------

GENERAL REVENUE FUND - DEDICATED

Comments: The lapsed appropriations are in response to a decline in the racing industry. The reduction in live racing across the operating racetracks, including greyhound racing, resulted in unused Texas Bred Incentive Program appropriations and decreased track staffing levels. In addition, the industry decline resulted in lapsed appropriations for professional fees and services, other operating cost, and background checks. The breakdown by strategy is included below:

- A.1.1. License/Regulate Racetracks: \$487
- A.2.1. Texas Bred Incentive Program: \$805,156
- A.3.1. Supervise & Conduct Live Races: \$1,576
- A.3.2. Monitor Licensee Activities: \$15
- A.4.1. Emergency Care: \$260 A.4.2. Drug Tests: \$2,177
- B.1.1. Occupational Licensing Program: \$6,953
- C.1.1. & C.1.2. Monitor Wagering and Audit: \$15,746
- D.1.1. Central Administration: \$8,562
- D.1.2. Information Resources: \$2,063

Art VIII, Sec 6, New Horse Racetrack or Reopening Racetrack (2014-15 GAA)	\$(635,637)	\$0	\$0	\$0	\$0
---	-------------	-----	-----	-----	-----

Comments: Lapse of Rider 6 "Contingent Appropriations: New Horse Racetrack or Reopening Horse Racetrack and Accredited Texas Bred Program" Saddle Brook Park opened for simulcasting at a temporary facility in October of 2012. However, after two years of simulcasting no progress was made towards the construction of a permanent racing facility. Their license to simulcast at a temporary facility expired in October of 2014. No class 2 horse racetracks opened this biennium, therefore, the agency did not activate the contingent revenue rider.

Art VIII, Special Provisions Sec 4 (Texas Online)(2014-15 GAA)

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

8/4/2016 3:45:07PM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<p>Agency code: 476 Agency name: Racing Commission</p>					
<u>GENERAL REVENUE FUND - DEDICATED</u>					
	\$(3,776)	\$0	\$0	\$0	\$0
<p>Comments: The agency issued fewer licenses than projected and, therefore, did not utilize the full appropriation.</p>					
Art VIII, Rider 4 (Criminal History & Background Checks)	\$(100,254)	\$0	\$0	\$0	\$0
<p>Comments: GAA 2014-15 Rider 4 "Criminal History Checks and Background Checks" The agency performs criminal history and background checks on each new licensee and on each licensee that renews every three years. In addition, background checks are also performed on racetrack license applicants when a new application is submitted or when a change in ownership is requested. Because of the decline in the racing industry, a smaller licensing population has caused less criminal history and background checks to be performed. As a result, the agency will lapse appropriations utilized for this program.</p>					
Regular Appropriation from MOF Table (2016-17 GAA)	\$0	\$(399,933)	\$(346,284)	\$0	\$0

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

8/4/2016 3:45:07PM

85th 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 2015	Est 2016	Bud 2017	Req 2018	Req 2019
---------------------	----------	----------	----------	----------	----------

GENERAL REVENUE FUND - DEDICATED

Comments: The anticipated lapsed appropriations are in response to a decline in the racing industry. The reduction in live racing across the operating racetracks, including the greyhound tracks which have 36 race days approved each year at alternating tracks, will result in unused Texas Bred Incentive Program appropriations and decreased track staffing levels. In addition, due to the industry decline, the agency anticipates lapsed appropriations for professional fees and services, other operating cost, and background checks. The breakdown by strategy is included below:

- A.2.1. Texas Bred Incentive Program: \$83,660; \$0
- A.3.1. Supervise & Conduct Live Races: \$128,602; \$138,565
- A.3.2. Monitor Licensee Activities: \$15,170; \$0
- A.4.1. Emergency Care: \$18,280; \$0
- A.4.2. Drug Tests: \$41,056; \$37,276
- B.1.1. Occupational Licensing Program: \$26,537; \$46,154
- C.1.1. & C.1.2. Monitor Wagering and Audit: \$61,589; \$123,009
- D.1.1. Central Administration: \$25,039; \$1,280
- D.1.2. Information Resources: \$0; \$0

Art VIII, Special Provisions, Sec 4 (Texas Online)(2016-17 GAA)	\$0	\$(4,630)	\$0	\$0	\$0
---	-----	-----------	-----	-----	-----

Art VIII, Rider 3 (Criminal History & Background Checks)	\$0	\$(82,022)	\$0	\$0	\$0
--	-----	------------	-----	-----	-----

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

8/4/2016 3:45:07PM

85th 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 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE FUND - DEDICATED</u>						
	<p>Comments: GAA 2016-17 Rider 3 "Criminal History Checks and Background Checks" The agency performs criminal history and background checks on each new licensee and on each licensee that renews every three years. In addition, background checks are also performed on racetrack license applicants when a new application is submitted or when a change in ownership is requested. Because of the decline in the racing industry, a smaller licensing population has caused less criminal history and background checks to be performed. As a result, the agency will lapse appropriations utilized for this program.</p>					
	<p>Art VIII, Sec 5, New Horse Racetrack or Reopening Racetrack (2016-17 GAA)</p>					
		\$0	\$(635,637)	\$(635,637)	\$0	\$0
	<p>Comments: Lapse of Rider 5 "Contingent Appropriations: New Horse Racetrack or Reopening Horse Racetrack and Accredited Texas Bred Program" The agency does not expect the Class 2 horse racetrack that was projected to open this biennium to meet the expected target date and, therefore, does not plan on activating the contingent revenue rider.</p>					
TOTAL,	GR Dedicated - Texas Racing Commission Account No. 597					
		\$7,457,685	\$7,245,866	\$7,420,903	\$7,040,049	\$7,040,049
TOTAL, ALL	GENERAL REVENUE FUND - DEDICATED					
		\$7,457,685	\$7,245,866	\$7,420,903	\$7,040,049	\$7,040,049
TOTAL,	GR & GR-DEDICATED FUNDS					
		\$7,457,685	\$7,245,866	\$7,420,903	\$7,040,049	\$7,040,049
GRAND TOTAL		\$7,457,685	\$7,245,866	\$7,420,903	\$7,040,049	\$7,040,049

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/4/2016 3:45:07PM

Agency code: 476	Agency name: Racing Commission				
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2014-15 GAA)	52.6	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2016-17 GAA)	0.0	51.2	51.2	0.0	0.0
Requested Appropriations	0.0	0.0	0.0	46.4	46.4
RIDER APPROPRIATION					
Art VIII, Rider 6 (2014-15 GAA)	5.0	0.0	0.0	0.0	0.0
Art VIII, Rider 5 (2016-17 GAA)	0.0	5.0	5.0	0.0	0.0
LAPSED APPROPRIATIONS					
Regular Appropriations from MOF Table (2014-15 GAA)	(5.1)	0.0	0.0	0.0	0.0
Art VIII, Rider 6 (2014-15 GAA)	(5.0)	0.0	0.0	0.0	0.0
Regular Appropriation from MOF Table (2016-17 GAA)	0.0	(3.7)	(4.2)	0.0	0.0
Art VIII, Rider 5 (2016-17 GAA)	0.0	(5.0)	(5.0)	0.0	0.0
TOTAL, ADJUSTED FTES	47.5	47.5	47.0	46.4	46.4

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

8/4/2016 3:45:07PM

85th 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 2015	Est 2016	Bud 2017	Req 2018	Req 2019	
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

8/4/2016 3:45:07PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

OBJECT OF EXPENSE	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1001 SALARIES AND WAGES	\$2,804,642	\$2,738,579	\$2,790,317	\$2,729,201	\$2,729,201
1002 OTHER PERSONNEL COSTS	\$231,658	\$225,036	\$172,075	\$97,014	\$97,014
2001 PROFESSIONAL FEES AND SERVICES	\$181,002	\$199,712	\$163,094	\$156,750	\$158,068
2003 CONSUMABLE SUPPLIES	\$27,179	\$13,884	\$16,700	\$9,411	\$9,569
2004 UTILITIES	\$59,458	\$48,855	\$58,000	\$49,000	\$49,000
2005 TRAVEL	\$208,737	\$209,177	\$216,000	\$212,657	\$212,657
2006 RENT - BUILDING	\$86,504	\$86,518	\$86,694	\$104,626	\$104,626
2007 RENT - MACHINE AND OTHER	\$9,017	\$4,102	\$2,300	\$2,300	\$2,300
2009 OTHER OPERATING EXPENSE	\$498,379	\$328,663	\$440,723	\$383,247	\$381,771
4000 GRANTS	\$3,319,844	\$3,391,340	\$3,475,000	\$3,295,843	\$3,295,843
5000 CAPITAL EXPENDITURES	\$31,265	\$0	\$0	\$0	\$0
OOE Total (Excluding Riders)	\$7,457,685	\$7,245,866	\$7,420,903	\$7,040,049	\$7,040,049
OOE Total (Riders)					
Grand Total	\$7,457,685	\$7,245,866	\$7,420,903	\$7,040,049	\$7,040,049

2.D. Summary of Base Request Objective Outcomes
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

8/4/2016 3:45:08PM

476 Racing Commission

Goal/ Objective / Outcome	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1 Enforce Racing Regulations in Texas					
1 Regulate Pari-mutuel Racetracks Effectively					
1 Percent Racetracks with Inspection Score of 100 Percent					
	66.98%	75.00%	75.00%	75.00%	75.00%
2 Percentage of Deficiency Items Closed					
	100.00%	100.00%	95.00%	95.00%	95.00%
2 Provide Oversight of Texas Bred Incentive Program					
1 Percent Increase in Texas Bred Accredited Horses					
	-7.33%	-5.00%	-5.00%	-5.00%	-5.00%
2 Percent Increase in Texas Bred Accredited Greyhounds					
	51.61%	-30.00%	-10.00%	-10.00%	-10.00%
3 Reduce the Rate of Rulings Per Occupational Licensee					
1 Average Number of Rulings Per Occupational Licensee					
	0.04	0.04	0.04	0.04	0.04
2 Recidivism Rate for Those Receiving Disciplinary Action					
	42.75%	39.25%	40.00%	40.00%	40.00%
KEY 3 Percentage of Investigations Resulting in Disciplinary Action					
	97.94%	95.00%	90.00%	90.00%	90.00%
KEY 4 Percentage of Licensees with No Recent Violations					
	96.99%	97.24%	97.00%	97.00%	97.00%
4 Reduce the Percentage of Race Animals Injured or Dismissed					
KEY 1 Percent of Race Horses that Sustain a Catastrophic Injury					
	0.15%	0.16%	0.20%	0.20%	0.20%
KEY 2 Percent of Greyhounds that Sustain a Catastrophic Injury					
	0.07%	0.05%	0.20%	0.20%	0.20%
3 Number of Drug Positive Tests for Prohibited Substances in Horses					
	18.60	20.80	20.70	20.70	20.70

2.D. Summary of Base Request Objective Outcomes
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

8/4/2016 3:45:08PM

476 Racing Commission

Goal/ Objective / Outcome	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
4 Number of Drug Positive Tests for Prohibited Subst in Greyhounds	0.00	0.00	0.00	0.00	0.00
2 Regulate the Participation in Racing					
1 Maintain the Efficiency of the Occupational Licensing Process					
1 Percent of License Holders Meeting Qualifications	99.75%	100.00%	100.00%	100.00%	100.00%
2 Percent of New Eligible Individual Licences Issued Online	9.02%	11.25%	11.50%	12.00%	12.00%
3 Percent of Licensees Who Renew Online	13.35%	14.50%	15.00%	15.00%	15.00%
3 Regulate Pari-mutuel Wagering in Texas					
1 Increase Pass Rate for Initial Tote Test and Compliance Audits					
1 Percentage of Scenarios Within Tote Tests Passed on the First Run	99.46%	97.00%	97.00%	98.00%	98.00%
KEY 2 Percentage of Compliance Audits Passed	99.29%	95.00%	95.00%	97.00%	97.00%

2.E. Summary of Exceptional Items Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016
 TIME : 3:45:08PM

Agency code: 476

Agency name: **Racing Commission**

Priority	Item	2018			2019			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Building Lease Increase	\$18,000	\$18,000		\$18,000	\$18,000		\$36,000	\$36,000
2	Reopening Greyhound Racetrack	\$23,000	\$23,000		\$23,000	\$23,000		\$46,000	\$46,000
3	Restore Oversight	\$35,700	\$35,700		\$35,700	\$35,700		\$71,400	\$71,400
4	Restore 1% taken from Texas Bred.	\$29,500	\$29,500		\$29,500	\$29,500		\$59,000	\$59,000
Total, Exceptional Items Request		\$106,200	\$106,200		\$106,200	\$106,200		\$212,400	\$212,400

Method of Financing

General Revenue

General Revenue - Dedicated

Federal Funds

Other Funds

General Revenue									
General Revenue - Dedicated	106,200	106,200		106,200	106,200		212,400	212,400	
Federal Funds									
Other Funds									
	\$106,200	\$106,200		\$106,200	\$106,200		\$212,400	\$212,400	

Full Time Equivalent Positions

Number of 100% Federally Funded FTEs

0.0

0.0

2.F. Summary of Total Request by Strategy
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/4/2016
 TIME : 3:45:08PM

Agency code: 476 Agency name: Racing Commission

Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
1 Enforce Racing Regulations in Texas						
<i>1 Regulate Pari-mutuel Racetracks Effectively</i>						
1 LICENSE/REGULATE RACETRACKS	\$382,941	\$382,941	\$3,000	\$3,000	\$385,941	\$385,941
<i>2 Provide Oversight of Texas Bred Incentive Program</i>						
1 TEXAS BRED INCENTIVE PROGRAM	3,295,843	3,295,843	29,500	29,500	3,325,343	3,325,343
<i>3 Reduce the Rate of Rulings Per Occupational Licensee</i>						
1 SUPERVISE & CONDUCT LIVE RACES	531,241	531,241	14,500	14,500	545,741	545,741
2 MONITOR LICENSEE ACTIVITIES	228,247	228,247	7,000	7,000	235,247	235,247
<i>4 Reduce the Percentage of Race Animals Injured or Dismissed</i>						
1 INSPECT & PROVIDE EMERGENCY CARE	353,952	353,952	10,200	10,200	364,152	364,152
2 ADMINISTER DRUG TESTS	210,181	210,181	5,000	5,000	215,181	215,181
TOTAL, GOAL 1	\$5,002,405	\$5,002,405	\$69,200	\$69,200	\$5,071,605	\$5,071,605
2 Regulate the Participation in Racing						
<i>1 Maintain the Efficiency of the Occupational Licensing Process</i>						
1 OCCUPATIONAL LICENSING PROGRAM	408,016	408,016	4,000	4,000	412,016	412,016
2 TEXAS.GOV	19,185	19,185	0	0	19,185	19,185
TOTAL, GOAL 2	\$427,201	\$427,201	\$4,000	\$4,000	\$431,201	\$431,201
3 Regulate Pari-mutuel Wagering in Texas						
<i>1 Increase Pass Rate for Initial Tote Test and Compliance Audits</i>						
1 MONITOR WAGERING AND COMPLIANCE	368,795	368,795	5,000	5,000	373,795	373,795
TOTAL, GOAL 3	\$368,795	\$368,795	\$5,000	\$5,000	\$373,795	\$373,795

2.F. Summary of Total Request by Strategy
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/4/2016
 TIME : 3:45:08PM

Agency code: 476 Agency name: Racing Commission

Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
4 Indirect Administration						
1 Indirect Administration						
1 CENTRAL ADMIN & OTHER SUPPORT SVCS	\$734,637	\$734,637	\$25,500	\$25,500	\$760,137	\$760,137
2 INFORMATION RESOURCES	507,011	507,011	2,500	2,500	509,511	509,511
TOTAL, GOAL 4	\$1,241,648	\$1,241,648	\$28,000	\$28,000	\$1,269,648	\$1,269,648
TOTAL, AGENCY STRATEGY REQUEST	\$7,040,049	\$7,040,049	\$106,200	\$106,200	\$7,146,249	\$7,146,249
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$7,040,049	\$7,040,049	\$106,200	\$106,200	\$7,146,249	\$7,146,249

2.F. Summary of Total Request by Strategy
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/4/2016

TIME : 3:45:08PM

Agency code: 476 Agency name: Racing Commission

Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
General Revenue Dedicated Funds:						
597 Texas Racing Comm Acct	\$7,040,049	\$7,040,049	\$106,200	\$106,200	\$7,146,249	\$7,146,249
	\$7,040,049	\$7,040,049	\$106,200	\$106,200	\$7,146,249	\$7,146,249
TOTAL, METHOD OF FINANCING	\$7,040,049	\$7,040,049	\$106,200	\$106,200	\$7,146,249	\$7,146,249
FULL TIME EQUIVALENT POSITIONS	46.4	46.4	0.0	0.0	46.4	46.4

2.G. Summary of Total Request Objective Outcomes
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/4/2016
 Time: 3:45:09PM

Agency code: 476

Agency name: **Racing Commission**

Goal/ Objective / Outcome

		BL 2018	BL 2019	Excp 2018	Excp 2019	Total Request 2018	Total Request 2019
KEY	4 Percentage of Licensees with No Recent Violations	97.00%	97.00%			97.00%	97.00%
	4 <i>Reduce the Percentage of Race Animals Injured or Dismissed</i>						
KEY	1 Percent of Race Horses that Sustain a Catastrophic Injury	0.20%	0.20%			0.20%	0.20%
KEY	2 Percent of Greyhounds that Sustain a Catastrophic Injury	0.20%	0.20%			0.20%	0.20%
	3 Number of Drug Positive Tests for Prohibited Substances in Horses	20.70	20.70			20.70	20.70
	4 Number of Drug Positive Tests for Prohibited Subst in Greyhounds	0.00	0.00			0.00	0.00
2	Regulate the Participation in Racing						
1	<i>Maintain the Efficiency of the Occupational Licensing Process</i>						
	1 Percent of License Holders Meeting Qualifications	100.00%	100.00%			100.00%	100.00%
	2 Percent of New Eligible Individual Licences Issued Online	12.00%	12.00%			12.00%	12.00%
	3 Percent of Licensees Who Renew Online	15.00%	15.00%			15.00%	15.00%

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
	1 Number of Racetrack Operation Complaints Closed	2.00	2.00	2.00	2.00	2.00
KEY 2	Number of Racetrack Inspections	106.00	55.00	55.00	55.00	55.00
Efficiency Measures:						
	1 Average Regulatory Cost Per Racetrack	34,981.00	40,334.00	53,552.00	54,299.00	54,299.00
Explanatory/Input Measures:						
KEY 1	Number of Horse Tracks Regulated	10.00	10.00	7.00	7.00	7.00
KEY 2	Number of Greyhound Tracks Regulated	3.00	3.00	3.00	3.00	3.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$329,896	\$360,566	\$360,810	\$360,810	\$360,810
1002	OTHER PERSONNEL COSTS	\$11,010	\$9,879	\$13,920	\$10,312	\$10,312
2003	CONSUMABLE SUPPLIES	\$592	\$0	\$0	\$0	\$0
2005	TRAVEL	\$8,336	\$5,787	\$8,250	\$4,750	\$4,750
2009	OTHER OPERATING EXPENSE	\$16,994	\$6,194	\$3,700	\$7,069	\$7,069
TOTAL, OBJECT OF EXPENSE		\$366,828	\$382,426	\$386,680	\$382,941	\$382,941
Method of Financing:						
597	Texas Racing Comm Acct	\$366,828	\$382,426	\$386,680	\$382,941	\$382,941

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$366,828	\$382,426	\$386,680	\$382,941	\$382,941
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$382,941	\$382,941
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$366,828	\$382,426	\$386,680	\$382,941	\$382,941
FULL TIME EQUIVALENT POSITIONS:		4.3	4.5	4.5	4.5	4.5

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Commission’s responsibilities for regulating pari-mutuel racetracks is contained in Article 6 of the Texas Racing Act (V.T.C.S. Art. 179e). It 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, and approving changes in 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.

The Commission must make a determination of active or inactive status of each racetrack and conduct subsequent annual reviews of the inactive racetracks to determine whether to renew the license as Inactive, re-designate as Active, or refer the license to SOAH for non-renewal proceedings. Additionally, the Commission is required to schedule and conduct ownership and management reviews of active racetrack licenses every five years.

The agency accomplishes this strategy through its general counsel’s office.

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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.

Although staff is able to schedule and plan for some of these duties, others, such as a request to make a significant ownership and management change can be challenging. Ownership interests in racetrack licenses have become more fluid, with more owners making requests for approval of transfers. The legal entities holding these interests also have become more complex, making for longer and more complicated investigations.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$769,106	\$765,882	\$(3,224)	\$(3,224)	Reductions were taken in travel from fund 597 due to the 4% reduction. Did not affect FTE count.
			\$(3,224)	Total of Explanation of Biennial Change

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 OBJECTIVE: 2 Provide Oversight of Texas Bred Incentive Program
 STRATEGY: 1 Allocate TX Bred Funds. Estimated and Nontransferable.

Service Categories:
 Service: 13 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
KEY 1	Number of Texas Bred Awards for Horses	6,893.00	7,191.00	7,100.00	7,000.00	7,000.00
KEY 2	Number of Texas Bred Awards for Greyhounds	2,168.00	856.00	1,920.00	1,920.00	1,920.00
Explanatory/Input Measures:						
1	Total Amount of Money Dedicated to Texas Bred Incentive Programs	3,319,844.00	3,295,000.00	3,270,000.00	3,245,000.00	3,222,000.00
Objects of Expense:						
4000	GRANTS	\$3,319,844	\$3,391,340	\$3,475,000	\$3,295,843	\$3,295,843
TOTAL, OBJECT OF EXPENSE		\$3,319,844	\$3,391,340	\$3,475,000	\$3,295,843	\$3,295,843
Method of Financing:						
597	Texas Racing Comm Acct	\$3,319,844	\$3,391,340	\$3,475,000	\$3,295,843	\$3,295,843
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$3,319,844	\$3,391,340	\$3,475,000	\$3,295,843	\$3,295,843
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,295,843	\$3,295,843
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,319,844	\$3,391,340	\$3,475,000	\$3,295,843	\$3,295,843
FULL TIME EQUIVALENT POSITIONS:						

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 OBJECTIVE: 2 Provide Oversight of Texas Bred Incentive Program Service Categories:
 STRATEGY: 1 Allocate TX Bred Funds. Estimated and Nontransferable. Service: 13 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

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 Commission 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 also to the local economies by providing jobs, purchasing goods and services, and generating tax revenues.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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, the Texas’ program has remained relatively flat over the last five years. Through legislative designation, neighboring states also have limited a substantial portion of their 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 some Texas breeders to relocate to other states or to leave the business altogether.

3.A. Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/4/2016 3:45:09PM

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 OBJECTIVE: 2 Provide Oversight of Texas Bred Incentive Program
 STRATEGY: 1 Allocate TX Bred Funds. Estimated and Nontransferable.

Service Categories:
 Service: 13 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2016 + Bud 2017)</u>	<u>Baseline Request (BL 2018 + BL 2019)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$6,866,340	\$6,591,686	\$(274,654)	\$(274,654)	Reduced amount in fund 597 due to requested 4% reduction. There are no FTEs in this appropriation.
			<u>\$(274,654)</u>	Total of Explanation of Biennial Change

3.A. Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/4/2016 3:45:09PM

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 OBJECTIVE: 3 Reduce the Rate of Rulings Per Occupational Licensee
 STRATEGY: 1 Supervise the Conduct of Racing through Enforcement and Monitoring

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
1	Number of Live Races Monitored	5,150.00	5,098.00	2,260.00	2,260.00	2,260.00
2	Number of Rulings Issued against Occupational Licensees	296.00	258.00	262.00	262.00	262.00
KEY 3	Number of Occupational Licenses Suspended or Revoked	117.00	104.00	106.00	106.00	106.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$565,324	\$446,444	\$423,862	\$421,993	\$421,993
1002	OTHER PERSONNEL COSTS	\$34,565	\$30,485	\$30,586	\$19,372	\$19,372
2001	PROFESSIONAL FEES AND SERVICES	\$15,979	\$24,710	\$25,000	\$25,000	\$25,000
2004	UTILITIES	\$3,445	\$0	\$0	\$0	\$0
2005	TRAVEL	\$43,718	\$49,240	\$60,000	\$61,500	\$61,500
2009	OTHER OPERATING EXPENSE	\$4,036	\$5,529	\$3,900	\$3,376	\$3,376
TOTAL, OBJECT OF EXPENSE		\$667,067	\$556,408	\$543,348	\$531,241	\$531,241
Method of Financing:						
597	Texas Racing Comm Acct	\$667,067	\$556,408	\$543,348	\$531,241	\$531,241
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$667,067	\$556,408	\$543,348	\$531,241	\$531,241

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$531,241	\$531,241
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$667,067	\$556,408	\$543,348	\$531,241	\$531,241
FULL TIME EQUIVALENT POSITIONS:		8.9	7.4	7.4	7.0	7.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

Section 3.02 of the Texas Racing Act requires the Commission to regulate and supervise every race meeting in the state involving wagering. It also makes all persons and things relating to the operation of those meetings subject to regulation and supervision by the Commission. Section 3.07 requires the Commission to employ a board of three stewards or judges at each racetrack to supervise live racing. Section 7.01 provides that a person may not participate in racing, except as a spectator or patron, without first obtaining a license from the Commission. Section 7.04 provides grounds on which the Commission may deny, revoke or suspend a license.

Strategy 1-3-1 implements these sections by providing for regulation of each live race conducted in this state and the regulation of occupational licensees.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

Stewards and Racing Judges, as well as other staff dedicated to regulating live racing, are an integral part of each day of live racing. Most of the hours they work are dedicated to supervision of the race performance. With decreasing FTE and salary resources over the past several years, they now have little time to oversee the restricted areas of a racetrack on the days preceding or succeeding live race days. This change has resulted in a significant loss of important communication between Commission employees and occupational licensees, including racetrack personnel, trainers, jockeys, veterinarians, kennelmen, and other racing participants, which decreases the ability of the Commission to fully monitor and supervise racing activities.

This scheduling challenge is compounded by the fact that racetracks respond to changing market conditions on a much shorter time frame than the state's biennial planning process. Gulf Greyhound Park's decision to end live racing as of 12/31/2015, is just the latest example of a change that significantly affected the agency's operations in the midst of the fiscal year. That decision, as well as the three greyhound tracks' modified racing schedules for 2016, 2017, 2018, and 2019, is reflected in this LAR.

Texas has made significant progress in adopting national regulatory standards, particularly in the area of identifying and correcting the use of prohibited drugs. Aligning Texas' rules and policies to match other jurisdictions will improve licensees' ability to comply with those expectations as they move from state to state.

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 OBJECTIVE: 3 Reduce the Rate of Rulings Per Occupational Licensee
 STRATEGY: 1 Supervise the Conduct of Racing through Enforcement and Monitoring

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$1,099,756	\$1,062,482	\$(37,274)	\$(32,800)	4% reductions taken in other personnel costs, travel and other operating costs from fund 597. No FTEs were affected.
			\$(4,474)	Reductions were taken in mid FY 2016 due to reduced greyhound racing. These reductions were taken in fund 597 and FTEs were reduced by .5.
			\$(37,274)	Total of Explanation of Biennial Change

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 OBJECTIVE: 3 Reduce the Rate of Rulings Per Occupational Licensee
 STRATEGY: 2 Monitor Occupational Licensee Activities

Service Categories:
 Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
KEY 1	Number of Investigations Completed	139.00	138.00	141.00	141.00	141.00
2	Number of Complaints Received Against Licensees	0.00	3.00	3.00	3.00	3.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$190,872	\$176,404	\$191,221	\$178,893	\$178,893
1002	OTHER PERSONNEL COSTS	\$27,450	\$17,640	\$20,552	\$12,820	\$12,820
2001	PROFESSIONAL FEES AND SERVICES	\$570	\$320	\$500	\$500	\$500
2003	CONSUMABLE SUPPLIES	\$1,034	\$600	\$1,800	\$500	\$500
2005	TRAVEL	\$34,871	\$33,001	\$34,000	\$34,000	\$34,000
2009	OTHER OPERATING EXPENSE	\$6,271	\$2,467	\$2,500	\$1,534	\$1,534
TOTAL, OBJECT OF EXPENSE		\$261,068	\$230,432	\$250,573	\$228,247	\$228,247
Method of Financing:						
597	Texas Racing Comm Acct	\$261,068	\$230,432	\$250,573	\$228,247	\$228,247
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$261,068	\$230,432	\$250,573	\$228,247	\$228,247

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 OBJECTIVE: 3 Reduce the Rate of Rulings Per Occupational Licensee
 STRATEGY: 2 Monitor Occupational Licensee Activities

Service Categories:
 Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$228,247	\$228,247
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$261,068	\$230,432	\$250,573	\$228,247	\$228,247
FULL TIME EQUIVALENT POSITIONS:		3.3	3.3	3.4	3.4	3.4

STRATEGY DESCRIPTION AND JUSTIFICATION:

Section 3.02 of the Texas Racing Act requires the Commission to regulate and supervise every race meeting in the state involving wagering. It also makes all persons and things relating to the operation of those meetings subject to regulation and supervision by the Commission. Section 7.01 provides that a person may not participate in racing, except as a spectator or patron, without first obtaining a license from the Commission. Section 7.04 provides grounds on which the Commission may deny, revoke or suspend a license. Section 11.01 authorizes the Commission to employ and commission investigators as peace officers.

This strategy implements these sections by providing investigators that assist the stewards, judges, veterinarians, and licensing staff by monitoring the activities of licensees, conducting inspections, conducting investigations on animal drug positives, reviewing criminal histories returned on license applicants, and detecting illegal wagering, contraband, human drug abuse, narcotics trafficking, and other illicit activities that could affect the integrity of pari-mutuel racing.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

Over the past several years decreasing FTE and salary resources along with DPS having to redirect most of their racetrack support staff to concentrate on threats of terrorism and gang/drug violations has resulted in a reduced presence of enforcement personnel at the racetracks. However, while the visible presence has been reduced, a strong partnership remains through intelligence sharing and DPS' participation in periodic gate and barn searches or any other requested assistance.

The Commission has maintained its enforcement effort but the demands on its resources will continue to increase. To aid its enforcement effort, the Commission is asking for the authority and appropriations for investigators to use an imprest fund to secure evidence or information necessary to prosecute a violation.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$481,005	\$456,494	\$(24,511)	\$(24,511)	Biennial Change is due to 4% reduction in fund 597. Reduction was taken in Other Personnel Cost, Travel and Other Operating Cost. No FTEs were affected.
			\$(24,511)	Total of Explanation of Biennial Change

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 OBJECTIVE: 4 Reduce the Percentage of Race Animals Injured or Dismissed
 STRATEGY: 1 Inspect and Provide Emergency Care

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
KEY 1	Number of Horses Inspected Pre-race	15,037.00	12,667.00	13,020.00	11,160.00	11,160.00
KEY 2	Number of Greyhounds Inspected Pre-race	25,067.00	7,146.00	2,880.00	2,880.00	2,880.00
Efficiency Measures:						
1	Average Regulatory Cost Per Animal Inspected	10.89	21.44	29.63	34.34	34.34
Explanatory/Input Measures:						
1	Number of Horses that Expire or Must Be Euthanized	23.00	22.00	26.00	26.00	26.00
2	Number of Greyhounds that Expire or Must Be Euthanized	17.00	3.00	6.00	6.00	6.00
3	Number of Euthanized Horses that are Necropsied	8.00	18.00	20.00	20.00	20.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$198,060	\$215,428	\$273,051	\$257,586	\$257,586
1002	OTHER PERSONNEL COSTS	\$28,240	\$8,826	\$7,843	\$2,383	\$2,383
2001	PROFESSIONAL FEES AND SERVICES	\$70,000	\$72,992	\$60,000	\$65,000	\$65,000
2003	CONSUMABLE SUPPLIES	\$178	\$0	\$0	\$0	\$0
2005	TRAVEL	\$20,361	\$24,869	\$25,000	\$25,257	\$25,257
2009	OTHER OPERATING EXPENSE	\$6,726	\$4,273	\$2,150	\$3,726	\$3,726
TOTAL, OBJECT OF EXPENSE		\$323,565	\$326,388	\$368,044	\$353,952	\$353,952

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 OBJECTIVE: 4 Reduce the Percentage of Race Animals Injured or Dismissed
 STRATEGY: 1 Inspect and Provide Emergency Care

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Method of Financing:						
597	Texas Racing Comm Acct	\$323,565	\$326,388	\$368,044	\$353,952	\$353,952
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$323,565	\$326,388	\$368,044	\$353,952	\$353,952
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$353,952	\$353,952
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$323,565	\$326,388	\$368,044	\$353,952	\$353,952
FULL TIME EQUIVALENT POSITIONS:		2.2	3.2	3.6	3.6	3.6

STRATEGY DESCRIPTION AND JUSTIFICATION:

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 is readily available during each race to provide emergency care and attention as needed. Additionally, the veterinarians inspect the barns and kennel areas for health and safety issues.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

With decreasing FTE and salary resources over the past several years, the veterinarians now have limited opportunities to evaluate horses for soundness and are restricted in the time allotted to oversee the daily training work-outs.

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, some 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.

To reduce the number of catastrophic injuries, the Commission, in partnership with the Texas A&M School of Veterinary Medicine, has begun an equine necropsy program with the goal of identifying risk-factors that veterinarians will be able to assess and detect in pre-race examinations.

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 OBJECTIVE: 4 Reduce the Percentage of Race Animals Injured or Dismissed
 STRATEGY: 1 Inspect and Provide Emergency Care

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$694,432	\$707,904	\$13,472	\$(4,686)	Reduction taken in fund 597 due to 4% reduction. Reduction was taken from Other Personnel Cost, Professional Fees and Services and Other Operating Cost. FTEs were not affected.
			\$18,158	It has become increasingly difficult to hire qualified veterinarians at the current salary range. Salaries were raised in FY 2016 to hire the most qualified staff and contract veterinarians.
			\$13,472	Total of Explanation of Biennial Change

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 OBJECTIVE: 4 Reduce the Percentage of Race Animals Injured or Dismissed
 STRATEGY: 2 Administer Drug Tests

Service Categories:
 Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
1	Number of Horse Specimens Collected for Drug Testing	3,640.00	3,426.00	3,720.00	3,720.00	3,720.00
2	Number of Greyhound Specimens Collected for Drug Testing	3,173.00	910.00	346.00	346.00	346.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$247,250	\$199,112	\$195,684	\$183,395	\$183,395
1002	OTHER PERSONNEL COSTS	\$11,773	\$22,040	\$4,457	\$1,352	\$1,352
2005	TRAVEL	\$23,429	\$21,385	\$18,350	\$22,000	\$22,000
2009	OTHER OPERATING EXPENSE	\$3,198	\$4,538	\$3,100	\$3,434	\$3,434
TOTAL, OBJECT OF EXPENSE		\$285,650	\$247,075	\$221,591	\$210,181	\$210,181
Method of Financing:						
597	Texas Racing Comm Acct	\$285,650	\$247,075	\$221,591	\$210,181	\$210,181
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$285,650	\$247,075	\$221,591	\$210,181	\$210,181

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 OBJECTIVE: 4 Reduce the Percentage of Race Animals Injured or Dismissed
 STRATEGY: 2 Administer Drug Tests

Service Categories:
 Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$210,181	\$210,181
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$285,650	\$247,075	\$221,591	\$210,181	\$210,181
FULL TIME EQUIVALENT POSITIONS:		4.6	3.7	3.7	4.0	4.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

Section 3.07 of the Texas Racing Act authorizes the Commission to conduct a comprehensive drug testing program for participating race animals. Under this strategy, Commission veterinarians and test barn staff collect blood and/or urine samples from the race animals, using strict protocols to ensure each sample's integrity. Actual testing is done by the Texas Veterinary Medical Diagnostic Laboratory (TVMDL), as provided for under this section.

The testing program is designed to protect the health and welfare of the animals by detecting any inappropriate use of a wide range of drugs and substances, both therapeutic and non-therapeutic.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

476 Racing Commission

GOAL: 1 Enforce Racing Regulations in Texas
 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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

Texas has made significant progress in adopting national regulatory standards, particularly in the area of identifying and correcting the use of prohibited drugs in racing. Aligning Texas' rules and policies to match those of other national leaders should improve licensees' ability to comply with those expectations as they move their racing operations from state to state.

Unfortunately, there are always those who do not operate within established rules and regulations. Looking for an edge, some participants continue to experiment with new drugs and substances that could harm an animal, alter the outcome of a race, or interfere with the detection of illegal drugs. The agency continues to work with TVMDL to stay ahead of those that will try anything to gain a win.

Any significant change in TVMDL's budget and operations could affect the agency's drug testing program and any change that requires additional resources could affect the cost of drug testing.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$468,666	\$420,362	\$(48,304)	\$(48,304)	Reduction taken in fund 597 due to 4% reduction request. Reductions taken in Other Personnel Costs and in Travel. Reductions were also taken due to reduced greyhound racing which affected .5 FTE.
			\$(48,304)	Total of Explanation of Biennial Change

476 Racing Commission

GOAL: 2 Regulate the Participation in Racing
 OBJECTIVE: 1 Maintain the Efficiency of the Occupational Licensing Process
 STRATEGY: 1 Administer the Occupational Licensing Program through Enforcement

Service Categories:
 Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
KEY 1	Number of New Occupational Licenses Issued	2,151.00	2,200.00	2,200.00	2,200.00	2,200.00
KEY 2	Number of Occupational Licenses Renewed	4,562.00	4,500.00	4,500.00	4,500.00	4,500.00
Efficiency Measures:						
1	Average Regulatory Cost Per Licensee	21.90	21.42	23.84	21.12	21.12
Explanatory/Input Measures:						
1	Total Number of Individuals Licensed	7,540.00	7,400.00	7,400.00	7,400.00	7,400.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$267,921	\$245,247	\$243,579	\$224,550	\$224,550
1002	OTHER PERSONNEL COSTS	\$31,434	\$22,058	\$10,270	\$7,242	\$7,242
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$250	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$2,196	\$2,259	\$3,000	\$3,500	\$3,500
2005	TRAVEL	\$31,752	\$29,526	\$28,400	\$33,400	\$33,400
2007	RENT - MACHINE AND OTHER	\$7,566	\$2,771	\$1,400	\$1,400	\$1,400
2009	OTHER OPERATING EXPENSE	\$115,726	\$106,405	\$183,874	\$137,924	\$137,924
TOTAL, OBJECT OF EXPENSE		\$456,595	\$408,516	\$470,523	\$408,016	\$408,016

Method of Financing:

476 Racing Commission

GOAL: 2 Regulate the Participation in Racing
 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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
597	Texas Racing Comm Acct	\$456,595	\$408,516	\$470,523	\$408,016	\$408,016
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$456,595	\$408,516	\$470,523	\$408,016	\$408,016
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$408,016	\$408,016
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$456,595	\$408,516	\$470,523	\$408,016	\$408,016
FULL TIME EQUIVALENT POSITIONS:		6.8	6.5	6.3	5.8	5.8

STRATEGY DESCRIPTION AND JUSTIFICATION:

Article 7 of the Texas Racing Act mandates a comprehensive occupational licensing program. Section 7.01 provides that a person may not participate in racing, except as a spectator or patron, without first obtaining a license from the Commission. 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, trainers, and grooms, as well as any employee of the racetrack whose position affords the employee an opportunity to influence racing, including association officers, directors, management personnel and mutuel tellers. Section 7.06 requires the Commission issue a license certificate in the form of an identification card with a photograph and other prescribed information. Section 5.03 requires any applicant for a license to submit to the Commission fingerprints that are forwarded to DPS and the FBI for a criminal background check.

This strategy implements that program to ensure that all individuals who participate in pari-mutuel racing have successfully passed background checks and are qualified to perform their duties. The Commission has licensing offices at each track and at the Austin headquarters.

476 Racing Commission

GOAL: 2 Regulate the Participation in Racing
 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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

With decreasing FTE and salary resources over the past several years, this department has strived to maintain office hours tailored to the individual racetrack’s racing schedule and the work schedules of racing participants.

The Commission works closely with the Department of Public Safety and utilizes its contract for electronic fingerprinting of the licensees. 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.

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

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2016 + Bud 2017)</u>	<u>Baseline Request (BL 2018 + BL 2019)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$879,039	\$816,032	\$(63,007)	\$(63,007)	Reduction taken in fund 597 due to 4% reduction. FTE count was reduced by .5, travel and other operating costs were also reduced.
			\$(63,007)	Total of Explanation of Biennial Change

476 Racing Commission

GOAL: 2 Regulate the Participation in Racing
 OBJECTIVE: 1 Maintain the Efficiency of the Occupational Licensing Process
 STRATEGY: 2 Texas.gov. Estimated and Nontransferable

Service Categories:
 Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$18,724	\$17,870	\$22,500	\$19,185	\$19,185
TOTAL, OBJECT OF EXPENSE		\$18,724	\$17,870	\$22,500	\$19,185	\$19,185
Method of Financing:						
597	Texas Racing Comm Acct	\$18,724	\$17,870	\$22,500	\$19,185	\$19,185
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$18,724	\$17,870	\$22,500	\$19,185	\$19,185
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$19,185	\$19,185
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$18,724	\$17,870	\$22,500	\$19,185	\$19,185

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

Participation in Texas.gov is authorized in accordance with Section 2054.252 of the Government Code. This online portal provides a licensing application for certain types of occupational licenses issued by the Commission.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

476 Racing Commission

GOAL: 2 Regulate the Participation in Racing
 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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

While Texas.gov provides an excellent way of applying for a license 24x7 to a small segment of the Commission’s service population, it does not eliminate the need for physically visiting a Commission licensing office to obtain the identification badge needed for those working in or accessing the barn and kennel areas at a racetrack.

The number of individuals that use the service will affect the pass-through fund amounts.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$40,370	\$38,370	\$(2,000)	\$(2,000)	Reduction was taken to comply with the 4% Reduction in fund 597. There are no FTEs in this appropriation.
			\$(2,000)	Total of Explanation of Biennial Change

476 Racing Commission

GOAL: 3 Regulate Pari-mutuel Wagering in Texas
 OBJECTIVE: 1 Increase Pass Rate for Initial Tote Test and Compliance Audits
 STRATEGY: 1 Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspection

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
1	Number of Live and Simulcast Races Audited and Reviewed	721,812.00	704,202.00	701,000.00	699,000.00	697,000.00
2	Number of Compliance Audits Completed	2,223.00	2,065.00	2,050.00	2,000.00	2,000.00
3	Number of Tote Tests Completed	10.00	11.00	6.00	6.00	6.00
Efficiency Measures:						
1	Average Cost to Audit and Review a Live or Simulcast Race	0.84	0.98	0.91	0.85	0.85
Explanatory/Input Measures:						
KEY 1	Total Pari-Mutuel Handle (in Millions)	301.61	309.00	306.00	303.00	300.00
KEY 2	Total Take to the State Treasury from Pari-Mutuel Wagering	2,998,237.75	2,971,000.00	2,957,000.00	2,943,000.00	2,929,000.00
3	Ratio of Simulcast Handle to Live Handle	8.28	7.00	8.00	9.00	9.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$356,159	\$361,289	\$326,565	\$327,161	\$327,161
1002	OTHER PERSONNEL COSTS	\$54,857	\$34,913	\$13,825	\$10,857	\$10,857
2001	PROFESSIONAL FEES AND SERVICES	\$24,970	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$3,049	\$500	\$1,000	\$0	\$0

476 Racing Commission

GOAL: 3 Regulate Pari-mutuel Wagering in Texas
 OBJECTIVE: 1 Increase Pass Rate for Initial Tote Test and Compliance Audits
 STRATEGY: 1 Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspection

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2005	TRAVEL	\$31,760	\$28,916	\$22,000	\$15,750	\$15,750
2007	RENT - MACHINE AND OTHER	\$222	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$40,723	\$14,957	\$13,600	\$15,027	\$15,027
TOTAL, OBJECT OF EXPENSE		\$511,740	\$440,575	\$376,990	\$368,795	\$368,795
Method of Financing:						
597	Texas Racing Comm Acct	\$511,740	\$440,575	\$376,990	\$368,795	\$368,795
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$511,740	\$440,575	\$376,990	\$368,795	\$368,795
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$368,795	\$368,795
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$511,740	\$440,575	\$376,990	\$368,795	\$368,795
FULL TIME EQUIVALENT POSITIONS:		6.2	7.1	6.3	6.3	6.3

STRATEGY DESCRIPTION AND JUSTIFICATION:

476 Racing Commission

GOAL: 3 Regulate Pari-mutuel Wagering in Texas
 OBJECTIVE: 1 Increase Pass Rate for Initial Tote Test and Compliance Audits Service Categories:
 STRATEGY: 1 Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspection Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

Article 11 of the Texas Racing Act authorizes the Commission to regulate all aspects of pari-mutuel wagering on horse and greyhound races. Sec. 6.061 of the Act requires the Commission to implement an inspection program for racetrack facilities and operations.

This strategy implements these requirements by providing for the monitoring of all pari-mutuel wagering activity, including simulcasting. It includes funding for the day-to-day operations of the Commission's customized wagering database, which is used to certify the funds that the Commission and the Comptroller collect from the tax on pari-mutuel wagering. This strategy includes the inspection program for pari-mutuel wagering activities and totalizator operations, including the testing of all computer programs that calculate the odds and payoffs to patrons.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

In response to the unexpected loss of revenue during FY2016 due to three racetracks' decision not to pay their annual fees, the agency reduced expenditures by not filling a position opened by retirement. Instead, the duties of the pari-mutuel manager, previously in strategy 3-1-2, were absorbed by the manager of wagering compliance.

Because the regulation of pari-mutuel wagering relies so heavily on computerized networks and systems, the Commission continues to enhance and modify the specialized systems developed by the agency. Using this technology, the auditors audit the accuracy of and the distribution of the wagering pools on a daily basis.

476 Racing Commission

GOAL: 3 Regulate Pari-mutuel Wagering in Texas
 OBJECTIVE: 1 Increase Pass Rate for Initial Tote Test and Compliance Audits Service Categories:
 STRATEGY: 1 Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspection Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$817,565	\$737,590	\$(79,975)	\$(16,200)	Reductions were taken in Consumables, Travel and Other Operating Cost in fund 597. These cuts were taken due to the 4% reduction.
			\$(63,775)	A reduction of 1 FTE was taken in mid FY 2016. This cut was taken in fund 597 and from Salaries and Wages and from Travel.
			<u>\$(79,975)</u>	Total of Explanation of Biennial Change

476 Racing Commission

GOAL: 4 Indirect Administration
 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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$393,820	\$420,655	\$449,494	\$448,751	\$448,751
1002	OTHER PERSONNEL COSTS	\$16,064	\$53,920	\$37,037	\$19,503	\$19,503
2001	PROFESSIONAL FEES AND SERVICES	\$21,684	\$16,193	\$16,500	\$15,175	\$15,175
2003	CONSUMABLE SUPPLIES	\$13,866	\$9,328	\$9,600	\$3,846	\$3,846
2004	UTILITIES	\$53,431	\$48,855	\$58,000	\$49,000	\$49,000
2005	TRAVEL	\$13,165	\$13,053	\$16,500	\$12,500	\$12,500
2006	RENT - BUILDING	\$86,057	\$86,074	\$86,250	\$104,150	\$104,150
2007	RENT - MACHINE AND OTHER	\$1,229	\$1,331	\$900	\$900	\$900
2009	OTHER OPERATING EXPENSE	\$121,642	\$73,973	\$86,425	\$80,812	\$80,812
TOTAL, OBJECT OF EXPENSE		\$720,958	\$723,382	\$760,706	\$734,637	\$734,637
Method of Financing:						
597	Texas Racing Comm Acct	\$720,958	\$723,382	\$760,706	\$734,637	\$734,637
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$720,958	\$723,382	\$760,706	\$734,637	\$734,637

476 Racing Commission

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Central Administration and Other Support Services

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$734,637	\$734,637
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$720,958	\$723,382	\$760,706	\$734,637	\$734,637
FULL TIME EQUIVALENT POSITIONS:		7.2	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 such as taking enforcement actions and overseeing the development of regulatory policies. 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 Commission continues its effort to evaluate and improve its current rules and regulations in response to industry changes and the need for consistency with national standards and model rules to improve multi-jurisdictional enforcement.

476 Racing Commission

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Central Administration and Other Support Services

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$1,484,088	\$1,469,274	\$(14,814)	\$(39,814)	Cuts were taken in fund 597 due to the 4% reduction. Reductions were taken in Other Personnel Cost, Professional Fees and Services, Travel and Other Operating Expense. FTEs were not affected.
			\$25,000	Increase in Salaries and Wages due to possible retirement and rehire of key personnel. This is in fund 597 and does not affect total FTEs.
			\$(14,814)	Total of Explanation of Biennial Change

476 Racing Commission

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$255,340	\$313,434	\$326,051	\$326,062	\$326,062
1002	OTHER PERSONNEL COSTS	\$16,265	\$25,275	\$33,585	\$13,173	\$13,173
2001	PROFESSIONAL FEES AND SERVICES	\$47,799	\$85,247	\$61,094	\$51,075	\$52,393
2003	CONSUMABLE SUPPLIES	\$6,264	\$1,197	\$1,300	\$1,565	\$1,723
2004	UTILITIES	\$2,582	\$0	\$0	\$0	\$0
2005	TRAVEL	\$1,345	\$3,400	\$3,500	\$3,500	\$3,500
2006	RENT - BUILDING	\$447	\$444	\$444	\$476	\$476
2009	OTHER OPERATING EXPENSE	\$164,339	\$92,457	\$118,974	\$111,160	\$109,684
5000	CAPITAL EXPENDITURES	\$31,265	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$525,646	\$521,454	\$544,948	\$507,011	\$507,011
Method of Financing:						
597	Texas Racing Comm Acct	\$525,646	\$521,454	\$544,948	\$507,011	\$507,011
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$525,646	\$521,454	\$544,948	\$507,011	\$507,011

476 Racing Commission

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$507,011	\$507,011
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$525,646	\$521,454	\$544,948	\$507,011	\$507,011
FULL TIME EQUIVALENT POSITIONS:		4.0	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 large specialized database system and modules that operate on a 24/7 basis.
 The Commission uses its technology for licensing, enforcement, veterinary services, drug testing, pari-mutuel monitoring and information distribution.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

476 Racing Commission

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration Service Categories:
 STRATEGY: 2 Information Resources Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

The Commission is a leader among national racing regulators in employing technology for licensing, regulation and information distribution. In particular, the agency's database system integrates information from the various departments in ways that allow them to be far more efficient and effective than is possible in most racing jurisdictions' systems. In addition, 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 have display access to the pari-mutuel module of the Commission's database. This access facilitates calculations of the Texas Bred incentive Program awards.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$1,066,402	\$1,014,022	\$(52,380)	\$(52,380)	Cuts taken due to 4% Reduction in fund 597. Reductions were taken in Other Operating Expense, Travel and in Other Personnel Costs. No FTEs were affected.
			\$(52,380)	Total of Explanation of Biennial Change

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$7,457,685	\$7,245,866	\$7,420,903	\$7,040,049	\$7,040,049
METHODS OF FINANCE (INCLUDING RIDERS):				\$7,040,049	\$7,040,049
METHODS OF FINANCE (EXCLUDING RIDERS):	\$7,457,685	\$7,245,866	\$7,420,903	\$7,040,049	\$7,040,049
FULL TIME EQUIVALENT POSITIONS:	47.5	47.5	47.0	46.4	46.4

3. B. Rider Revisions and Additions Request

Agency Code: 476	Agency Name: Texas Racing Commission	Prepared By: Adrienne Courtney	Date: 8/05/2016	Request Level: Base
Current Rider Number	Page Number in 2016–17 GAA	Proposed Rider Language		
1	VIII-53 & VIII-54	<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>		
			<u>2018</u>	<u>2019</u>
		<p>A. Goal: ENFORCE RACING REGULATION Outcome (Results/Impact): Percentage of Investigations (Individuals) Resulting in Disciplinary Action Percentage of Licensees with No Recent Violations Percentage of Race Horses that Sustain a Catastrophic Injury Percentage of Greyhounds that Sustain a Catastrophic Injury</p>	90.0% 97.0% 0.20% 0.20%	90.0% 97.0% 0.20% 0.20%
		<p>A.1.1. Strategy: LICENSE/REGULATE RACETRACKS Output (Volume): Number of Racetrack Inspections</p>	55	55
		<p>Explanatory: Number of Horse Tracks Regulated Number of Greyhound Tracks Regulated</p>	7 3	7 3
		<p>A.2.1. Strategy: TEXAS BRED INCENTIVE PROGRAM Output (Volume): Number of Texas Bred Awards for Horses Number of Texas Bred Awards for Greyhounds</p>	7,000 1,920	7,000 1,920
		<p>A.3.1. Strategy: SUPERVISE & CONDUCT LIVE RACES Output (Volume): Number of Occupational Licenses Suspended or Revoked</p>	106	106
		<p>A.3.2. Strategy: MONITOR LICENSEE ACTIVITIES Output (Volume): Number of Investigations Completed</p>	141	141
		<p>A.4.1. Strategy: INSPECT & PROVIDE EMERGENCY CARE Output (Volume): Number of Horses Inspected Pre-race Number of Greyhounds Inspected Pre-race</p>	11,160 2,880	11,160 2,880

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

		<p>B. Goal: REGULATE PARTICIPATION B.1.1. Strategy: OCCUPATIONAL LICENSING PROGRAM Output (Volume): Number of New Occupational Licenses Issued Number of Occupational Licenses Renewed</p> <p>C. Goal: REGULATE PARI-MUTUEL WAGERING Outcome (Results/Impact): Percentage of Compliance Audits Passed C.1.1. Strategy: MONITOR WAGERING AND AUDIT Explanatory: Total Pari-Mutuel Handle (In Millions) Total Take to the State Treasury from Pari-Mutuel Wagering</p>	<p>2,200 4,500</p> <p>97.0%</p> <p>\$303.00 \$2,943,000</p>	<p>2,200 4,500</p> <p>97.0%</p> <p>\$300.00 \$2,929,000</p>
2	VIII-54	<p>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. <u>This appropriated amount is an estimate, and any additional 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 is hereby appropriated to the Racing Commission in Strategy A.2.1., Texas Bred Incentive Program.</u></p>		
3	VIII-54 & VIII-55	<p>Criminal History Checks and Background Checks.</p> <p>a. Out of the funds appropriated above in Strategy B.1.1, Occupational Licensing Program, \$166,924 in fiscal year 2018 2016 and \$166,924 in fiscal year 2019 2017 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, 2018 2016, 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 2018-19 2016-17 biennium.</p> <p>c. Any appropriation authority identified in subsection (a) of this rider not used for criminal history checks or background checks shall be lapsed by the Racing Commission.</p>		
4	VIII-55	<p>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.</p>		

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

5	VIII-55 & VIII-56	<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 \$315,950 \$303,600 out of funds collected by the agency and deposited to GR Dedicated-Texas Racing Commission Account No. 597 during each fiscal year of the 2018-19 2016-17 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 2018-19 2016-17 biennium, \$401,100 \$374,420 for fiscal year 2018 2016 and \$401,100 \$370,540 for fiscal year 2019 2017 for each new horse racetrack or each reopening horse racetrack during the 2018-2019 2016-2017 biennium in excess of \$7,509,398 \$8,523,000 in fiscal year 2018 2016 and \$7,509,398 \$8,491,000 in fiscal year 2019 2017 (Object Codes 3188, 3189, 3190, 3193, 3194 and 3197) contained in the Comptroller of Public Accounts' Biennial Revenue Estimates for fiscal years 2018 2016 and 2019 2017:</p> <ol style="list-style-type: none"> 1) \$97,000 \$97,900 in Strategy A.3.1, Supervise and Conduct Live Races; 2) \$54,000 \$52,500 in Strategy A.3.2, Monitor Licensee Activities; 3) \$65,200 \$54,850 in Strategy A.4.1, Inspect and Provide Emergency Care; 4) \$19,750 \$18,350 in Strategy A.4.2, Administer Drug Tests; 5) \$35,000 \$35,000 in Strategy B.1.1, Occupational Licensing Program; 6) \$45,000 \$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 2018-2019 2016-17 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 \$631,900 \$607,200 and other direct and indirect costs (estimated to be \$170,300 \$137,348 for the 2018-19 2016-17 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 2018-19 2016-17 biennium or for each reopening horse racetrack that initiates operations again during the 2018-19 2016-17 biennium in an amount not to exceed \$334,477 \$332,037 from</p>

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

		<p>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 <u>2018-19 2016-17</u> biennium may be used only for that purpose and are not transferable to any other strategy.</p> <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>
6	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>2018-19 2016-17</u> biennium and are not transferable to any other strategy.</p>
7	VIII-56	<p>Approval of Central Administration & Other Support Services. None of the appropriations above in Strategy D.1.1., Central Admin & Other Support Services may be expended until the Texas Racing Commission receives written approval from the Legislative Budget Board.</p>
8	New	<p>Authorization: Purchase of Evidence. From the amounts appropriated above, the Texas Racing Commission is authorized to establish an imprest fund not to exceed \$2,000 to secure evidence and/or information and surveillance deemed necessary by the Commission.</p>
9	New	<p><u>Contingent Appropriation: Additional days added beyond base of 186 days during each fiscal year of the 2018-19 biennium to the Horse Race Date Calendar and Accredited Texas Bred Program.</u></p> <p><u>a. In addition to the amounts appropriated above, the Texas Racing Commission shall be appropriated \$3,501 for each additional day added beyond the base of 186 days to the horse race date calendar out of funds collected by the agency and deposited to GR Dedicated-Texas Racing Commission Account No. 597 during each fiscal year of the 2018-19 biennium. This additional appropriation is contingent upon the Texas Racing Commission assessing fees sufficient to generate, in addition to revenue requirements elsewhere in this Act, revenue in excess of \$7,509,398 in fiscal year 2018 and \$7,509,398 in fiscal year 2019 (Object Codes 3188, 3189, 3190, 3193, and 3197) contained in the Comptroller of Public Accounts’ Biennial Revenue Estimates for fiscal years 2018 and 2019:</u></p> <p style="margin-left: 40px;"><u>(a) \$1,255 in Strategy A.3.1, Supervise and Conduct Live Races;</u></p> <p style="margin-left: 40px;"><u>(b) \$413 in Strategy A.3.2, Monitor Licensee Activities;</u></p> <p style="margin-left: 40px;"><u>(c) \$1,175 in Strategy A.4.1, Inspect and Provide Emergency Care;</u></p>

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

		<p>(d) \$357 in Strategy A.4.2, Administer Drug Tests; (e) \$301 in Strategy B.1.1, Occupational Licensing Program.</p> <p><u>Also the “Number of Full-Time Equivalents (FTE)” figure indicated above shall be increased by 0.1 FTE for each live horse race day granted that exceeds the base of 186 days. The amounts appropriated above are contingent upon the Texas Racing Commission assessing fees for each additional day added pursuant to §309.8 of the Rules of Racing during the 2018-19 biennium sufficient to generate revenue (Object Code 3188) necessary to cover the appropriations identified in this rider.</u></p> <p><u>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 for each additional day added beyond the base of 186 days during each fiscal year to the horse race date calendar during the 2018-19 biennium an amount not to exceed \$2,275 from GR Dedicated-Texas Racing Commission Account No. 597. Any appropriations from revenue collected by the agency for the Texas Bred Incentive Program during the 2018-19 biennium may be used only for that purpose and are not transferable to any other strategy.</u></p>
10	New	<p><u>Contingent Appropriation: Additional days added beyond base of 36 days during each fiscal year of the 2018-19 biennium to the Greyhound Race Date Calendar and Accredited Texas Bred Program.</u></p> <p><u>a. In addition to the amounts appropriated above, the Texas Racing Commission shall be appropriated \$2,564 for each additional day added beyond the base of 36 days to the greyhound race date calendar out of funds collected by the agency and deposited to GR Dedicated-Texas Racing Commission Account No. 597 during each fiscal year of the 2018-19 biennium. This additional appropriation is contingent upon the Texas Racing Commission assessing fees sufficient to generate, in addition to revenue requirements elsewhere in this act, revenue in excess of \$7,509,398 in fiscal year 2018 and \$7,509,398 in fiscal year 2019 (Object Codes 3188, 3189, 3190, 3193, and 3197) contained in the Comptroller of Public Accounts’ Biennial Revenue Estimates for fiscal years 2018 and 2019:</u></p> <p>(a) \$1,255 in Strategy A.3.1, Supervise and Conduct Live Races; (b) \$413 in Strategy A.3.2, Monitor Licensee Activities; (c) \$595 in Strategy A.4.1, Inspect and Provide Emergency Care; (d) \$301 in Strategy B.1.1, Occupational Licensing Program.</p> <p><u>Also, the “Number of Full-Time Equivalents (FTE)” figure indicated above shall be increased by 0.1 FTE for each live greyhound race day granted that exceeds the base of 36 days. The amounts appropriated above are contingent upon the Texas Racing Commission assessing fees for each additional day added pursuant to §309.8 of the Rules of Racing during the 2018-19 biennium sufficient to generate revenue (Object Code 3190) necessary to cover the appropriations identified in this rider.</u></p>

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

		<p>b. <u>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. § 6.09(d) for the Texas Bred Incentive Program that is collected by the agency for each additional day added beyond the base of 36 days during each fiscal year to the greyhound race date calendar during the 2018-19 biennium an amount not to exceed \$75 from GR Dedicated-Texas Racing Commission Account No. 597. Any appropriations from revenue collected by the agency for the Texas Bred Incentive Program during the 2018-19 biennium may be used only for that purpose and are not transferable to any other strategy.</u></p>
--	--	---

4.A. Exceptional Item Request Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/4/2016**
 TIME: **3:45:21PM**

Agency code: **476**

Agency name:
Racing Commission

CODE	DESCRIPTION	Excp 2018	Excp 2019
	Item Name: Building Lease Increase Item Priority: 1 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 04-01-01 Central Administration and Other Support Services		
OBJECTS OF EXPENSE:			
2003	CONSUMABLE SUPPLIES	5,000	5,000
2004	UTILITIES	2,000	2,000
2006	RENT - BUILDING	3,000	3,000
2009	OTHER OPERATING EXPENSE	8,000	8,000
TOTAL, OBJECT OF EXPENSE		\$18,000	\$18,000

METHOD OF FINANCING:

597	Texas Racing Comm Acct	18,000	18,000
TOTAL, METHOD OF FINANCING		\$18,000	\$18,000

DESCRIPTION / JUSTIFICATION:

Rent increased by \$18,000 per year beginning February 1, 2017. This is a 20.7 percent increase in the agency's rent that will be difficult to absorb because of the 4 percent reduction. Reductions were taken in other areas to offset this increase.

EXTERNAL/INTERNAL FACTORS:

The rent increased from \$13.13 per square foot to \$15.85 per square foot, a 20.7% increase.

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

The agency's five year building lease would continue until January 31, 2022. The agency expects to be located in state owned property by the end of the lease.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2020	2021	2022
	\$18,000	\$18,000	\$9,000

4.A. Exceptional Item Request Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/4/2016**
 TIME: **3:45:21PM**

Agency code: **476**

Agency name:
Racing Commission

CODE	DESCRIPTION	Excp 2018	Excp 2019
	Item Name: Reopening Greyhound Racetrack that has not operated live racing in the last biennium		
	Item Priority: 2		
	IT Component: No		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > \$50,000: No		
	Includes Funding for the Following Strategy or Strategies:		
	01-01-01 Provide Regulatory and Enforcement Services to Racetrack Owners		
	01-03-01 Supervise the Conduct of Racing through Enforcement and Monitoring		
	01-03-02 Monitor Occupational Licensee Activities		
	01-04-01 Inspect and Provide Emergency Care		
	02-01-01 Administer the Occupational Licensing Program through Enforcement		
	03-01-01 Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspection		
	04-01-02 Information Resources		

OBJECTS OF EXPENSE:

2001	PROFESSIONAL FEES AND SERVICES	5,500	5,500
2005	TRAVEL	17,500	17,500
TOTAL, OBJECT OF EXPENSE		\$23,000	\$23,000

METHOD OF FINANCING:

597	Texas Racing Comm Acct	23,000	23,000
TOTAL, METHOD OF FINANCING		\$23,000	\$23,000

DESCRIPTION / JUSTIFICATION:

The approval of this request would give the agency sufficient appropriation authority to regulate a greyhound racetrack that has not operated in the last biennium. It would restore the appropriations needed that were reduced due to the 4% reduction.

Also additional costs have been identified since the preparation of the Base Reconciliation such as numerous inspections will need to be conducted to ensure the track and facilities are safe and operational. Computer equipment and other equipment will need to be installed. All staff needed to inspect and regulate the live meet will be traveling from other racetracks in Texas.

EXTERNAL/INTERNAL FACTORS:

No agency staff is headquartered at any of the greyhound racetracks due to a reduction in the number of days of live racing. Staff would be traveling from racetracks in Dallas, Houston and San Antonio in order to regulate the rotating 36 day live racing meet.

4.A. Exceptional Item Request Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/4/2016**
TIME: **3:45:21PM**

Agency code: **476**

Agency name:
Racing Commission

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2018</u>	<u>Excp 2019</u>
-------------	--------------------	------------------	------------------

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

The additional travel costs, increased inspections and installation of computer equipment would occur every year at the racetrack which is conducting the live meet. The live meet, consisting of 36 days of racing each year, would be rotated among the three racetracks.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

<u>2020</u>	<u>2021</u>	<u>2022</u>
\$23,000	\$23,000	\$23,000

4.A. Exceptional Item Request Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016
 TIME: 3:45:21PM

Agency code: 476

Agency name: **Racing Commission**

CODE	DESCRIPTION	Excp 2018	Excp 2019
	Item Name: Restore Reduction of Travel and Personnel Costs Item Priority: 3 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies:		
	01-01-01 Provide Regulatory and Enforcement Services to Racetrack Owners		
	01-03-01 Supervise the Conduct of Racing through Enforcement and Monitoring		
	01-03-02 Monitor Occupational Licensee Activities		
	01-04-01 Inspect and Provide Emergency Care		
	01-04-02 Administer Drug Tests		
	02-01-01 Administer the Occupational Licensing Program through Enforcement		
	03-01-01 Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspection		
	04-01-01 Central Administration and Other Support Services		
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	18,000	18,000
2001	PROFESSIONAL FEES AND SERVICES	3,200	3,200
2005	TRAVEL	14,500	14,500
TOTAL, OBJECT OF EXPENSE		\$35,700	\$35,700
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	35,700	35,700
TOTAL, METHOD OF FINANCING		\$35,700	\$35,700

DESCRIPTION / JUSTIFICATION:

Additional cuts taken due to the four percent reduction will affect staff's ability to effectively maintain the level of regulation needed.

In response to a declining industry, reductions in the agency's FTE count were taken in FY 2016. The total savings to the agency is approximately \$33,900 in FY 2016 and \$97,450 in FY 2017, FY 2018 and FY 2019. These cuts have made it even more challenging to reduce the agency's budget.

Cuts in other personnel costs would delay the hiring of racing officials creating a further reduction in the presence of racing staff at the racetracks.

The agency would need to implement travel caps for employees assigned to work at tracks other than their headquarters. It has become increasingly difficult to locate hotels that accept the state rate, and the agency does not want to jeopardize the safety of its employees by reducing travel reimbursement expenses.

4.A. Exceptional Item Request Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/4/2016**
TIME: **3:45:21PM**

Agency code: **476**

Agency name:
Racing Commission

CODE	DESCRIPTION	Excp 2018	Excp 2019
-------------	--------------------	------------------	------------------

EXTERNAL/INTERNAL FACTORS:

Less hours available for staff to spend in the oversight of all areas of the racetrack, barns, kennels and testing areas.

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

These costs are ongoing personnel and travel costs required to maintain the regulation and oversight of the racing industry. In order to effectively regulate the industry, Commission personnel must be present at each live racing performance and also maintain a presence at the track when there is no live racing.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2020	2021	2022
\$35,700	\$35,700	\$35,700

4.A. Exceptional Item Request Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/4/2016**
 TIME: **3:45:21PM**

Agency code: **476**

Agency name:
Racing Commission

CODE	DESCRIPTION	Excp 2018	Excp 2019
	Item Name: Restoration of one percent reduction taken in Texas Bred Incentive Program. Item Priority: 4 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 01-02-01 Allocate TX Bred Funds. Estimated and Nontransferable.		

OBJECTS OF EXPENSE:

4000	GRANTS	29,500	29,500
TOTAL, OBJECT OF EXPENSE		\$29,500	\$29,500

METHOD OF FINANCING:

597	Texas Racing Comm Acct	29,500	29,500
TOTAL, METHOD OF FINANCING		\$29,500	\$29,500

DESCRIPTION / JUSTIFICATION:

The Texas Bred Incentive Program is a pass-through fund set up to encourage the breeding of race animals in Texas. A reduction of the full four percent in this appropriation could prevent all funds deposited to be distributed to Texas owners and breeders.

This exceptional item would increase the appropriation by \$29,500, or one percent of the reduction taken in the Texas Bred Program.

EXTERNAL/INTERNAL FACTORS:

Any factor that influences the amount of money wagered at Texas racetracks will affect the revenue that is available to distribute to Texas owners and breeders.

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

This exceptional item would ensure the Texas Bred Incentive Program has sufficient appropriation authority to pay out all funds deposited for distribution to Texas breeders and owners.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2020	2021	2022
\$29,500	\$29,500	\$29,500

4.B. Exceptional Items Strategy Allocation Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016
 TIME: 3:45:21PM

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2018	Excp 2019
Item Name: Building Lease Increase			
Allocation to Strategy: 4-1-1 Central Administration and Other Support Services			
OBJECTS OF EXPENSE:			
2003	CONSUMABLE SUPPLIES	5,000	5,000
2004	UTILITIES	2,000	2,000
2006	RENT - BUILDING	3,000	3,000
2009	OTHER OPERATING EXPENSE	8,000	8,000
TOTAL, OBJECT OF EXPENSE		\$18,000	\$18,000
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	18,000	18,000
TOTAL, METHOD OF FINANCING		\$18,000	\$18,000

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2018	Excp 2019
Item Name: Reopening Greyhound Racetrack that has not operated live racing in the last biennium			
Allocation to Strategy: 1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners			
OBJECTS OF EXPENSE:			
2005	TRAVEL	1,500	1,500
TOTAL, OBJECT OF EXPENSE		1,500	1,500
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	1,500	1,500
TOTAL, METHOD OF FINANCING		1,500	1,500

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2018	Excp 2019
Item Name: Reopening Greyhound Racetrack that has not operated live racing in the last biennium			
Allocation to Strategy: 1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring			
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	2,000	2,000
2005	TRAVEL	5,000	5,000
TOTAL, OBJECT OF EXPENSE		\$7,000	\$7,000
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	7,000	7,000
TOTAL, METHOD OF FINANCING		\$7,000	\$7,000

4.B. Exceptional Items Strategy Allocation Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/4/2016**
 TIME: **3:45:21PM**

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

Code	Description	Excp 2018	Excp 2019
Item Name: Reopening Greyhound Racetrack that has not operated live racing in the last biennium			
Allocation to Strategy: 1-3-2 Monitor Occupational Licensee Activities			
OBJECTS OF EXPENSE:			
2005	TRAVEL	2,000	2,000
TOTAL, OBJECT OF EXPENSE		\$2,000	\$2,000
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	2,000	2,000
TOTAL, METHOD OF FINANCING		\$2,000	\$2,000

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2018	Excp 2019
Item Name: Reopening Greyhound Racetrack that has not operated live racing in the last biennium			
Allocation to Strategy: 1-4-1 Inspect and Provide Emergency Care			
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	3,500	3,500
2005	TRAVEL	1,500	1,500
TOTAL, OBJECT OF EXPENSE		\$5,000	\$5,000
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	5,000	5,000
TOTAL, METHOD OF FINANCING		\$5,000	\$5,000

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2018	Excp 2019
Item Name: Reopening Greyhound Racetrack that has not operated live racing in the last biennium			
Allocation to Strategy: 2-1-1 Administer the Occupational Licensing Program through Enforcement			
OBJECTS OF EXPENSE:			
2005	TRAVEL	2,500	2,500
TOTAL, OBJECT OF EXPENSE		2,500	2,500
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	2,500	2,500
TOTAL, METHOD OF FINANCING		2,500	2,500

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2018	Excp 2019
Item Name: Reopening Greyhound Racetrack that has not operated live racing in the last biennium			
Allocation to Strategy: 3-1-1 Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspec			
OBJECTS OF EXPENSE:			
2005	TRAVEL	2,500	2,500
TOTAL, OBJECT OF EXPENSE		2,500	2,500
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	2,500	2,500
TOTAL, METHOD OF FINANCING		2,500	2,500

4.B. Exceptional Items Strategy Allocation Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016
 TIME: 3:45:21PM

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

Code	Description	Excp 2018	Excp 2019
Item Name: Reopening Greyhound Racetrack that has not operated live racing in the last biennium			
Allocation to Strategy: 4-1-2 Information Resources			
OBJECTS OF EXPENSE:			
2005	TRAVEL	2,500	2,500
TOTAL, OBJECT OF EXPENSE		2,500	2,500
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	2,500	2,500
TOTAL, METHOD OF FINANCING		2,500	2,500

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2018	Excp 2019
Item Name: Restore Reduction of Travel and Personnel Costs			
Allocation to Strategy: 1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners			
OBJECTS OF EXPENSE:			
2005	TRAVEL	1,500	1,500
TOTAL, OBJECT OF EXPENSE		1,500	1,500
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	1,500	1,500
TOTAL, METHOD OF FINANCING		1,500	1,500

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2018	Excp 2019
Item Name: Restore Reduction of Travel and Personnel Costs			
Allocation to Strategy: 1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	7,500	7,500
TOTAL, OBJECT OF EXPENSE		\$7,500	\$7,500
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	7,500	7,500
TOTAL, METHOD OF FINANCING		\$7,500	\$7,500

4.B. Exceptional Items Strategy Allocation Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/4/2016**
 TIME: **3:45:21PM**

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

Code	Description	Excp 2018	Excp 2019
Item Name: Restore Reduction of Travel and Personnel Costs			
Allocation to Strategy: 1-3-2 Monitor Occupational Licensee Activities			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	3,500	3,500
2005	TRAVEL	1,500	1,500
TOTAL, OBJECT OF EXPENSE		\$5,000	\$5,000
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	5,000	5,000
TOTAL, METHOD OF FINANCING		\$5,000	\$5,000

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2018	Excp 2019
Item Name: Restore Reduction of Travel and Personnel Costs			
Allocation to Strategy: 1-4-1 Inspect and Provide Emergency Care			
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	3,200	3,200
2005	TRAVEL	2,000	2,000
TOTAL, OBJECT OF EXPENSE		\$5,200	\$5,200
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	5,200	5,200
TOTAL, METHOD OF FINANCING		\$5,200	\$5,200

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2018	Excp 2019
Item Name: Restore Reduction of Travel and Personnel Costs			
Allocation to Strategy: 1-4-2 Administer Drug Tests			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	3,000	3,000
2005	TRAVEL	2,000	2,000
TOTAL, OBJECT OF EXPENSE		\$5,000	\$5,000
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	5,000	5,000
TOTAL, METHOD OF FINANCING		\$5,000	\$5,000

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2018	Excp 2019
Item Name: Restore Reduction of Travel and Personnel Costs			
Allocation to Strategy: 2-1-1 Administer the Occupational Licensing Program through Enforcement			
OBJECTS OF EXPENSE:			
2005	TRAVEL	1,500	1,500
TOTAL, OBJECT OF EXPENSE		1,500	1,500
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	1,500	1,500
TOTAL, METHOD OF FINANCING		1,500	1,500

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2018	Excp 2019
Item Name: Restore Reduction of Travel and Personnel Costs			
Allocation to Strategy: 3-1-1 Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspec			
OBJECTS OF EXPENSE:			
2005	TRAVEL	2,500	2,500
TOTAL, OBJECT OF EXPENSE		2,500	2,500
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	2,500	2,500
TOTAL, METHOD OF FINANCING		2,500	2,500

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2018	Excp 2019
Item Name: Restore Reduction of Travel and Personnel Costs			
Allocation to Strategy: 4-1-1 Central Administration and Other Support Services			
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	4,000	4,000
2005	TRAVEL	3,500	3,500
TOTAL, OBJECT OF EXPENSE		\$7,500	\$7,500
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	7,500	7,500
TOTAL, METHOD OF FINANCING		\$7,500	\$7,500

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2018	Excp 2019
Item Name: Restoration of one percent reduction taken in Texas Bred Incentive Program.			
Allocation to Strategy: 1-2-1 Allocate TX Bred Funds. Estimated and Nontransferable.			
OBJECTS OF EXPENSE:			
4000	GRANTS	29,500	29,500
TOTAL, OBJECT OF EXPENSE		\$29,500	\$29,500
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	29,500	29,500
TOTAL, METHOD OF FINANCING		\$29,500	\$29,500

4.C. Exceptional Items Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016
TIME: 3:45:22PM

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

GOAL: 1 Enforce Racing Regulations in Texas

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 2018	Excp 2019
-------------------------	------------------	------------------

EFFICIENCY MEASURES:

<u>1</u> Average Regulatory Cost Per Racetrack	660.86	660.86
--	--------	--------

OBJECTS OF EXPENSE:

2005 TRAVEL	3,000	3,000
-------------	-------	-------

Total, Objects of Expense	\$3,000	\$3,000
----------------------------------	----------------	----------------

METHOD OF FINANCING:

597 Texas Racing Comm Acct	3,000	3,000
----------------------------	-------	-------

Total, Method of Finance	\$3,000	\$3,000
---------------------------------	----------------	----------------

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Reopening Greyhound Racetrack that has not operated live racing in the last biennium

Restore Reduction of Travel and Personnel Costs

4.C. Exceptional Items Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016
TIME: 3:45:22PM

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

GOAL: 1 Enforce Racing Regulations in Texas
 OBJECTIVE: 2 Provide Oversight of Texas Bred Incentive Program
 STRATEGY: 1 Allocate TX Bred Funds. Estimated and Nontransferable.

Service Categories:
 Service: 13 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2018	Exp 2019
OBJECTS OF EXPENSE:		
4000 GRANTS	29,500	29,500
Total, Objects of Expense	\$29,500	\$29,500
METHOD OF FINANCING:		
597 Texas Racing Comm Acct	29,500	29,500
Total, Method of Finance	\$29,500	\$29,500

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restoration of one percent reduction taken in Texas Bred Incentive Program.

4.C. Exceptional Items Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016
TIME: 3:45:22PM

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

GOAL: 1 Enforce Racing Regulations in Texas

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 2018	Exp 2019
-------------------------	-----------------	-----------------

OBJECTS OF EXPENSE:

1002 OTHER PERSONNEL COSTS	7,500	7,500
2001 PROFESSIONAL FEES AND SERVICES	2,000	2,000
2005 TRAVEL	5,000	5,000
Total, Objects of Expense	\$14,500	\$14,500

METHOD OF FINANCING:

597 Texas Racing Comm Acct	14,500	14,500
Total, Method of Finance	\$14,500	\$14,500

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Reopening Greyhound Racetrack that has not operated live racing in the last biennium
 Restore Reduction of Travel and Personnel Costs

4.C. Exceptional Items Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016
TIME: 3:45:22PM

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

GOAL: 1 Enforce Racing Regulations in Texas
 OBJECTIVE: 3 Reduce the Rate of Rulings Per Occupational Licensee
 STRATEGY: 2 Monitor Occupational Licensee Activities

Service Categories:
 Service: 16 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2018	Exp 2019
-------------------------	-----------------	-----------------

OBJECTS OF EXPENSE:

1002 OTHER PERSONNEL COSTS	3,500	3,500
2005 TRAVEL	3,500	3,500
Total, Objects of Expense	\$7,000	\$7,000

METHOD OF FINANCING:

597 Texas Racing Comm Acct	7,000	7,000
Total, Method of Finance	\$7,000	\$7,000

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Reopening Greyhound Racetrack that has not operated live racing in the last biennium
 Restore Reduction of Travel and Personnel Costs

4.C. Exceptional Items Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016
TIME: 3:45:22PM

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

GOAL: 1 Enforce Racing Regulations in Texas

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

STRATEGY: 1 Inspect and Provide Emergency Care

Service Categories:

Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2018	Exp 2019
-------------------------	-----------------	-----------------

EFFICIENCY MEASURES:

<u>1</u> Average Regulatory Cost Per Animal Inspected	0.93	0.93
---	------	------

OBJECTS OF EXPENSE:

2001 PROFESSIONAL FEES AND SERVICES	6,700	6,700
2005 TRAVEL	3,500	3,500
Total, Objects of Expense	\$10,200	\$10,200

METHOD OF FINANCING:

597 Texas Racing Comm Acct	10,200	10,200
Total, Method of Finance	\$10,200	\$10,200

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Reopening Greyhound Racetrack that has not operated live racing in the last biennium

Restore Reduction of Travel and Personnel Costs

4.C. Exceptional Items Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016
TIME: 3:45:22PM

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

GOAL: 1 Enforce Racing Regulations in Texas

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

STRATEGY: 2 Administer Drug Tests

Service Categories:

Service: 16 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2018	Exp 2019
-------------------------	-----------------	-----------------

OBJECTS OF EXPENSE:

1002 OTHER PERSONNEL COSTS	3,000	3,000
2005 TRAVEL	2,000	2,000
Total, Objects of Expense	\$5,000	\$5,000

METHOD OF FINANCING:

597 Texas Racing Comm Acct	5,000	5,000
Total, Method of Finance	\$5,000	\$5,000

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Reduction of Travel and Personnel Costs

4.C. Exceptional Items Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016
TIME: 3:45:22PM

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

GOAL: 2 Regulate the Participation in Racing

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 2018	Excp 2019
-------------------------	------------------	------------------

EFFICIENCY MEASURES:

<u>1</u> Average Regulatory Cost Per Licensee	0.30	0.30
---	------	------

OBJECTS OF EXPENSE:

2005 TRAVEL	4,000	4,000
Total, Objects of Expense	\$4,000	\$4,000

METHOD OF FINANCING:

597 Texas Racing Comm Acct	4,000	4,000
Total, Method of Finance	\$4,000	\$4,000

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Reopening Greyhound Racetrack that has not operated live racing in the last biennium

Restore Reduction of Travel and Personnel Costs

4.C. Exceptional Items Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016
TIME: 3:45:22PM

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

GOAL: 3 Regulate Pari-mutuel Wagering in Texas

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

Service Categories:

STRATEGY: 1 Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspection

Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2018	Excp 2019
-------------------------	------------------	------------------

EFFICIENCY MEASURES:

<u>1</u> Average Cost to Audit and Review a Live or Simulcast Race	0.01	0.01
--	------	------

OBJECTS OF EXPENSE:

2005 TRAVEL	5,000	5,000
-------------	-------	-------

Total, Objects of Expense	\$5,000	\$5,000
----------------------------------	----------------	----------------

METHOD OF FINANCING:

597 Texas Racing Comm Acct	5,000	5,000
----------------------------	-------	-------

Total, Method of Finance	\$5,000	\$5,000
---------------------------------	----------------	----------------

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Reopening Greyhound Racetrack that has not operated live racing in the last biennium

Restore Reduction of Travel and Personnel Costs

4.C. Exceptional Items Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016
TIME: 3:45:22PM

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

GOAL: 4 Indirect Administration

OBJECTIVE: 1 Indirect Administration

STRATEGY: 1 Central Administration and Other Support Services

Service Categories:

Service: 09 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2018	Exp 2019
-------------------------	-----------------	-----------------

OBJECTS OF EXPENSE:

1002 OTHER PERSONNEL COSTS	4,000	4,000
2003 CONSUMABLE SUPPLIES	5,000	5,000
2004 UTILITIES	2,000	2,000
2005 TRAVEL	3,500	3,500
2006 RENT - BUILDING	3,000	3,000
2009 OTHER OPERATING EXPENSE	8,000	8,000
Total, Objects of Expense	\$25,500	\$25,500

METHOD OF FINANCING:

597 Texas Racing Comm Acct	25,500	25,500
Total, Method of Finance	\$25,500	\$25,500

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Building Lease Increase

Restore Reduction of Travel and Personnel Costs

4.C. Exceptional Items Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016
TIME: 3:45:22PM

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

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2018	Exp 2019
OBJECTS OF EXPENSE:		
2005 TRAVEL	2,500	2,500
Total, Objects of Expense	2,500	2,500
METHOD OF FINANCING:		
597 Texas Racing Comm Acct	2,500	2,500
Total, Method of Finance	2,500	2,500

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Reopening Greyhound Racetrack that has not operated live racing in the last biennium

6.A. Historically Underutilized Business Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/4/2016
 Time: 3:45:22PM

Agency Code: 476 Agency: Racing Commission

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2014 - 2015 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2014			Total Expenditures FY 2014		HUB Expenditures FY 2015			Total Expenditures FY 2015
			% Actual	Diff	Actual \$	% Goal	Actual \$	% Actual	Diff	Actual \$	
11.2%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0
21.1%	Building Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0
32.9%	Special Trade	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0
23.7%	Professional Services	23.6 %	100.0%	76.4%	\$15,858	\$15,858	23.7 %	100.0%	76.3%	\$16,237	\$16,237
26.0%	Other Services	24.6 %	26.2%	1.6%	\$70,064	\$267,174	26.0 %	10.3%	-15.7%	\$29,771	\$289,213
21.1%	Commodities	21.0 %	71.2%	50.2%	\$79,662	\$111,840	21.1 %	63.7%	42.6%	\$69,730	\$109,460
	Total Expenditures		41.9%		\$165,584	\$394,872		27.9%		\$115,738	\$414,910

B. Assessment of Fiscal Year 2014 - 2015 Efforts to Meet HUB Procurement Goals

Attainment:

The agency met all three applicable statewide HUB goals in fiscal year 2014 and two of three applicable statewide HUB goals in fiscal year 2015.

Applicability:

The "Heavy Construction," "Building Construction," and "Special Trade" categories are not applicable to agency operations in either fiscal year 2014 or fiscal year 2015.

Factors Affecting Attainment:

The purchases in the "Other Services" category are affected by the scarcity of qualified HUB vendors that are able to provide veterinary services and computer maintenance.

"Good-Faith" Efforts:

The Agency makes a good faith effort to utilize HUBs in the procurement process of all goods and services whenever applicable for any dollar amount. TXRC will always strive to achieve and exceed the HUB Statewide goals whenever possible. The agency made the following good faith efforts to comply with statewide HUB procurement goals per Texas Administrative Code, Title 34, Section 20.13(d):

- Ensured that contract specifications, terms and conditions reflected the agency's actual requirements, were clearly stated and did not impose unreasonable or unnecessary contract requirements.
- Provided potential bidders with a list of certified HUBs for subcontracting.
- Prepared and distributed information on procurement procedures in a manner that encouraged participation in agency contracts by all businesses.
- Exceeded all but one of the agency HUB goal for fiscal year 2014 and fiscal year 2015.

6.E. Estimated Revenue Collections Supporting Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
<u>597</u> Texas Racing Comm Acct					
Beginning Balance (Unencumbered):	\$915,420	\$750,000	\$353,781	\$0	\$0
Estimated Revenue:					
3001 Fed Receipts Matched-Transport Pgm	0	0	0	0	0
3188 Race Track Licenses - Horse	3,109,669	2,762,332	2,424,840	2,424,840	2,424,840
3189 Racing and Wagering Licenses	760,850	666,204	679,558	679,558	679,558
3190 Race Track Licenses - Greyhound	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000
3193 Breakage - Horse Racing	2,842,946	2,924,309	2,965,000	2,831,069	2,831,069
3197 Breakage - Greyhound Racing	476,898	467,031	510,000	493,931	493,931
3719 Fees/Copies or Filing of Records	410	119	200	200	200
3802 Reimbursements-Third Party	18,980	18,707	20,067	20,067	20,067
Subtotal: Actual/Estimated Revenue	8,289,753	7,918,702	7,679,665	7,529,665	7,529,665
Total Available	\$9,205,173	\$8,668,702	\$8,033,446	\$7,529,665	\$7,529,665
DEDUCTIONS:					
Expended, Budgeted, Requested	(7,398,872)	(7,193,537)	(7,361,453)	(6,982,470)	(6,982,470)
Transfer - Employee Benefits	(955,393)	(1,037,147)	(1,058,875)	(1,036,974)	(1,036,974)
Transfer - Equine Research	(58,759)	(52,323)	(59,449)	(57,575)	(57,575)
Transfer - St Wide Cost Allocation	(27,410)	(21,914)	(30,000)	(30,000)	(30,000)
Transfer - 75% Worker's Comp	0	0	0	0	0
Transfer - 50% Unemployment	0	(10,000)	(10,000)	(10,000)	(10,000)
Transfer - TX Racing Act 3.09 B	(14,739)	0	0	0	0
Total, Deductions	\$(8,455,173)	\$(8,314,921)	\$(8,519,777)	\$(8,117,019)	\$(8,117,019)
Ending Fund/Account Balance	\$750,000	\$353,781	\$(486,331)	\$(587,354)	\$(587,354)

REVENUE ASSUMPTIONS:

6.E. Estimated Revenue Collections Supporting Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
---------------------	-----------------	-----------------	-----------------	-----------------	-----------------

The base annual license fee for each license racetrack by type is:

- 1) \$500,000 for Class 1,
- 2) \$230,000 for Class 2,
- 3) \$70,000 for Class 3 or 4,
- 4) \$360,000 for 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 the additional regulatory cost in the event additional days or performances are requested by the association, the executive director may add \$3,750 for each additional live day of horse racing added and \$750 for each additional live day of greyhound racing 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. A 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.

CONTACT PERSON:

Adrienne Courtney

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/4/2016
Time: 3:45:23PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	

1 Texas Bred Incentive Program

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

Item Comment: Of the total GR Dedicated reduction of \$1,408,010, \$332,500 or 23.6% 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.

Any cut to this program would prevent the payout of awards to the owners and breeders of 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	\$166,250	\$166,250	\$332,500
Gr Dedicated Total	\$0	\$0	\$0	\$166,250	\$166,250	\$332,500
Item Total	\$0	\$0	\$0	\$166,250	\$166,250	\$332,500

FTE Reductions (From FY 2018 and FY 2019 Base Request)

2 Reduce Accounting Professional Fees

Category: Programs - Service Reductions (Contracted)

Item Comment: Of the total GR Dedicated reduction of \$1,408,010, \$10,000 or 0.7% consists of professional fees and services to prepare the Internal Audit Plan and provide internal auditing services. This cut would reduce the hours committed to performing these services.

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

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/4/2016
Time: 3:45:23PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
FTE Reductions (From FY 2018 and FY 2019 Base Request)							
3 Eliminate Training Budgets							
Category: Administrative - Operating Expenses							
Item Comment: Of the total GR Dedicated reduction of \$1,408,010, \$13,550 or .9% 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 effect on agency operations.							
Strategy: 1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$1,000	\$1,000	\$2,000	
Gr Dedicated Total	\$0	\$0	\$0	\$1,000	\$1,000	\$2,000	
Strategy: 4-1-2 Information Resources							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$5,775	\$5,775	\$11,550	
Gr Dedicated Total	\$0	\$0	\$0	\$5,775	\$5,775	\$11,550	
Item Total	\$0	\$0	\$0	\$6,775	\$6,775	\$13,550	

FTE Reductions (From FY 2018 and FY 2019 Base Request)

4 Eliminate ARCI Membership Dues

Category: Administrative - Operating Expenses

Item Comment: Of the total GR Dedicated reduction of \$1,408,010, \$34,070 or 2.4% consists of membership dues to the Association of Racing Commissioners International (ARCI). Dropping membership would have a significant impact on 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.

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/4/2016
Time: 3:45:23PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
Strategy: 4-1-1 Central Administration and Other Support Services							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$17,035	\$17,035	\$34,070	
Gr Dedicated Total	\$0	\$0	\$0	\$17,035	\$17,035	\$34,070	
Item Total	\$0	\$0	\$0	\$17,035	\$17,035	\$34,070	

FTE Reductions (From FY 2018 and FY 2019 Base Request)

5 Elimination of Staff

Category: Administrative - FTEs / Layoffs

Item Comment: Of the total GR Dedicated reduction of \$1,408,010, \$77,138 or 5.5% consists of a reduction in staff equal to 1 FTE in each year of the biennium. Cutting these funds would have a significant impact to the agency. The agency has already reduced staff, and further cuts would contribute to reduced monitoring of several regulatory functions and delayed payment of travel and purchase vouchers.

Strategy: 3-1-1 Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspection

<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$38,569	\$38,569	\$77,138	
Gr Dedicated Total	\$0	\$0	\$0	\$38,569	\$38,569	\$77,138	
Item Total	\$0	\$0	\$0	\$38,569	\$38,569	\$77,138	

FTE Reductions (From FY 2018 and FY 2019 Base Request) **1.0** **1.0**

6 Reduction of Staff Work Hours

Category: Programs - Service Reductions (Other)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/4/2016
Time: 3:45:23PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET																																																																
	2018	2019	Biennial Total	2018	2019	Biennial Total																																																																	
<p>Item Comment: Of the total GR Dedicated reduction of \$1,408,010, \$251,316 or 17.8% consists of a 25% reduction of staff working hours equal to 1.5 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 30 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 the knowledge base needed to maintain regulatory oversight required by the Racing Act.</p> <p>Strategy: 1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>597 Texas Racing Comm Acct</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$50,626</td> <td>\$50,626</td> <td>\$101,252</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$50,626</td> <td>\$50,626</td> <td>\$101,252</td> <td></td> </tr> </table> <p>Strategy: 1-4-1 Inspect and Provide Emergency Care</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>597 Texas Racing Comm Acct</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$22,837</td> <td>\$22,837</td> <td>\$45,674</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$22,837</td> <td>\$22,837</td> <td>\$45,674</td> <td></td> </tr> </table> <p>Strategy: 4-1-1 Central Administration and Other Support Services</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>597 Texas Racing Comm Acct</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$32,669</td> <td>\$32,669</td> <td>\$65,338</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$32,669</td> <td>\$32,669</td> <td>\$65,338</td> <td></td> </tr> </table> <p>Strategy: 4-1-2 Information Resources</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>597 Texas Racing Comm Acct</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$19,526</td> <td>\$19,526</td> <td>\$39,052</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$19,526</td> <td>\$19,526</td> <td>\$39,052</td> <td></td> </tr> </table>								597 Texas Racing Comm Acct	\$0	\$0	\$0	\$50,626	\$50,626	\$101,252		Gr Dedicated Total	\$0	\$0	\$0	\$50,626	\$50,626	\$101,252		597 Texas Racing Comm Acct	\$0	\$0	\$0	\$22,837	\$22,837	\$45,674		Gr Dedicated Total	\$0	\$0	\$0	\$22,837	\$22,837	\$45,674		597 Texas Racing Comm Acct	\$0	\$0	\$0	\$32,669	\$32,669	\$65,338		Gr Dedicated Total	\$0	\$0	\$0	\$32,669	\$32,669	\$65,338		597 Texas Racing Comm Acct	\$0	\$0	\$0	\$19,526	\$19,526	\$39,052		Gr Dedicated Total	\$0	\$0	\$0	\$19,526	\$19,526	\$39,052	
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$50,626	\$50,626	\$101,252																																																																	
Gr Dedicated Total	\$0	\$0	\$0	\$50,626	\$50,626	\$101,252																																																																	
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$22,837	\$22,837	\$45,674																																																																	
Gr Dedicated Total	\$0	\$0	\$0	\$22,837	\$22,837	\$45,674																																																																	
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$32,669	\$32,669	\$65,338																																																																	
Gr Dedicated Total	\$0	\$0	\$0	\$32,669	\$32,669	\$65,338																																																																	
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$19,526	\$19,526	\$39,052																																																																	
Gr Dedicated Total	\$0	\$0	\$0	\$19,526	\$19,526	\$39,052																																																																	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/4/2016
Time: 3:45:23PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
Item Total	\$0	\$0	\$0	\$125,658	\$125,658	\$251,316	
FTE Reductions (From FY 2018 and FY 2019 Base Request)				1.5	1.5		

7 Reduction of Travel

Category: Administrative - Travel

Item Comment: Of the total GR Dedicated reduction of \$1,408,010, \$11,754 or 0.8% 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: 1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring

Gr Dedicated

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: 1-4-1 Inspect and Provide Emergency Care

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$2,000	\$2,000	\$4,000
Gr Dedicated Total	\$0	\$0	\$0	\$2,000	\$2,000	\$4,000

Strategy: 3-1-1 Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspection

Gr Dedicated

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

Gr Dedicated

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/4/2016
Time: 3:45:23PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$1,377	\$1,377	\$2,754	
Gr Dedicated Total	\$0	\$0	\$0	\$1,377	\$1,377	\$2,754	
Item Total	\$0	\$0	\$0	\$5,877	\$5,877	\$11,754	

FTE Reductions (From FY 2018 and FY 2019 Base Request)

8 Texas Bred Incentive Program

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

Item Comment: Of the total GR Dedicated reduction of \$1,408,010, \$332,500 or 23.6% 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.

Any further cut to this program would prevent the payout of awards, which are statutorily dedicated funds, to the owners and breeders of 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	\$166,250	\$166,250	\$332,500	
Gr Dedicated Total	\$0	\$0	\$0	\$166,250	\$166,250	\$332,500	
Item Total	\$0	\$0	\$0	\$166,250	\$166,250	\$332,500	

FTE Reductions (From FY 2018 and FY 2019 Base Request)

9 Eliminate Accounting Professional Fees

Category: Programs - Service Reductions (Contracted)

Item Comment: Of the total GR Dedicated reduction of \$1,408,010, \$10,000 or 0.7% consists of professional fees and services to prepare the Internal Audit Plan and provide internal auditing services. This cut would completely eliminate any outside Internal Auditing Services.

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/4/2016
Time: 3:45:23PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
Strategy: 4-1-1 Central Administration and Other Support Services							
<u>Gr Dedicated</u>							
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 2018 and FY 2019 Base Request)							
10 Elimination of Staff							
Category: Programs - Service Reductions (Other)							
Item Comment: Of the total GR Dedicated reduction of \$1,408,010, \$109,768 or 7.8% consists of a reduction in staff equal to 1 FTE 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 monitoring of pari-mutuel wagering 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	\$26,254	\$26,254	\$52,508	
Gr Dedicated Total	\$0	\$0	\$0	\$26,254	\$26,254	\$52,508	
Strategy: 3-1-1 Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspection							
<u>Gr Dedicated</u>							
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$28,630	\$28,630	\$57,260	
Gr Dedicated Total	\$0	\$0	\$0	\$28,630	\$28,630	\$57,260	
Item Total	\$0	\$0	\$0	\$54,884	\$54,884	\$109,768	
FTE Reductions (From FY 2018 and FY 2019 Base Request)							
				1.0	1.0		

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/4/2016
Time: 3:45:23PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	

11 Reduction of Staff Work Hours

Category: Programs - Service Reductions (Other)

Item Comment: Of the total GR Dedicated reduction of \$1,408,010, \$225,414 or 16.0% consists of a further 25% reduction of staff working hours equal to 1.3 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 30 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 the knowledge base needed to maintain regulatory oversight required by the Racing Act.

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

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$36,299	\$36,299	\$72,598
Gr Dedicated Total	\$0	\$0	\$0	\$36,299	\$36,299	\$72,598

Strategy: 1-3-2 Monitor Occupational Licensee Activities

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$35,539	\$35,539	\$71,078
Gr Dedicated Total	\$0	\$0	\$0	\$35,539	\$35,539	\$71,078

Strategy: 2-1-1 Administer the Occupational Licensing Program through Enforcement

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$20,402	\$20,402	\$40,804
Gr Dedicated Total	\$0	\$0	\$0	\$20,402	\$20,402	\$40,804

Strategy: 3-1-1 Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspection

Gr Dedicated

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/4/2016
Time: 3:45:23PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$20,467	\$20,467	\$40,934	
Gr Dedicated Total	\$0	\$0	\$0	\$20,467	\$20,467	\$40,934	
Item Total	\$0	\$0	\$0	\$112,707	\$112,707	\$225,414	
FTE Reductions (From FY 2018 and FY 2019 Base Request)				1.3	1.3		
AGENCY TOTALS							
GR Dedicated Total				\$704,005	\$704,005	\$1,408,010	\$1,408,010
Agency Grand Total	\$0	\$0	\$0	\$704,005	\$704,005	\$1,408,010	
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2018 and FY 2019 Base Request)				4.8	4.8		

7.A. Indirect Administrative and Support Costs

8/4/2016 3:45:23PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$76,898	\$ 92,532	\$ 99,146	\$ 99,904	\$ 99,904
1002 OTHER PERSONNEL COSTS	3,830	9,857	9,028	4,213	4,213
2001 PROFESSIONAL FEES AND SERVICES	8,231	11,253	9,524	8,146	8,146
2003 CONSUMABLE SUPPLIES	2,385	1,312	2,122	1,334	1,334
2004 UTILITIES	6,635	6,158	7,415	6,318	6,318
2005 TRAVEL	1,719	2,160	2,557	2,063	2,063
2006 RENT - BUILDING	10,247	10,906	11,088	13,532	13,532
2007 RENT - MACHINE AND OTHER	146	168	115	116	116
2009 OTHER OPERATING EXPENSE	33,877	22,567	25,921	24,472	24,472
5000 CAPITAL EXPENDITURES	3,704	0	0	0	0
Total, Objects of Expense	\$147,672	\$156,913	\$166,916	\$160,098	\$160,098
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	147,672	156,913	166,916	160,098	160,098
Total, Method of Financing	\$147,672	\$156,913	\$166,916	\$160,098	\$160,098
FULL TIME EQUIVALENT POSITIONS	1.4	1.5	1.5	1.5	1.5

Method of Allocation

7.A. Indirect Administrative and Support Costs

8/4/2016 3:45:23PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners					

The administrative and support costs have been allocated based on the computation of the FTE Counts of the specific strategy divided by the total FTE Counts of all non-administrative strategies. The percentages that apply to this strategy are:

- FY 2015 = 11.8%
- FY 2016 = 12.6%
- FY 2017 = 12.8%
- FY 2018 = 12.9%
- FY 2019 = 12.9%

7.A. Indirect Administrative and Support Costs

8/4/2016 3:45:23PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
-----------------	-----------------	-----------------	-----------------	----------------	----------------

The administrative and support costs have been allocated based on the computation of the FTE Counts of the specific strategy divided by the total FTE Counts of all non-administrative strategies. The percentages that apply to this strategy are:

FY 2015 = 0.0%

FY 2016 = 0.0%

FY 2017 = 0.0%

FY 2018 = 0.0%

FY 2019 = 0.0%

7.A. Indirect Administrative and Support Costs

8/4/2016 3:45:23PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-3-1	Supervise the Conduct of Racing through Enforcement and Monitoring					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$159,160	\$ 152,164	\$ 163,041	\$ 155,407	\$ 155,407
1002	OTHER PERSONNEL COSTS	7,926	16,208	14,847	6,554	6,554
2001	PROFESSIONAL FEES AND SERVICES	17,036	18,504	15,662	12,671	12,671
2003	CONSUMABLE SUPPLIES	4,935	2,158	3,490	2,075	2,075
2004	UTILITIES	13,733	10,127	12,193	9,828	9,828
2005	TRAVEL	3,558	3,553	4,205	3,209	3,209
2006	RENT - BUILDING	21,209	17,934	18,233	21,050	21,050
2007	RENT - MACHINE AND OTHER	301	276	189	181	181
2009	OTHER OPERATING EXPENSE	70,117	37,110	42,625	38,067	38,067
5000	CAPITAL EXPENDITURES	7,666	0	0	0	0
	Total, Objects of Expense	\$305,641	\$258,034	\$274,485	\$249,042	\$249,042
METHOD OF FINANCING:						
597	Texas Racing Comm Acct	305,641	258,034	274,485	249,042	249,042
	Total, Method of Financing	\$305,641	\$258,034	\$274,485	\$249,042	\$249,042
FULL TIME EQUIVALENT POSITIONS		2.9	2.4	2.5	2.4	2.4

Method of Allocation

7.A. Indirect Administrative and Support Costs

8/4/2016 3:45:23PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring					

The administrative and support costs have been allocated based on the computation of the FTE Counts of the specific strategy divided by the total FTE Counts of all non-administrative strategies. The percentages that apply to this strategy are:

- FY 2015 = 24.5%
- FY 2016 = 20.7%
- FY 2017 = 21.0%
- FY 2018 = 20.1%
- FY 2019 = 20.1%

7.A. Indirect Administrative and Support Costs

8/4/2016 3:45:23PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-3-2	Monitor Occupational Licensee Activities					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$59,015	\$ 67,857	\$ 74,911	\$ 75,483	\$ 75,483
1002	OTHER PERSONNEL COSTS	2,939	7,228	6,821	3,183	3,183
2001	PROFESSIONAL FEES AND SERVICES	6,317	8,252	7,196	6,155	6,155
2003	CONSUMABLE SUPPLIES	1,830	962	1,603	1,008	1,008
2004	UTILITIES	5,092	4,516	5,602	4,774	4,774
2005	TRAVEL	1,319	1,584	1,932	1,559	1,559
2006	RENT - BUILDING	7,864	7,997	8,377	10,224	10,224
2007	RENT - MACHINE AND OTHER	112	123	87	88	88
2009	OTHER OPERATING EXPENSE	25,998	16,549	19,584	18,489	18,489
5000	CAPITAL EXPENDITURES	2,842	0	0	0	0
Total, Objects of Expense		\$113,328	\$115,068	\$126,113	\$120,963	\$120,963
METHOD OF FINANCING:						
597	Texas Racing Comm Acct	113,328	115,068	126,113	120,963	120,963
Total, Method of Financing		\$113,328	\$115,068	\$126,113	\$120,963	\$120,963
FULL TIME EQUIVALENT POSITIONS		1.1	1.1	1.1	1.1	1.1

Method of Allocation

7.A. Indirect Administrative and Support Costs

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-3-2 Monitor Occupational Licensee Activities					

The administrative and support costs have been allocated based on the computation of the FTE Counts of the specific strategy divided by the total FTE Counts of all non-administrative strategies. The percentages that apply to this strategy are:

- FY 2015 = 9.1%
- FY 2016 = 9.2%
- FY 2017 = 9.7%
- FY 2018 = 9.7%
- FY 2019 = 9.7%

7.A. Indirect Administrative and Support Costs

8/4/2016 3:45:23PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-4-1	Inspect and Provide Emergency Care					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$39,343	\$ 65,801	\$ 79,317	\$ 79,924	\$ 79,924
1002	OTHER PERSONNEL COSTS	1,959	7,009	7,223	3,371	3,371
2001	PROFESSIONAL FEES AND SERVICES	4,211	8,002	7,619	6,517	6,517
2003	CONSUMABLE SUPPLIES	1,220	933	1,698	1,067	1,067
2004	UTILITIES	3,395	4,379	5,932	5,054	5,054
2005	TRAVEL	879	1,536	2,045	1,650	1,650
2006	RENT - BUILDING	5,243	7,755	8,870	10,826	10,826
2007	RENT - MACHINE AND OTHER	74	119	92	93	93
2009	OTHER OPERATING EXPENSE	17,332	16,047	20,737	19,578	19,578
5000	CAPITAL EXPENDITURES	1,895	0	0	0	0
Total, Objects of Expense		\$75,551	\$111,581	\$133,533	\$128,080	\$128,080
METHOD OF FINANCING:						
597	Texas Racing Comm Acct	75,551	111,581	133,533	128,080	128,080
Total, Method of Financing		\$75,551	\$111,581	\$133,533	\$128,080	\$128,080
FULL TIME EQUIVALENT POSITIONS		0.7	1.1	1.2	1.2	1.2

Method of Allocation

7.A. Indirect Administrative and Support Costs

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-4-1 Inspect and Provide Emergency Care					

The administrative and support costs have been allocated based on the computation of the FTE Counts of the specific strategy divided by the total FTE Counts of all non-administrative strategies. The percentages that apply to this strategy are:

- FY 2015 = 6.1%
- FY 2016 = 9.0%
- FY 2017 = 10.2%
- FY 2018 = 10.3%
- FY 2019 = 10.3%

7.A. Indirect Administrative and Support Costs

8/4/2016 3:45:23PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-4-2	Administer Drug Tests					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$82,263	\$ 76,082	\$ 81,520	\$ 88,804	\$ 88,804
1002	OTHER PERSONNEL COSTS	4,097	8,104	7,423	3,745	3,745
2001	PROFESSIONAL FEES AND SERVICES	8,805	9,252	7,831	7,241	7,241
2003	CONSUMABLE SUPPLIES	2,551	1,079	1,745	1,186	1,186
2004	UTILITIES	7,098	5,063	6,097	5,616	5,616
2005	TRAVEL	1,839	1,776	2,102	1,834	1,834
2006	RENT - BUILDING	10,962	8,967	9,117	12,029	12,029
2007	RENT - MACHINE AND OTHER	156	138	95	103	103
2009	OTHER OPERATING EXPENSE	36,240	18,555	21,313	21,751	21,751
5000	CAPITAL EXPENDITURES	3,962	0	0	0	0
Total, Objects of Expense		\$157,973	\$129,016	\$137,243	\$142,309	\$142,309
METHOD OF FINANCING:						
597	Texas Racing Comm Acct	157,973	129,016	137,243	142,309	142,309
Total, Method of Financing		\$157,973	\$129,016	\$137,243	\$142,309	\$142,309
FULL TIME EQUIVALENT POSITIONS		1.5	1.2	1.2	1.4	1.4

Method of Allocation

7.A. Indirect Administrative and Support Costs

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-4-2 Administer Drug Tests					

The administrative and support costs have been allocated based on the computation of the FTE Counts of the specific strategy divided by the total FTE Counts of all non-administrative strategies. The percentages that apply to this strategy are:

- FY 2015 = 12.7%
- FY 2016 = 10.4%
- FY 2017 = 10.5%
- FY 2018 = 11.5%
- FY 2019 = 11.5%

7.A. Indirect Administrative and Support Costs

8/4/2016 3:45:23PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2-1-1	Administer the Occupational Licensing Program through Enforcement					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$121,606	\$ 133,658	\$ 138,805	\$ 135,426	\$ 135,426
1002	OTHER PERSONNEL COSTS	6,056	14,237	12,640	5,711	5,711
2001	PROFESSIONAL FEES AND SERVICES	13,016	16,254	13,334	11,042	11,042
2003	CONSUMABLE SUPPLIES	3,771	1,895	2,971	1,808	1,808
2004	UTILITIES	10,493	8,895	10,381	8,564	8,564
2005	TRAVEL	2,718	3,121	3,580	2,797	2,797
2006	RENT - BUILDING	16,205	15,753	15,523	18,344	18,344
2007	RENT - MACHINE AND OTHER	230	242	161	157	157
2009	OTHER OPERATING EXPENSE	53,572	32,596	36,289	33,172	33,172
5000	CAPITAL EXPENDITURES	5,857	0	0	0	0
Total, Objects of Expense		\$233,524	\$226,651	\$233,684	\$217,021	\$217,021
METHOD OF FINANCING:						
597	Texas Racing Comm Acct	233,524	226,651	233,684	217,021	217,021
Total, Method of Financing		\$233,524	\$226,651	\$233,684	\$217,021	\$217,021
FULL TIME EQUIVALENT POSITIONS		2.2	2.1	2.1	2.1	2.1

Method of Allocation

7.A. Indirect Administrative and Support Costs

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2-1-1 Administer the Occupational Licensing Program through Enforcement					

The administrative and support costs have been allocated based on the computation of the FTE Counts of the specific strategy divided by the total FTE Counts of all non-administrative strategies. The percentages that apply to this strategy are:

- FY 2015 = 18.7%
- FY 2016 = 18.2%
- FY 2017 = 17.9%
- FY 2018 = 17.5%
- FY 2019 = 17.5%

7.A. Indirect Administrative and Support Costs

8/4/2016 3:45:23PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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
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

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
-----------------	-----------------	-----------------	-----------------	----------------	----------------

The administrative and support costs have been allocated based on the computation of the FTE Counts of the specific strategy divided by the total FTE Counts of all non-administrative strategies. The percentages that apply to this strategy are:

FY 2015 = 0.0%
FY 2016 = 0.0%
FY 2017 = 0.0%
FY 2018 = 0.0%
FY 2019 = 0.0%

7.A. Indirect Administrative and Support Costs

8/4/2016 3:45:23PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
3-1-1	Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspection					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$110,875	\$ 145,996	\$ 138,805	\$ 139,866	\$ 139,866
1002	OTHER PERSONNEL COSTS	5,522	15,552	12,640	5,899	5,899
2001	PROFESSIONAL FEES AND SERVICES	11,866	17,754	13,334	11,403	11,403
2003	CONSUMABLE SUPPLIES	3,438	2,070	2,971	1,868	1,868
2004	UTILITIES	9,567	9,717	10,380	8,846	8,846
2005	TRAVEL	2,478	3,409	3,579	2,888	2,888
2006	RENT - BUILDING	14,774	17,206	15,522	18,945	18,945
2007	RENT - MACHINE AND OTHER	210	265	161	162	162
2009	OTHER OPERATING EXPENSE	48,846	35,605	36,288	34,258	34,258
5000	CAPITAL EXPENDITURES	5,339	0	0	0	0
Total, Objects of Expense		\$212,915	\$247,574	\$233,680	\$224,135	\$224,135
METHOD OF FINANCING:						
597	Texas Racing Comm Acct	212,915	247,574	233,680	224,135	224,135
Total, Method of Financing		\$212,915	\$247,574	\$233,680	\$224,135	\$224,135
FULL TIME EQUIVALENT POSITIONS		2.0	2.4	2.2	2.1	2.1

Method of Allocation

7.A. Indirect Administrative and Support Costs

8/4/2016 3:45:23PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Exp 2015

Est 2016

Bud 2017

BL 2018

BL 2019

The administrative and support costs have been allocated based on the computation of the FTE Counts of the specific strategy divided by the total FTE Counts of all non-administrative strategies. The percentages that apply to this strategy are:

FY 2015 = 17.1%

FY 2016 = 19.9%

FY 2017 = 17.9%

FY 2018 = 18.0%

FY 2019 = 18.0%

7.A. Indirect Administrative and Support Costs

8/4/2016 3:45:23PM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$649,160	\$734,090	\$775,545	\$774,814	\$774,814
1002 OTHER PERSONNEL COSTS	\$32,329	\$78,195	\$70,622	\$32,676	\$32,676
2001 PROFESSIONAL FEES AND SERVICES	\$69,482	\$89,271	\$74,500	\$63,175	\$63,175
2003 CONSUMABLE SUPPLIES	\$20,130	\$10,409	\$16,600	\$10,346	\$10,346
2004 UTILITIES	\$56,013	\$48,855	\$58,000	\$49,000	\$49,000
2005 TRAVEL	\$14,510	\$17,139	\$20,000	\$16,000	\$16,000
2006 RENT - BUILDING	\$86,504	\$86,518	\$86,730	\$104,950	\$104,950
2007 RENT - MACHINE AND OTHER	\$1,229	\$1,331	\$900	\$900	\$900
2009 OTHER OPERATING EXPENSE	\$285,982	\$179,029	\$202,757	\$189,787	\$189,787
5000 CAPITAL EXPENDITURES	\$31,265	\$0	\$0	\$0	\$0
Total, Objects of Expense	\$1,246,604	\$1,244,837	\$1,305,654	\$1,241,648	\$1,241,648
Method of Financing					
597 Texas Racing Comm Acct	\$1,246,604	\$1,244,837	\$1,305,654	\$1,241,648	\$1,241,648
Total, Method of Financing	\$1,246,604	\$1,244,837	\$1,305,654	\$1,241,648	\$1,241,648
Full-Time-Equivalent Positions (FTE)	11.8	11.8	11.8	11.8	11.8

Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$10,098	\$23,868	\$23,868	\$23,868	\$23,868
1002 OTHER PERSONNEL COSTS	337	654	921	682	682
2003 CONSUMABLE SUPPLIES	18	0	0	0	0
2009 OTHER OPERATING EXPENSE	520	410	245	468	468
Total, Objects of Expense	\$10,973	\$24,932	\$25,034	\$25,018	\$25,018
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	10,973	24,932	25,034	25,018	25,018
Total, Method of Financing	\$10,973	\$24,932	\$25,034	\$25,018	\$25,018
FULL-TIME-EQUIVALENT POSITIONS (FTE):	0.2	0.5	0.5	0.5	0.5

DESCRIPTION

The administrative cost in this strategy is allocated based on the FTE Count of the administrative assistant who provides a variety of technical/administrative duties including maintaining filing systems including record retention, preparing reports, responding to inquiries and general support work.

Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-4-1 Inspect and Provide Emergency Care					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$30,208	\$18,833	\$39,000	\$39,000	\$39,000
1002 OTHER PERSONNEL COSTS	4,307	772	1,120	361	361
2003 CONSUMABLE SUPPLIES	27	0	0	0	0
2009 OTHER OPERATING EXPENSE	927	374	307	564	564
Total, Objects of Expense	\$35,469	\$19,979	\$40,427	\$39,925	\$39,925
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	35,469	19,979	40,427	39,925	39,925
Total, Method of Financing	\$35,469	\$19,979	\$40,427	\$39,925	\$39,925
FULL-TIME-EQUIVALENT POSITIONS (FTE):	0.8	0.5	1.0	1.0	1.0

DESCRIPTION

The administrative cost in this strategy is allocated based on the FTE Count of the administrative assistant who provides a variety of technical/administrative duties including maintaining filing systems including record retention, preparing reports, responding to inquiries and general support work.

Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
3-1-1	Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspection				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$35,459	\$34,764	\$36,345	\$36,345	\$36,345
1002 OTHER PERSONNEL COSTS	5,462	3,359	1,539	1,206	1,206
2003 CONSUMABLE SUPPLIES	304	48	111	0	0
2007 RENT - MACHINE AND OTHER	22	0	0	0	0
2009 OTHER OPERATING EXPENSE	3,972	1,439	1,514	1,669	1,669
Total, Objects of Expense	\$45,219	\$39,610	\$39,509	\$39,220	\$39,220
METHOD OF FINANCING:					
597 Texas Racing Comm Acct	45,219	39,610	39,509	39,220	39,220
Total, Method of Financing	\$45,219	\$39,610	\$39,509	\$39,220	\$39,220
FULL-TIME-EQUIVALENT POSITIONS (FTE):	1.0	1.0	1.0	1.0	1.0

DESCRIPTION

The administrative cost in this strategy is allocated based on the FTE Count of the administrative assistant who provides a variety of technical/administrative duties including maintaining filing systems including record retention, preparing reports, responding to inquiries and general support work.

Agency code: 476

Agency name: **Racing Commission**

	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$75,765	\$77,465	\$99,213	\$99,213	\$99,213
1002 OTHER PERSONNEL COSTS	\$10,106	\$4,785	\$3,580	\$2,249	\$2,249
2003 CONSUMABLE SUPPLIES	\$349	\$48	\$111	\$0	\$0
2007 RENT - MACHINE AND OTHER	\$22	\$0	\$0	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$5,419	\$2,223	\$2,066	\$2,701	\$2,701
Total, Objects of Expense	\$91,661	\$84,521	\$104,970	\$104,163	\$104,163
Method of Financing					
597 Texas Racing Comm Acct	\$91,661	\$84,521	\$104,970	\$104,163	\$104,163
Total, Method of Financing	\$91,661	\$84,521	\$104,970	\$104,163	\$104,163
Full-Time-Equivalent Positions (FTE)	2.0	2.0	2.5	2.5	2.5