

# — TEXAS — RACING COMMISSION

## LEGISLATIVE APPROPRIATIONS REQUEST FOR FISCAL YEARS 2020 AND 2021



<b>Commissioners</b>	<b>Term Expires</b>	<b>Hometown</b>
John T. Steen III, Chair	2019	Houston
Ronald F. Ederer, Vice Chair	2019	Corpus Christi
Gloria Hicks	2017	Corpus Christi
Robert Schmidt, M.D.	2017	Fort Worth
Margaret Martin	2021	Boerne

### **Ex-Officio Members**

Sid Miller, Commissioner Texas Department of Agriculture	Stephenville
Stephen P. Mach, Chair Public Safety Commission	Houston

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**PO BOX 12080 • AUSTIN, TEXAS 78711**

# **TEXAS RACING COMMISSION**

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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.

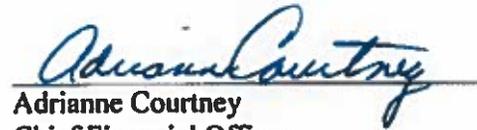
Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the GOBPP will be notified in writing in accordance with Article IX, Section 7.01 (2018-19 GAA).

  
\_\_\_\_\_  
Charles G. Trout  
Executive Director

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

8-14-18  
Date

8/14/18  
Date

  
\_\_\_\_\_  
Adrienne Courtney  
Chief Financial Officer

8/14/18  
Date



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## FY2020 - FY2021

### Administrator's Statement

The Racing Commission regulates and supervises 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 Commissioner of Agriculture and the Chair of the Public Safety Commission.

<b>Commissioners</b>	<b>Term</b>	<b>Hometown</b>
John T. Steen III, Chairman	10/03/2011 – 02/01/2019	Houston
Ronald F. Ederer, Vice Chair	07/17/2007 – 02/01/2019	Corpus Christi
Gloria Hicks	11/09/2007 – 02/01/2017	Corpus Christi
Robert Schmidt, M.D.	11/09/2007 – 02/01/2017	Ft. Worth
Margaret Martin	11/06/2015 – 02/01/2021	Boerne
Vacant		
Vacant		
<b>Ex Officio Members</b>		
Sid Miller, Commissioner, Department of Agriculture		Stephenville
Steven P. Mach, Chair, Public Safety Commission		Houston

### 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 1.2 million patrons wagered \$287 million at these tracks in 2017 during 186 days of live horse and 24 days of live 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 7,300 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 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.

## **II. SIGNIFICANT CHANGE IN REVENUE**

During FY2016, three racetrack licensees stopped paying their annual fees and subsequently lost their licenses. This created a funding shortfall of \$690,000 that brought the agency perilously close to closing its doors in September, 2017. As the agency is funded primarily from fees assessed to racetracks and occupational licensees, this meant that the total revenue projected from racetrack licensing fees had to be covered by the 10 remaining licensed racetracks. As the three tracks that lost their licenses were not *operating* racetracks, there was *zero* savings to the agency to offset the lost revenue. Despite that, during FY2017 and through this fiscal year, the agency implemented several cost saving measures in an effort to reduce the additional fee burden on the remaining racetrack license holders. Due to the continual decline of the racing industry in Texas, racetracks have expressed concern over the recent fee reallocation. This reallocation is the direct result of the \$690,000 loss in revenue, not the result of growth in agency operating costs.

To address the \$690,000 shortfall, the racetrack licensing fees had to be adjusted. As part of the finance/fees discussion, the racetracks requested that the Commission undergo an efficiency audit that the racetracks would pay for. Their expectation was that the audit would reveal significant cost cutting measures. The Commission agreed to their request and adopted a rule authorizing a supplemental license fee of up to \$200,000 for an audit that the racetracks agreed would be paid for by dividing the amount among the tracks. An RFP for an Economy, Effectiveness, and Efficiency Internal Audit was filed on the Electronic State Business Daily website on April 27, 2018 but no bids were received by the due date of May 29, 2018.

During the discussions regarding the most equitable reallocation of the racetrack licensing fees to recover the \$690,000 shortfall, there were disagreements over equity issues, with some Class 2 horse racetracks and greyhound racetracks stating if their fees went up they too would be forced to relinquish their license. This would further increase the cost to each remaining racetrack. In a compromise, the amended racetrack licensing fee rule adopted in February 2018 reduced the fees for the Class 2 horse racetracks and greyhound racetracks and increased fees for the Class 1 horse racetracks and provided that the fees revert back to the previous fee structure on September 1, 2018. This was intended to allow

time for the audit to be completed and any cost savings incorporated into a revised racetrack licensing fee rule. However, the lack of response to the RFP meant that the anticipated timeline could not be met. At its August 14, 2018, meeting, the Commission will be voting on whether to keep the current fee rule in place through February 2019, at which time the fees would revert back to the previous fee structure, with Class 2 horse racetrack and greyhound racetrack fees going up and Class 1 horse racetrack fees going down. At this meeting, the Commission will also be considering whether to repost for an audit.

Bottom line, the agency's funding mechanism is problematic as the regulated industry continues to face a significant decline and is looking to cut the Commission's regulatory costs. However, the agency's mission remains to ensure the safety, integrity, and fairness of Texas pari-mutuel racing and to operate in compliance with all state and Racing Act statutes and requirements.

The Commission by rule will set fees in amounts reasonable and necessary to cover the costs of regulating and supervising live and simulcast racing.

### **III. REMOVING REDUNDANCIES AND IMPEDIMENTS**

#### **Agency Funding**

- *Consider alternative funding mechanisms such as reallocating a portion of the outstanding ticket revenue to the agency*

See above discussion regarding funding issues.

- *Grant the Commission authority to recoup costs of litigation from licensees found guilty of violations*

TxRC hearings are becoming increasingly complex and costly as more licensees choose to contest penalties which have increased in an effort to deter violations.

- *Permit the industry to administer the Texas-Bred Accredited Program funds with minimal oversight by the Commission*

The agency provides oversight for the distribution of funds for the Texas-Bred Incentive Program. Funds are collected based on the total amount wagered at Texas racetracks and passed through the Commission for distribution to owners and breeders of Texas-bred race animals. The agency has reduced staff in the auditing function and does not have sufficient manpower to audit and administer these funds.

## Agency Operations

- *Provide that the agency contribute proportionately for retiree's health insurance premiums depending on employee's length of service with TxRC*

In FY2018, the agency estimates it will pay approximately \$395,000 in health insurance premiums for employees who retire from the agency and for their dependents. The cost for employee retiree insurance premiums in FY 2020 is budgeted at \$409,000. The agency is responsible for this cost for all employees who retire from the agency regardless of their length of service with the Racing Commission.

- *Modify definition of 'prohibited substance' in the Racing Act to eliminate a 'loophole' that could jeopardize prosecution of a well-established, well-documented drug positive*

The statutory definition of 'prohibited substance' requires expert testimony to establish that the substance is, in its use or intended use, "reasonably capable of influencing or affecting the outcome of a race in a manner contrary to [the] Act or Commission rule." In a recent case the Commission was unable to find an expert witness until shortly before the hearing, calling into question the ability of the agency to prosecute what was otherwise a well-established, well-documented drug positive.

- *Remove requirement for occupational license renewals to resubmit fingerprints to the FBI every three years*

The Racing Act currently requires the Commission to resubmit fingerprints every three years for occupational licensee renewals. However, there is no longer an FBI requirement for resubmitting fingerprints submitted after June 1, 2015. This change would make the Racing Act consistent with current FBI requirements and will result in a savings of \$27 every three years for occupational license applicants.

- *List the specific occupations requiring a license from the Racing Commission*

FBI policies regarding background checks performed on behalf of state agencies require specific statutory authority in state law. That authority is expressed in Tex. Gov't Code 411.096 ("The Texas Racing Commission is entitled to obtain from the department (DPS) criminal history record information maintained by the department that pertains to a person who is ...an applicant for a license under the Texas Racing Act"); however, in the Racing Act the Texas Legislature delegated to the Racing Commission the determination of which occupations should be required to obtain licenses to engage in racing. The FBI has asked that the Racing Act be amended to specifically list the occupations requiring licenses.

#### **IV. 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 wagered in 2000 to the current low of \$287 million. While the decline in overall wagering has been leveling out, the 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 the industry's decline, the agency's role remains unchanged: to enforce the Texas Racing Act and the Rules of Racing to ensure the safety, integrity, and fairness of Texas pari-mutuel racing. 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.

#### **V. EXCEPTIONAL ITEM – APPROPRIATIONS FOR INFORMATION SECURITY OFFICER/NETWORK SPECIALIST**

The agency is requesting additional appropriations of \$81,200 for each fiscal year for an Information Security Officer/Network Specialist. Texas Government Code mandates the designation of an Information Security Officer who, as the officer's primary duties, has authority over information security for the entire agency.

#### **VI. SUPPLEMENTAL SCHEDULE – 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS**

As directed, the agency reviewed its request and offers a reduction in four increments of 2.5 percent that equal a 10 percent reduction in its biennial request. 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. A 10 percent reduction to the Texas-Bred Incentive Program is allocated equally among the four options listed below. Of the Commission's remaining portion of the operating budget appropriation, 72.2 percent is devoted to staff salaries and related costs. In order to comply with the reduction options requirement, the Commission proposes the following biennial reductions:

1. The first option for a biennial reduction of 2.5 percent consists of the following:

- Reduce \$156,500 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 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 the owners and breeders of accredited Texas-bred race animals.
  - Eliminate \$37,000 for a salary increase. Commission salaries are below the midpoint in most of the salary groups across the agency. This has made it difficult to recruit and retain qualified, experienced state employees.
  - Reduce \$30,000 in Central Administration for professional fees and services related to providing internal auditing services and the Internal Audit Plan.
  - Reduce \$102,000 to eliminate the position of Records Management Officer. This position is responsible for managing the agency's record management program to ensure the agency complies with state records management and record retention requirements.
2. The second option for a biennial reduction of 2.5 percent consists of the following.
- Reduce \$156,500 in appropriation authority for the Texas-Bred Incentive Program.
  - Reduce \$62,000 in the Licensing Program for administrative support.
  - Reduce \$56,000 in Central Administration by reducing the hours of staff in Accounting. Additional duties and responsibilities would be assigned to remaining staff and could result in less oversight, reduced effectiveness of internal office procedures and reduced compliance with state and Commission requirements.
  - Reduce \$55,000 in Information Resources by delaying an upgrade to the network system. Network devices are used to protect and control access to the agency's critical infrastructure and data. These devices eventually reach end of life and must be replaced.
3. The third option for a biennial reduction of 2.5 percent consists of the following.
- Reduce \$156,500 in appropriation authority for the Texas-Bred Incentive Program.
  - Reduce \$91,000 in Monitor Licensee Activities by eliminating 0.5 of an FTE and reducing travel in this program. This 0.5 of an FTE allows the agency to minimize the use of several part-time investigators that rotate to work at Lone Star Park racetrack by hiring a full-time investigator. This provides for a more consistent presence and increased enforcement efficiency at the racetrack during live racing.
  - Reduce \$65,790 in Administer Drug Tests by eliminating the presence of Commission and contract veterinarians at the horse racetracks during routine training hours. This presence allows the veterinarians an

expanded opportunity to examine horses beyond the brief pre-race examination, and when necessary, take appropriate action to place a horse on the Veterinarian's List until the horse demonstrates that it is sound to race.

- Reduce \$37,900 in Central Administration by no longer paying membership dues in the Association of Racing Commissioners International (ARCI). The agency would no longer be able to participate in the ARCI national database that is used to monitor and share licensees' standing with other jurisdictions. Staff would no longer be able to participate in the development of national standards for the racing industry or stay current on the standards for racing regulation, medication policy, drug testing laboratories, totalizator systems, racetrack operations, and security.
4. The fourth and final option for a biennial reduction of 2.5 percent includes the following:
- Reduce \$156,500 in appropriation authority for the Texas-Bred Incentive Program.
  - Reduce \$150,000 in the Regulate Racetracks program by reducing staff hours. This would have a significant impact on the agency's ability to prepare for enforcement cases before the State Office of Administrative Hearings and would reduce agency regulatory oversight.
  - Reduce \$22,221 in Information Resources by delaying modifications and upgrades to the agency's database.

## **VII. 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 license an applicant who fails to provide a complete set of his or her fingerprints.

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

DPS; and (3) TxRC must obtain a criminal history record from DPS and the FBI for each individual who submits fingerprints.

#### Agency Process

To obtain a license, each applicant must complete a basic application, submit fingerprints for a criminal history background check and pay the DPS/FBI fingerprint processing fee, and pay a licensing fee. The agency sends all fingerprints electronically to DPS. DPS electronically forwards the fingerprints to the FBI for processing. The Commission's transition to electronic fingerprinting has shortened the amount of time it takes to receive criminal history information from DPS and the FBI.

Currently, Commission staff 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.

Please note the Commission is asking the Legislature to remove the requirement for occupational license renewals to resubmit fingerprints to the FBI every three years. There is no longer a FBI requirement for resubmitting fingerprints submitted after June 1, 2015. This requested change would make the Racing Act consistent with current FBI requirements and will result in a savings of \$27 every three years for occupational license applicants.

#### **VIII. 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**

86th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2018

TIME: 11:52:24AM

PAGE: 1 OF 1

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Agency code: **476**

Agency name: **Racing Commission**

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**AGENCY MISSION**

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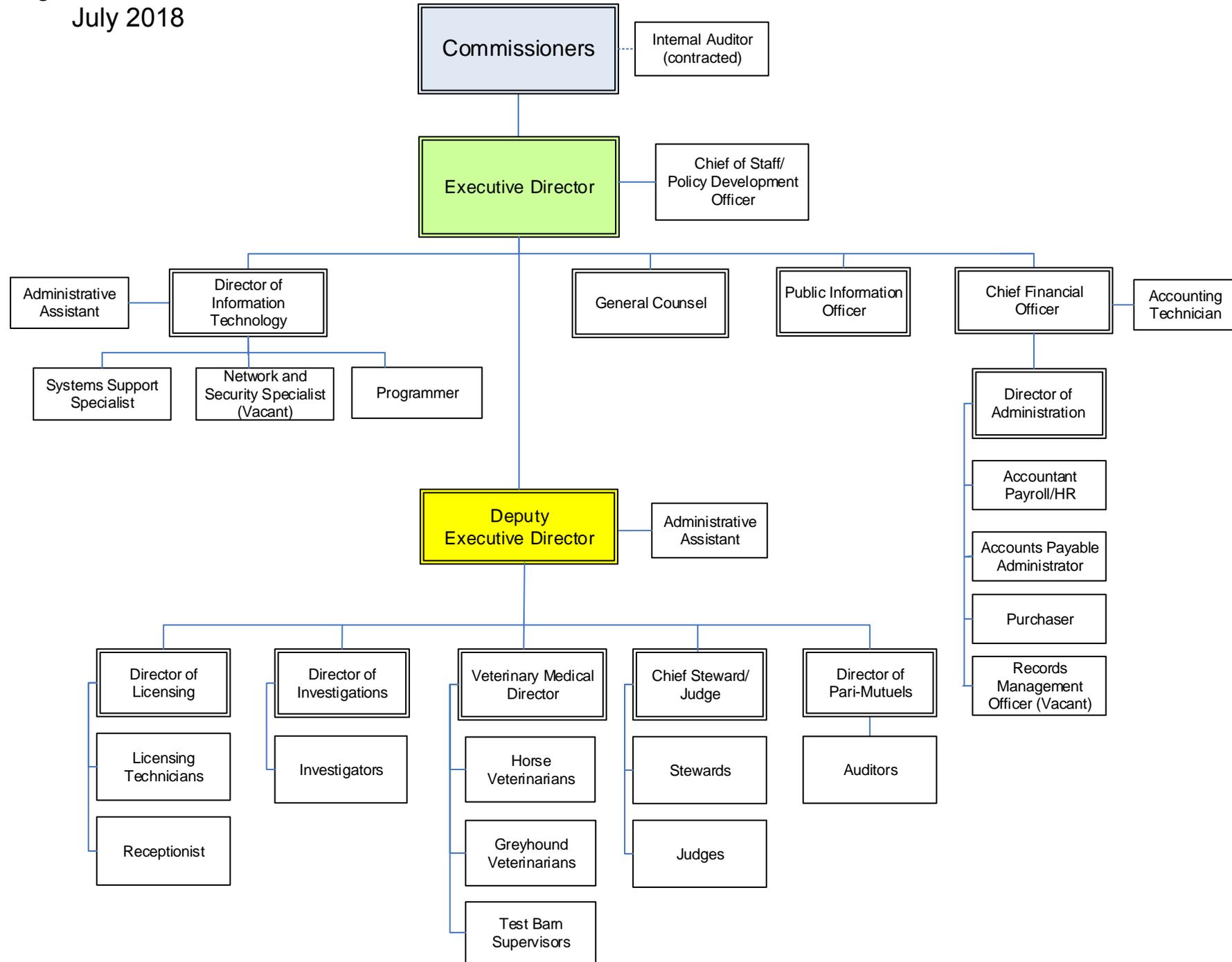
To enforce the Texas Racing Act and the Rules of Racing to ensure the safety, integrity and fairness of Texas pari-mutuel racing.

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

July 2018



**Budget Overview - Biennial Amounts**  
**86th Regular Session, Agency Submission, Version 1**  
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission  
Appropriation Years: 2020-21

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2020-21
	<b>Goal: 1. Enforce Racing Regulations in Texas</b>										
1.1.1. License/Regulate Racetracks			735,648	747,516					735,648	747,516	
1.2.1. Texas Bred Incentive Program			6,260,000	6,260,000					6,260,000	6,260,000	
1.3.1. Supervise & Conduct Live Races			990,475	932,458					990,475	932,458	
1.3.2. Monitor Licensee Activities			533,307	607,172					533,307	607,172	
1.4.1. Inspect & Provide Emergency Care			642,130	564,810					642,130	564,810	
1.4.2. Administer Drug Tests			384,499	412,627					384,499	412,627	
<b>Total, Goal</b>			<b>9,546,059</b>	<b>9,524,583</b>					<b>9,546,059</b>	<b>9,524,583</b>	
<b>Goal: 2. Regulate the Participation in Racing</b>											
2.1.1. Occupational Licensing Program			686,382	688,459					686,382	688,459	
2.1.2. Texas.Gov			34,000	35,000					34,000	35,000	
<b>Total, Goal</b>			<b>720,382</b>	<b>723,459</b>					<b>720,382</b>	<b>723,459</b>	
<b>Goal: 3. Regulate Pari-mutuel Wagering in Texas</b>											
3.1.1. Monitor Wagering And Compliance			579,545	522,267					579,545	522,267	
<b>Total, Goal</b>			<b>579,545</b>	<b>522,267</b>					<b>579,545</b>	<b>522,267</b>	
<b>Goal: 4. Indirect Administration</b>											
4.1.1. Central Admin & Other Support Svcs			1,402,791	1,485,192					1,402,791	1,485,192	
4.1.2. Information Resources			1,045,596	1,087,697					1,045,596	1,087,697	166,400
<b>Total, Goal</b>			<b>2,448,387</b>	<b>2,572,889</b>					<b>2,448,387</b>	<b>2,572,889</b>	<b>166,400</b>
<b>Total, Agency</b>			<b>13,294,373</b>	<b>13,343,198</b>					<b>13,294,373</b>	<b>13,343,198</b>	<b>166,400</b>
<b>Total FTEs</b>									<b>37.8</b>	<b>39.3</b>	<b>1.0</b>

476 Racing Commission

Goal / Objective / STRATEGY	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<b>1</b> Enforce Racing Regulations in Texas					
<b>1</b> <i>Regulate Pari-mutuel Racetracks Effectively</i>					
<b>1 LICENSE/REGULATE RACETRACKS</b>	363,968	351,272	384,376	373,628	373,888
<b>2</b> <i>Provide Oversight of Texas Bred Incentive Program</i>					
<b>1 TEXAS BRED INCENTIVE PROGRAM</b>	3,028,616	3,130,000	3,130,000	3,130,000	3,130,000
<b>3</b> <i>Reduce the Rate of Rulings Per Occupational Licensee</i>					
<b>1 SUPERVISE &amp; CONDUCT LIVE RACES</b>	515,128	485,127	505,348	465,909	466,549
<b>2 MONITOR LICENSEE ACTIVITIES</b>	325,315	274,138	259,169	303,586	303,586
<b>4</b> <i>Reduce the Percentage of Race Animals Injured or Dismissed</i>					
<b>1 INSPECT &amp; PROVIDE EMERGENCY CARE</b>	380,295	340,255	301,875	282,235	282,575
<b>2 ADMINISTER DRUG TESTS</b>	214,894	184,673	199,826	206,721	205,906
<b>TOTAL, GOAL</b> <b>1</b>	<b>\$4,828,216</b>	<b>\$4,765,465</b>	<b>\$4,780,594</b>	<b>\$4,762,079</b>	<b>\$4,762,504</b>

**2** Regulate the Participation in Racing

2.A. Summary of Base Request by Strategy

8/27/2018 11:36:06AM

86th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Goal / Objective / STRATEGY	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<u>1</u> <i>Maintain the Efficiency of the Occupational Licensing Process</i>					
1 OCCUPATIONAL LICENSING PROGRAM	365,587	342,772	343,610	344,130	344,329
2 TEXAS.GOV	17,212	17,000	17,000	17,500	17,500
<b>TOTAL, GOAL 2</b>	<b>\$382,799</b>	<b>\$359,772</b>	<b>\$360,610</b>	<b>\$361,630</b>	<b>\$361,829</b>
<u>3</u> <i>Regulate Pari-mutuel Wagering in Texas</i>					
<u>1</u> <i>Increase Pass Rate for Initial Tote Test and Compliance Audits</i>					
1 MONITOR WAGERING AND COMPLIANCE	370,608	289,031	290,514	260,794	261,473
<b>TOTAL, GOAL 3</b>	<b>\$370,608</b>	<b>\$289,031</b>	<b>\$290,514</b>	<b>\$260,794</b>	<b>\$261,473</b>
<u>4</u> <i>Indirect Administration</i>					
<u>1</u> <i>Indirect Administration</i>					
1 CENTRAL ADMIN & OTHER SUPPORT SVCS	684,627	655,197	747,594	742,426	742,766
2 INFORMATION RESOURCES	440,574	530,167	515,429	546,788	540,909

2.A. Summary of Base Request by Strategy

8/27/2018 11:36:06AM

86th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Goal / Objective / STRATEGY	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
TOTAL, GOAL 4	\$1,125,201	\$1,185,364	\$1,263,023	\$1,289,214	\$1,283,675
TOTAL, AGENCY STRATEGY REQUEST	\$6,706,824	\$6,599,632	\$6,694,741	\$6,673,717	\$6,669,481
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$6,706,824	\$6,599,632	\$6,694,741	\$6,673,717	\$6,669,481
<u>METHOD OF FINANCING:</u>					
<b>General Revenue Dedicated Funds:</b>					
597 Texas Racing Comm Acct	6,706,824	6,599,632	6,694,741	6,673,717	6,669,481
SUBTOTAL	\$6,706,824	\$6,599,632	\$6,694,741	\$6,673,717	\$6,669,481
TOTAL, METHOD OF FINANCING	\$6,706,824	\$6,599,632	\$6,694,741	\$6,673,717	\$6,669,481

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

2.B. Summary of Base Request by Method of Finance  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/27/2018 11:36:07AM

Agency code: 476		Agency name: Racing Commission				
METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021	
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>						
<b><u>597</u></b> GR Dedicated - Texas Racing Commission Account No. 597						
<i>REGULAR APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2016-17 GAA)						
	\$7,722,747	\$0	\$0	\$0	\$0	
<b>Comments:</b> Matches 2016-17 GAA Conference Committee version						
Regular Appropriations from MOF Table (2018-19 GAA)						
	\$0	\$7,139,624	\$7,139,624	\$0	\$0	
<b>Comments:</b> Matches 2018-19 GAA Conference Committee version						
Requested Appropriations						
	\$0	\$0	\$0	\$6,673,717	\$6,669,481	
<i>RIDER APPROPRIATION</i>						
Art VIII, Agency 476, Rider 5 (2016-17 GAA)						
	\$635,637	\$0	\$0	\$0	\$0	

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

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Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 476

Agency name: Racing Commission

METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
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**GENERAL REVENUE FUND - DEDICATED**

**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).

Art VIII, Agency 476, Rider 5 (2018-19 GAA)

\$0	\$650,427	\$650,427	\$0	\$0
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**Comments:** Matches GAA 2018-19 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, \$315,950 and 5.0 FTEs are for new horse track operations (Rider 5a) and \$334,477 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.

Art VIII, Agency 476, Rider 7 (2018-19 GAA)

\$0	\$5,776	\$5,776	\$0	\$0
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2.B. Summary of Base Request by Method of Finance

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Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 476

Agency name: Racing Commission

METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
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**GENERAL REVENUE FUND - DEDICATED**

**Comments:** Matches GAA 2018-19 Rider 7 "Contingent Appropriation: Additional Live Race Days Added beyond the Base of 186 Days Each Fiscal Year to the Horse Race Date Calendar and Accredited Texas Bred Program."

Contingency rider for additional live race days added beyond base of 186 days. Of the total, \$3,501 and .1 FTEs are for additional days (Rider 7a) and \$2,275 is for projected Texas Bred Incentive Program revenue collected from additional days (Rider 7b).

Art VIII, Agency 476, Rider 8 (2018-19 GAA)

\$0	\$2,639	\$2,639	\$0	\$0
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**Comments:** Matches GAA 2018-19 Rider 8 "Contingent Appropriation: Additional Live Race Days Added beyond the Base of 36 Days Each Fiscal Year to the Greyhound Race Date Calendar and Accredited Texas Bred Program."

Contingency rider for additional live race days added beyond base of 36 days. Of the total, \$2,564 and .1 FTEs are for additional days (Rider 8a) and \$75 is for projected Texas Bred Incentive Program revenue collected from additional days (Rider 8b).

*TRANSFERS*

Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17)

\$39,279	\$0	\$0	\$0	\$0
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**Comments:** Authority from 2016-17 GAA Appropriation for a Salary Increase

This amount is 2.5% of total employee salaries paid for FY 2017.

*LAPSED APPROPRIATIONS*

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

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Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 476	Agency name: Racing Commission				
<b>METHOD OF FINANCING</b>	<b>Exp 2017</b>	<b>Est 2018</b>	<b>Bud 2019</b>	<b>Req 2020</b>	<b>Req 2021</b>
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>					
Regular Appropriation from MOF Table (2016-17 GAA)	\$ (867,956)	\$ 0	\$ 0	\$ 0	\$ 0
<p><b>Comments:</b> The 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, resulted in unused Texas- Bred Incentive Program appropriations and decreased staffing levels at the tracks. In addition, the industry decline resulted in lapsed appropriations for professional fees and services and other operating costs. The breakdown by strategy is included below:</p> <p>A.1.1. License/Regulate Racetracks: \$4,225                      A.2.1. Texas-Bred Incentive Program: \$446,384                      A.3.1. Supervise &amp; Conduct Live Races: \$103,478</p> <p>A.4.2. Drug Tests: \$34,177                      B.1.1. Occupational Licensing Program: \$53,903</p> <p>C.1.1. &amp; C.1.2. Monitor Wagering and Audit: \$86,583</p> <p>D.1.1 Central Administration: \$38,869                      D.1.2. Information Resources: \$100,337</p>					
Savings due to Hiring Freeze	\$ (97,445)	\$ 0	\$ 0	\$ 0	\$ 0

**2.B. Summary of Base Request by Method of Finance**  
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 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: <b>476</b>	Agency name: <b>Racing Commission</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2017</b>	<b>Est 2018</b>	<b>Bud 2019</b>	<b>Req 2020</b>	<b>Req 2021</b>
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>					
<b>Comments:</b> The lapsed appropriations by strategy attributable to the Governor's hiring freeze are listed below:					
B.1.1. Occupational Licensing Program: \$12,320					
C.1.1. & C.1.2. Monitor Wagering and Audit: \$45,765					
D.1.1 Central Administration: \$39,360					
Art VIII, Agency 476, Rider 5 (2016-17 GAA)					
	\$(635,637)	\$0	\$0	\$0	\$0
<b>Comments:</b> Lapse of Rider 5 "Contingent Appropriations: New Horse Racetrack or Reopening Horse Racetrack and Accredited Texas Bred Program"					
There were no Class 2 horse racetracks that opened in this biennium, therefore, Rider 5 was not activated..					
Art VIII, Sec. 4, Texas.gov Appropriation (2016-17 GAA)					
	\$(5,288)	\$0	\$0	\$0	\$0
<b>Comments:</b> The agency issued fewer licenses than projected and therefore did not utilize the full appropriation.					
Art VIII, Rider 3 (Criminal History & Background Checks)					
	\$(84,513)	\$0	\$0	\$0	\$0

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

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Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 476

Agency name: Racing Commission

METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
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**GENERAL REVENUE FUND - DEDICATED**

**Comments:** GAA 2016-17 Rider 3 "Criminal History Checks and Background Checks"

The agency currently 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 caused less criminal history and background checks to be performed and there were no major changes in track ownership in FY 2017. As a result, the agency lapsed appropriations for this program.

Art VIII, Rider 3 (Criminal History & Background Checks)

	\$0	\$(32,000)	\$(30,000)	\$0	\$0
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**Comments:** GAA 2018-19 Rider 3 "Criminal History Checks and Background Checks"

The agency currently 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. The agency does not anticipate any major changes in ownership in FY 2018 or FY 2019. As a result, the agency will lapse appropriations for this program.

Regular Appropriations from MOF Table (2018-19 GAA)

	\$0	\$(507,992)	\$(414,883)	\$0	\$0
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2.B. Summary of Base Request by Method of Finance

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Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 476

Agency name: Racing Commission

METHOD OF FINANCING

Exp 2017

Est 2018

Bud 2019

Req 2020

Req 2021

**GENERAL REVENUE FUND - DEDICATED**

**Comments:** The anticipated lapsed appropriations are in response to a decline in the racing industry. The reduction in live racing at both the horse and greyhound racetracks will result in unused Texas-Bred Incentive Program appropriations and decreased staffing levels at the tracks. The agency also anticipates lapsed appropriations for professional fees and services and other operating costs. The agency implemented cost savings measures in FY 2018 and in FY 2019 due to the loss of revenue from three inactive horse racetracks. Positions were permanently eliminated in Wagering and Auditing. One part-time position was eliminated in License/Regulate Racetracks. One position in Central Administration was not filled for the current biennium but the agency expects to fill it in FY 2020. If the Commission decides to repost for an Economy, Effectiveness and Efficiency Internal Audit, this audit is expected to occur in FY 2019. The total cost is budgeted for \$200,000. This Audit originally was budgeted in FY 2018. The agency will redirect the appropriations in FY 2020-21 to increase the presence of investigators at the Class 1 horse racetracks to provide more oversight, to fill the position in Central Administration that remained unfilled in FY 2018-19 and to fund the migration of database applications to cloud computing services. In FY 2019, there are 27 fewer race days projected resulting in greater savings.

A.1.1. License/Regulate Racetracks: \$4,670; \$32,065

A.2.1. Texas-Bred Program: \$195,343; \$195,343

A.3.1. Supervise & Conduct Live Races: \$10,612; \$120,891

A.4.1. Emergency Care: \$1,604; \$51,852

A.4.2. Drug Tests: \$10,164; \$37,939

B.1.1. Occupational Licensing Program: \$32,742; \$30,966

C.1.1. & C.1.2. Monitor Wagering and Audit: \$24,764; \$73,822

D.1.1 Central Administration: \$5,640; \$39,721

D.1.2. Information Resources: \$0; \$0

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

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Automated Budget and Evaluation System of Texas (ABEST)

METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<p>Agency code: <b>476</b> Agency name: <b>Racing Commission</b></p>					
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>					
Art VIII, Agency 476, Rider 5 (2018-19 GAA)	\$0	\$(650,427)	\$(650,427)	\$0	\$0
<p><b>Comments:</b> Lapse of Rider 5 "Contingent Appropriations: New Horse Racetrack or Reopening Horse Racetrack and Accredited Texas Bred Program"</p> <p>The agency does not expect any racetrack to open and does not plan on activating the contingent revenue rider.</p>					
Art VIII, Agency 476, Rider 7 (2018-19 GAA)	\$0	\$(5,776)	\$(5,776)	\$0	\$0
<p><b>Comments:</b> Lapse of Rider 7 "Contingent Appropriation: Additional Live Race Days Added beyond the Base of 186 Days Each Fiscal Year to the Horse Race Date Calendar and Accredited Texas Bred Program"</p> <p>The agency does not expect additional live race days to be added to the horse race date calendar and, therefore, does not plan on activating the contingent revenue rider.</p>					
Art VIII, Agency 476, Rider 8 (2018-19 GAA)	\$0	\$(2,639)	\$(2,639)	\$0	\$0
<p><b>Comments:</b> Lapse of Rider 8 "Contingent Appropriation: Additional Live Race Days Added beyond the Base of 36 Days Each Fiscal Year to the Greyhound Race Date Calendar and Accredited Texas Bred Program"</p> <p>The agency does not expect additional live race days to be added to the greyhound race date calendar and, therefore, does not plan on activating the contingent revenue rider.</p>					

2.B. Summary of Base Request by Method of Finance  
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 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 476		Agency name: Racing Commission				
METHOD OF FINANCING		Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>						
TOTAL,	GR Dedicated - Texas Racing Commission Account No. 597	\$6,706,824	\$6,599,632	\$6,694,741	\$6,673,717	\$6,669,481
TOTAL, ALL	GENERAL REVENUE FUND - DEDICATED	\$6,706,824	\$6,599,632	\$6,694,741	\$6,673,717	\$6,669,481
TOTAL,	GR & GR-DEDICATED FUNDS	\$6,706,824	\$6,599,632	\$6,694,741	\$6,673,717	\$6,669,481
GRAND TOTAL		\$6,706,824	\$6,599,632	\$6,694,741	\$6,673,717	\$6,669,481

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

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Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 476	Agency name: Racing Commission				
METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<b>FULL-TIME-EQUIVALENT POSITIONS</b>					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2016-17 GAA) <b>Comments:</b> Matches 2016-17 GAA Conference Committee version	51.2	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2018-19 GAA) <b>Comments:</b> Matches 2018-19 GAA Conference Committee version	0.0	46.4	46.4	0.0	0.0
Requested Appropriations	0.0	0.0	0.0	39.3	39.3
RIDER APPROPRIATION					
Art VIII, Agency 476, Rider 5 (2016-17 GAA) <b>Comments:</b> Matches GAA 2016-17 Rider 5 "Contingent Appropriation: New Horse Racetrack or Reopening Horse Racetrack and Accredited Texas Bred Program"  Contingency rider for a new horse track. 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 a new horse track (Rider 5b).	5.0	0.0	0.0	0.0	0.0
Art VIII, Agency 476, Rider 7 (2018-19 GAA)	0.0	0.1	0.1	0.0	0.0

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

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Agency code:	476	Agency name:	Racing Commission			
METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021	
<p><b>Comments:</b> Matches GAA 2018-19 Rider 7 "Contingent Appropriation: Additional Live Race Days Added beyond the Base of 186 Days Each Fiscal Year to the Horse Race Date Calendar and Accredited Texas Bred Program."</p> <p>Contingency rider for additional live race days added beyond base of 186 days. Of the total, \$3,501 and .1 FTEs are for additional days (Rider 7a) and \$2,275 is for projected Texas Bred Incentive Program revenue collected from additional days (Rider 7b).</p>						
Art VIII, Agency 476, Rider 8 (2018-19 GAA)	0.0	0.1	0.1	0.0	0.0	
<p><b>Comments:</b> Matches GAA 2018-19 Rider 8 "Contingent Appropriation: Additional Live Race Days Added beyond the Base of 36 Days Each Fiscal Year to the Greyhound Race Date Calendar and Accredited Texas Bred Program."</p> <p>Contingency rider for additional live race days added beyond base of 36 days. Of the total, \$2,564 and .1 FTEs are for additional days (Rider 8a) and \$75 is for projected Texas Bred Incentive Program revenue collected from additional days (Rider 8b).</p>						
Art VIII, Agency 476, Rider 5 (2018-19 GAA)	0.0	5.0	5.0	0.0	0.0	
<p><b>Comments:</b> Matches GAA 2018-19 Rider 5 "Contingent Appropriation: New Horse Racetrack or Reopening House Racetrack and Accredited Texas Bred Program"</p> <p>Contingency rider for new horse tracks. Of the total, \$315,950 and 5.0 FTEs are for new horse track operations (Rider 5a) and \$334,477 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>						

LAPSED APPROPRIATIONS

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

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Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 476	Agency name: Racing Commission					
METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021	
Regular Appropriations from MOF Table (2016-17 GAA) <b>Comments:</b> These lapses are due to the decline in the racing industry reducing the FTE need at live racing events. The agency also reduced headcount by 1.5 FTE's through merging the duties of two positions in Wagering and Auditing into one position and reducing a position in Licensing.	(7.9)	0.0	0.0	0.0	0.0	
Regular Appropriations from MOF Table (2018-19 GAA) <b>Comments:</b> These lapses are due to the decline in the racing industry reducing the FTE need at live racing events and due to the cost saving measures the agency implemented.	0.0	(9.0)	(8.6)	0.0	0.0	
Art VIII, Agency 476, Rider 5 (2016-17 GAA) <b>Comments:</b> Lapse of Rider 5 "Contingent Appropriations: New Horse Racetrack or Reopening Horse Racetrack and Accredited Texas Bred Program"	(5.0)	0.0	0.0	0.0	0.0	
Art VIII, Agency 476, Rider 5 (2018-19 GAA) <b>Comments:</b> Lapse of Rider 5 "Contingent Appropriations: New Horse Racetrack or Reopening Horse Racetrack and Accredited Texas Bred Program"	0.0	(5.0)	(5.0)	0.0	0.0	
Art VIII, Agency 476, Rider 7 (2018-19 GAA) <b>Comments:</b> Lapse of Rider 7 "Contingent Appropriation: Additional Live Race Days Added beyond the Base of 186 Days Each Fiscal Year to the Horse Race Date Calendar and Accredited Texas Bred Program."	0.0	(0.1)	(0.1)	0.0	0.0	
Art VIII, Agency 476, Rider 8 (2018-19 GAA)	0.0	(0.1)	(0.1)	0.0	0.0	

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

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Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **476**

Agency name: **Racing Commission**

METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<p><b>Comments:</b> Lapse of Rider 8 "Contingent Appropriation: Additional Live Race Days Added beyond the Base of 36 Days Each Fiscal Year to the Greyhound Race Date Calendar and Accredited Texas Bred Program.</p>					
<b>TOTAL, ADJUSTED FTES</b>	<b>43.3</b>	<b>37.4</b>	<b>37.8</b>	<b>39.3</b>	<b>39.3</b>

**NUMBER OF 100% FEDERALLY FUNDED  
FTEs**

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

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Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

OBJECT OF EXPENSE	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
1001 SALARIES AND WAGES	\$2,604,860	\$2,361,741	\$2,344,661	\$2,451,313	\$2,451,312
1002 OTHER PERSONNEL COSTS	\$115,498	\$160,289	\$104,945	\$108,241	\$110,162
2001 PROFESSIONAL FEES AND SERVICES	\$277,442	\$289,454	\$428,510	\$260,937	\$260,925
2003 CONSUMABLE SUPPLIES	\$17,992	\$8,562	\$12,000	\$13,000	\$13,000
2004 UTILITIES	\$47,966	\$43,245	\$50,000	\$51,000	\$51,000
2005 TRAVEL	\$208,458	\$192,087	\$189,384	\$197,163	\$196,008
2006 RENT - BUILDING	\$96,278	\$104,250	\$104,970	\$105,970	\$105,970
2007 RENT - MACHINE AND OTHER	\$3,091	\$2,800	\$3,200	\$3,200	\$3,200
2009 OTHER OPERATING EXPENSE	\$293,354	\$307,204	\$327,071	\$352,893	\$347,904
4000 GRANTS	\$3,028,616	\$3,130,000	\$3,130,000	\$3,130,000	\$3,130,000
5000 CAPITAL EXPENDITURES	\$13,269	\$0	\$0	\$0	\$0
<b>OOE Total (Excluding Riders)</b>	<b>\$6,706,824</b>	<b>\$6,599,632</b>	<b>\$6,694,741</b>	<b>\$6,673,717</b>	<b>\$6,669,481</b>
<b>OOE Total (Riders)</b>					
<b>Grand Total</b>	<b>\$6,706,824</b>	<b>\$6,599,632</b>	<b>\$6,694,741</b>	<b>\$6,673,717</b>	<b>\$6,669,481</b>

**2.D. Summary of Base Request Objective Outcomes**  
86th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation system of Texas (ABEST)

8/27/2018 11:36:07AM

**476 Racing Commission**

<i>Goal/ Objective / Outcome</i>	<b>Exp 2017</b>	<b>Est 2018</b>	<b>Bud 2019</b>	<b>BL 2020</b>	<b>BL 2021</b>
1 Enforce Racing Regulations in Texas					
1 Regulate Pari-mutuel Racetracks Effectively					
1 Percent Racetracks with Inspection Score of 100 Percent					
	80.00%	75.00%	75.00%	75.00%	75.00%
2 Percentage of Deficiency Items Closed					
	100.00%	95.00%	95.00%	95.00%	95.00%
2 Provide Oversight of Texas Bred Incentive Program					
1 Percent Increase in Texas Bred Accredited Horses					
	9.38%	5.00%	-5.00%	-4.00%	-3.00%
2 Percent Increase in Texas Bred Accredited Greyhounds					
	-13.37%	-5.00%	-3.00%	-3.00%	-2.00%
3 Reduce the Rate of Rulings Per Occupational Licensee					
1 Average Number of Rulings Per Occupational Licensee					
	0.05	0.04	0.04	0.04	0.04
2 Recidivism Rate for Those Receiving Disciplinary Action					
	25.88%	26.25%	26.25%	26.25%	26.25%
<b>KEY</b> 3 Percentage of Investigations Resulting in Disciplinary Action					
	97.77%	95.00%	95.00%	95.00%	95.00%
<b>KEY</b> 4 Percentage of Licensees with No Recent Violations					
	96.30%	97.00%	97.00%	97.00%	97.00%
4 Reduce the Percentage of Race Animals Injured or Dismissed					
<b>KEY</b> 1 Percent of Race Horses that Sustain a Catastrophic Injury					
	0.14%	0.14%	0.14%	0.14%	0.14%
<b>KEY</b> 2 Percent of Greyhounds that Sustain a Catastrophic Injury					
	0.03%	0.36%	0.73%	0.73%	0.73%
3 Ratio of Drug Positive Tests for Prohibited Substances in Horses					
	28.78	20.00	20.00	20.00	20.00

**2.D. Summary of Base Request Objective Outcomes**  
86th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation system of Texas (ABEST)

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**476 Racing Commission**

Goal/ Objective / Outcome	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>4 Ratio of Drug Positive Tests for Prohibited Subst in Greyhounds</b>					
	20.93	42.60	42.60	42.60	42.60
2 Regulate the Participation in Racing					
1 <i>Maintain the Efficiency of the Occupational Licensing Process</i>					
<b>1 Percent of New Eligible Individual Licences Issued Online</b>					
	11.32%	12.00%	13.00%	13.50%	14.00%
<b>2 Percent of Licensees Who Renew Online</b>					
	16.02%	18.00%	19.00%	20.00%	20.50%
3 Regulate Pari-mutuel Wagering in Texas					
1 <i>Increase Pass Rate for Initial Tote Test and Compliance Audits</i>					
<b>1 Percentage of Scenarios Within Tote Tests Passed on the First Run</b>					
	97.24%	98.00%	98.00%	98.00%	98.00%
<b>KEY</b> <b>2 Percentage of Compliance Audits Passed</b>					
	99.17%	99.00%	98.00%	98.00%	98.00%

**2.E. Summary of Exceptional Items Request**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2018  
 TIME : 11:36:07AM

Agency code: 476

Agency name: **Racing Commission**

Priority	Item	2020			2021			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	ISO/Network Security	\$83,200	\$83,200	1.0	\$83,200	\$83,200	1.0	\$166,400	\$166,400
<b>Total, Exceptional Items Request</b>		<b>\$83,200</b>	<b>\$83,200</b>	<b>1.0</b>	<b>\$83,200</b>	<b>\$83,200</b>	<b>1.0</b>	<b>\$166,400</b>	<b>\$166,400</b>

**Method of Financing**

General Revenue

General Revenue - Dedicated

Federal Funds

Other Funds

General Revenue									
General Revenue - Dedicated	83,200	83,200		83,200	83,200		166,400	166,400	
Federal Funds									
Other Funds									
	<b>\$83,200</b>	<b>\$83,200</b>		<b>\$83,200</b>	<b>\$83,200</b>		<b>\$166,400</b>	<b>\$166,400</b>	

**Full Time Equivalent Positions**

**1.0**

**1.0**

**Number of 100% Federally Funded FTEs**

**2.F. Summary of Total Request by Strategy**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/27/2018  
 TIME : 11:36:07AM

Agency code: 476 Agency name: Racing Commission

Goal/Objective/STRATEGY	Base 2020	Base 2021	Exceptional 2020	Exceptional 2021	Total Request 2020	Total Request 2021
<b>1 Enforce Racing Regulations in Texas</b>						
<i>1 Regulate Pari-mutuel Racetracks Effectively</i>						
1 LICENSE/REGULATE RACETRACKS	\$373,628	\$373,888	\$0	\$0	\$373,628	\$373,888
<i>2 Provide Oversight of Texas Bred Incentive Program</i>						
1 TEXAS BRED INCENTIVE PROGRAM	3,130,000	3,130,000	0	0	3,130,000	3,130,000
<i>3 Reduce the Rate of Rulings Per Occupational Licensee</i>						
1 SUPERVISE & CONDUCT LIVE RACES	465,909	466,549	0	0	465,909	466,549
2 MONITOR LICENSEE ACTIVITIES	303,586	303,586	0	0	303,586	303,586
<i>4 Reduce the Percentage of Race Animals Injured or Dismissed</i>						
1 INSPECT & PROVIDE EMERGENCY CARE	282,235	282,575	0	0	282,235	282,575
2 ADMINISTER DRUG TESTS	206,721	205,906	0	0	206,721	205,906
<b>TOTAL, GOAL 1</b>	<b>\$4,762,079</b>	<b>\$4,762,504</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,762,079</b>	<b>\$4,762,504</b>
<b>2 Regulate the Participation in Racing</b>						
<i>1 Maintain the Efficiency of the Occupational Licensing Process</i>						
1 OCCUPATIONAL LICENSING PROGRAM	344,130	344,329	0	0	344,130	344,329
2 TEXAS.GOV	17,500	17,500	0	0	17,500	17,500
<b>TOTAL, GOAL 2</b>	<b>\$361,630</b>	<b>\$361,829</b>	<b>\$0</b>	<b>\$0</b>	<b>\$361,630</b>	<b>\$361,829</b>
<b>3 Regulate Pari-mutuel Wagering in Texas</b>						
<i>1 Increase Pass Rate for Initial Tote Test and Compliance Audits</i>						
1 MONITOR WAGERING AND COMPLIANCE	260,794	261,473	0	0	260,794	261,473
<b>TOTAL, GOAL 3</b>	<b>\$260,794</b>	<b>\$261,473</b>	<b>\$0</b>	<b>\$0</b>	<b>\$260,794</b>	<b>\$261,473</b>

**2.F. Summary of Total Request by Strategy**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/27/2018  
 TIME : 11:36:07AM

Agency code: 476 Agency name: Racing Commission

<b>Goal/Objective/STRATEGY</b>	<b>Base 2020</b>	<b>Base 2021</b>	<b>Exceptional 2020</b>	<b>Exceptional 2021</b>	<b>Total Request 2020</b>	<b>Total Request 2021</b>
4 Indirect Administration						
1 Indirect Administration						
1 CENTRAL ADMIN & OTHER SUPPORT SVCS	\$742,426	\$742,766	\$0	\$0	\$742,426	\$742,766
2 INFORMATION RESOURCES	546,788	540,909	83,200	83,200	629,988	624,109
<b>TOTAL, GOAL 4</b>	<b>\$1,289,214</b>	<b>\$1,283,675</b>	<b>\$83,200</b>	<b>\$83,200</b>	<b>\$1,372,414</b>	<b>\$1,366,875</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$6,673,717</b>	<b>\$6,669,481</b>	<b>\$83,200</b>	<b>\$83,200</b>	<b>\$6,756,917</b>	<b>\$6,752,681</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST</b>						
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$6,673,717</b>	<b>\$6,669,481</b>	<b>\$83,200</b>	<b>\$83,200</b>	<b>\$6,756,917</b>	<b>\$6,752,681</b>

**2.F. Summary of Total Request by Strategy**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/27/2018  
 TIME : 11:36:07AM

Agency code: 476 Agency name: Racing Commission

<b>Goal/Objective/STRATEGY</b>	<b>Base 2020</b>	<b>Base 2021</b>	<b>Exceptional 2020</b>	<b>Exceptional 2021</b>	<b>Total Request 2020</b>	<b>Total Request 2021</b>
<b>General Revenue Dedicated Funds:</b>						
597 Texas Racing Comm Acct	\$6,673,717	\$6,669,481	\$83,200	\$83,200	\$6,756,917	\$6,752,681
	<b>\$6,673,717</b>	<b>\$6,669,481</b>	<b>\$83,200</b>	<b>\$83,200</b>	<b>\$6,756,917</b>	<b>\$6,752,681</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$6,673,717</b>	<b>\$6,669,481</b>	<b>\$83,200</b>	<b>\$83,200</b>	<b>\$6,756,917</b>	<b>\$6,752,681</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>39.3</b>	<b>39.3</b>	<b>1.0</b>	<b>1.0</b>	<b>40.3</b>	<b>40.3</b>

**2.G. Summary of Total Request Objective Outcomes**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/27/2018  
 Time: 11:36:08AM

Agency code: 476

Agency name: Racing Commission

Goal/ Objective / Outcome

	BL 2020	BL 2021	Excp 2020	Excp 2021	Total Request 2020	Total Request 2021
1	Enforce Racing Regulations in Texas					
1	<i>Regulate Pari-mutuel Racetracks Effectively</i>					
	<b>1 Percent Racetracks with Inspection Score of 100 Percent</b>					
	75.00%	75.00%			75.00%	75.00%
	<b>2 Percentage of Deficiency Items Closed</b>					
	95.00%	95.00%			95.00%	95.00%
2	<i>Provide Oversight of Texas Bred Incentive Program</i>					
	<b>1 Percent Increase in Texas Bred Accredited Horses</b>					
	-4.00%	-3.00%			-4.00%	-3.00%
	<b>2 Percent Increase in Texas Bred Accredited Greyhounds</b>					
	-3.00%	-2.00%			-3.00%	-2.00%
3	<i>Reduce the Rate of Rulings Per Occupational Licensee</i>					
	<b>1 Average Number of Rulings Per Occupational Licensee</b>					
	0.04	0.04			0.04	0.04
	<b>2 Recidivism Rate for Those Receiving Disciplinary Action</b>					
	26.25%	26.25%			26.25%	26.25%
<b>KEY</b>	<b>3 Percentage of Investigations Resulting in Disciplinary Action</b>					
	95.00%	95.00%			95.00%	95.00%

**2.G. Summary of Total Request Objective Outcomes**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/27/2018  
 Time: 11:36:08AM

Agency code: 476

Agency name: Racing Commission

Goal/ Objective / Outcome

		BL 2020	BL 2021	Excp 2020	Excp 2021	Total Request 2020	Total Request 2021
<b>KEY</b>	<b>4 Percentage of Licensees with No Recent Violations</b>	97.00%	97.00%			97.00%	97.00%
4	<i>Reduce the Percentage of Race Animals Injured or Dismissed</i>						
<b>KEY</b>	<b>1 Percent of Race Horses that Sustain a Catastrophic Injury</b>	0.14%	0.14%			0.14%	0.14%
<b>KEY</b>	<b>2 Percent of Greyhounds that Sustain a Catastrophic Injury</b>	0.73%	0.73%			0.73%	0.73%
	<b>3 Ratio of Drug Positive Tests for Prohibited Substances in Horses</b>	20.00	20.00			20.00	20.00
	<b>4 Ratio of Drug Positive Tests for Prohibited Subst in Greyhounds</b>	42.60	42.60			42.60	42.60
2	Regulate the Participation in Racing						
1	<i>Maintain the Efficiency of the Occupational Licensing Process</i>						
	<b>1 Percent of New Eligible Individual Licences Issued Online</b>	13.50%	14.00%			13.50%	14.00%
	<b>2 Percent of Licensees Who Renew Online</b>	20.00%	20.50%			20.00%	20.50%
3	Regulate Pari-mutuel Wagering in Texas						
1	<i>Increase Pass Rate for Initial Tote Test and Compliance Audits</i>						

**2.G. Summary of Total Request Objective Outcomes**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/27/2018  
 Time: 11:36:08AM

Agency code: 476

Agency name: **Racing Commission**

Goal/ Objective / Outcome

	<b>BL 2020</b>	<b>BL 2021</b>	<b>Excp 2020</b>	<b>Excp 2021</b>	<b>Total Request 2020</b>	<b>Total Request 2021</b>
<b>1 Percentage of Scenarios Within Tote Tests Passed on the First Run</b>	98.00%	98.00%			98.00%	98.00%
<b>KEY 2 Percentage of Compliance Audits Passed</b>	98.00%	98.00%			98.00%	98.00%

**476 Racing Commission**

GOAL: 1 Enforce Racing Regulations in Texas  
 OBJECTIVE: 1 Regulate Pari-mutuel Racetracks Effectively  
 STRATEGY: 1 Provide Regulatory and Enforcement Services to Racetrack Owners

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>Output Measures:</b>						
	1 Number of Racetrack Operation Complaints Closed	0.00	0.00	2.00	2.00	2.00
KEY 2	Number of Racetrack Inspections	50.00	40.00	12.00	12.00	12.00
<b>Explanatory/Input Measures:</b>						
KEY 1	Number of Horse Tracks Regulated	7.00	7.00	7.00	7.00	7.00
KEY 2	Number of Greyhound Tracks Regulated	3.00	3.00	3.00	3.00	3.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$346,467	\$315,108	\$336,942	\$355,456	\$355,456
1002	OTHER PERSONNEL COSTS	\$8,877	\$27,739	\$8,165	\$8,717	\$8,977
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$30,000	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$199	\$0	\$0	\$0	\$0
2005	TRAVEL	\$1,713	\$3,170	\$3,000	\$3,000	\$3,000
2009	OTHER OPERATING EXPENSE	\$6,712	\$5,255	\$6,269	\$6,455	\$6,455
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$363,968</b>	<b>\$351,272</b>	<b>\$384,376</b>	<b>\$373,628</b>	<b>\$373,888</b>
<b>Method of Financing:</b>						
597	Texas Racing Comm Acct	\$363,968	\$351,272	\$384,376	\$373,628	\$373,888

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$363,968</b>	<b>\$351,272</b>	<b>\$384,376</b>	<b>\$373,628</b>	<b>\$373,888</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$373,628</b>	<b>\$373,888</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$363,968</b>	<b>\$351,272</b>	<b>\$384,376</b>	<b>\$373,628</b>	<b>\$373,888</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>4.2</b>	<b>3.1</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

**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, management, 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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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**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>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$735,648	\$747,516	\$11,868	\$62,768	Attorney position remained unfilled for approximately nine months. MOF is 0597, .75 FTE.
			\$(30,000)	One time fee for EEE Internal Audit in FY 2019 in Professional Services. MOF is 0597.
			\$(20,900)	Retirement Payout in FY 2018. MOF is 0597
			<b>\$11,868</b>	<b>Total of Explanation of Biennial Change</b>

**476 Racing Commission**

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

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>Output Measures:</b>						
KEY 1	Number of Texas Bred Awards for Horses	6,940.00	6,600.00	6,500.00	6,400.00	6,400.00
KEY 2	Number of Texas Bred Awards for Greyhounds	1,561.00	1,245.00	1,200.00	1,100.00	1,100.00
<b>Objects of Expense:</b>						
4000	GRANTS	\$3,028,616	\$3,130,000	\$3,130,000	\$3,130,000	\$3,130,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,028,616</b>	<b>\$3,130,000</b>	<b>\$3,130,000</b>	<b>\$3,130,000</b>	<b>\$3,130,000</b>
<b>Method of Financing:</b>						
597	Texas Racing Comm Acct	\$3,028,616	\$3,130,000	\$3,130,000	\$3,130,000	\$3,130,000
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$3,028,616</b>	<b>\$3,130,000</b>	<b>\$3,130,000</b>	<b>\$3,130,000</b>	<b>\$3,130,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$3,130,000</b>	<b>\$3,130,000</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$3,028,616</b>	<b>\$3,130,000</b>	<b>\$3,130,000</b>	<b>\$3,130,000</b>	<b>\$3,130,000</b>

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

**476 Racing Commission**

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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Sections 9.01 and 10.04 of the Texas Racing Act requires the authorized state horse and greyhound breed registries to make rules to establish the qualifications of accredited Texas-bred horses and greyhounds to promote, develop, and improve the breeding of horses and greyhounds in the state. Sections 6.08 and 6.09 of the Texas Racing Act set forth the Texas-Bred funding allocations from each type of wagering. The portion of wagers allocated to the Texas-Bred Incentive Program is deposited to Fund 597 by each racetrack on a daily basis. Monthly, the Commission audits and distributes the collected funds to the appropriate breed registry for distribution of the earned awards to the owners and breeders. The Texas-Bred revenue is strictly a pass-through the agency's account as the agency is not authorized any funding for its administrative function.

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 breed incentive money to natively accredited horses, prohibiting 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 that particular state, has caused some Texas breeders to relocate to other states or to leave the business altogether.

**476 Racing Commission**

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

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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**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 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$6,260,000	\$6,260,000	\$0	\$0	<b>Total of Explanation of Biennial Change</b>

**3.A. Strategy Request**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/27/2018 11:36:08AM

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>Output Measures:</b>						
1	Number of Live Races Conducted	2,163.00	1,855.00	1,855.00	1,855.00	1,855.00
2	Number of Rulings Issued against Occupational Licensees	363.00	356.00	321.00	343.00	343.00
KEY 3	Number of Occupational Licenses Suspended or Revoked	161.00	167.00	121.00	154.00	154.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$402,008	\$385,675	\$372,033	\$372,033	\$372,033
1002	OTHER PERSONNEL COSTS	\$17,520	\$20,725	\$17,140	\$17,700	\$18,340
2001	PROFESSIONAL FEES AND SERVICES	\$29,566	\$7,633	\$49,900	\$9,900	\$9,900
2005	TRAVEL	\$61,943	\$67,685	\$62,300	\$62,300	\$62,300
2009	OTHER OPERATING EXPENSE	\$4,091	\$3,409	\$3,975	\$3,976	\$3,976
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$515,128</b>	<b>\$485,127</b>	<b>\$505,348</b>	<b>\$465,909</b>	<b>\$466,549</b>
<b>Method of Financing:</b>						
597	Texas Racing Comm Acct	\$515,128	\$485,127	\$505,348	\$465,909	\$466,549
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$515,128</b>	<b>\$485,127</b>	<b>\$505,348</b>	<b>\$465,909</b>	<b>\$466,549</b>

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$465,909</b>	<b>\$466,549</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$515,128</b>	<b>\$485,127</b>	<b>\$505,348</b>	<b>\$465,909</b>	<b>\$466,549</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>6.2</b>	<b>5.7</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>

**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 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 the conduct of each race meeting. 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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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Stewards and Racing Judges are an integral part of each day of live racing. Most of the hours they work are dedicated to the supervision of the race performance itself. With limited FTEs, they now have little time to oversee the restricted areas of a racetrack on the days preceding or succeeding live race days. This has resulted in a significant loss of important communication between Commission employees and the occupational licensees, including racetrack personnel, horsemen, jockeys, veterinarians, kennel personnel, and other racing participants.

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. Changing economic conditions and dynamic entertainment markets compel racetracks to adjust their schedules on a yearly, sometimes monthly, basis. Gulf Greyhound Park's decision to end live racing as of December 31, 2015, is an example of a change that significantly affected the agency's operations in the midst of the fiscal year. The latest examples of adjustments to racetrack schedules include a reduction in horse race days by the Class 1 racetracks in 2018 and a growing trend for racetracks to schedule nonconsecutive race days which creates a "down" or "off" day in between race dates. This practice increases hotel and per diem expenses for agency staff. These decisions, as well as the three greyhound tracks' modified racing schedules for 2018, 2019, 2020, and 2021, is reflected in this LAR.

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$990,475	\$932,458	\$(58,017)	\$(40,000)	One time fee for EEE Internal Audit in FY 2019 in Professional Fees. MOF is 0597.
			\$(13,642)	Fewer Horse Race Dates projected in FY 2019, 2020 and 2021. MOF is 0597. FTEs reduced by .2.
			\$(4,375)	Travel reduced due to fewer race dates. MOF is 0597.
			<u>\$(58,017)</u>	<b>Total of Explanation of Biennial Change</b>

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>Output Measures:</b>						
KEY 1	Number of Investigations Completed	136.00	240.00	240.00	240.00	240.00
2	Number of Complaints Received Against Licensees	0.00	0.00	2.00	2.00	2.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$253,804	\$218,965	\$207,489	\$245,627	\$245,627
1002	OTHER PERSONNEL COSTS	\$17,394	\$12,000	\$10,000	\$9,135	\$9,135
2001	PROFESSIONAL FEES AND SERVICES	\$1,786	\$953	\$500	\$500	\$500
2003	CONSUMABLE SUPPLIES	\$1,396	\$465	\$500	\$500	\$500
2005	TRAVEL	\$46,808	\$38,255	\$37,500	\$44,124	\$44,124
2009	OTHER OPERATING EXPENSE	\$4,127	\$3,500	\$3,180	\$3,700	\$3,700
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$325,315</b>	<b>\$274,138</b>	<b>\$259,169</b>	<b>\$303,586</b>	<b>\$303,586</b>
<b>Method of Financing:</b>						
597	Texas Racing Comm Acct	\$325,315	\$274,138	\$259,169	\$303,586	\$303,586
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$325,315</b>	<b>\$274,138</b>	<b>\$259,169</b>	<b>\$303,586</b>	<b>\$303,586</b>

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$303,586</b>	<b>\$303,586</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$325,315</b>	<b>\$274,138</b>	<b>\$259,169</b>	<b>\$303,586</b>	<b>\$303,586</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>4.5</b>	<b>3.7</b>	<b>3.7</b>	<b>4.2</b>	<b>4.2</b>

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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Over the past several years limited FTEs, along with DPS having to redirect most of its 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 illegal activities of Mexican drug cartels in the sport of horse racing such as money laundering, hidden ownership and illegal betting schemes, continues to rise. Illegal “brush tracks” operating within the state attract these criminal elements and often times the participating racehorses and individuals migrate to licensed pari-mutuel racetracks in Texas. The Commission remains vigilant in its efforts to improve and enhance the fight against organized crime. To aid its enforcement effort, the Commission is: 1) Building multi-jurisdictional networks capable of disseminating timely intelligence information related to organized criminal activities identified within the racing industry; 2) Enhancing the state’s ability to develop actionable intelligence and conduct complex criminal investigations; 3) Disrupting organized criminal groups through timely license suspensions and revocations; and finally, 4) Providing expert investigative resources to conduct or assist in major racing related criminal cases throughout the state.

**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$533,307	\$607,172	\$73,865	\$64,800	Increase in salaries for additional investigator. Additional .5 FTE. MOF is 0597.
			\$9,065	Increase in Travel. MOF is 0597.
			<b>\$73,865</b>	<b>Total of Explanation of Biennial Change</b>

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>Output Measures:</b>						
KEY 1	Number of Horses Inspected Pre-race	13,967.00	11,656.00	10,512.00	10,512.00	10,512.00
KEY 2	Number of Greyhounds Inspected Pre-race	3,041.00	2,757.00	2,757.00	2,757.00	2,757.00
<b>Explanatory/Input Measures:</b>						
1	Number of Horses that Expire or Must Be Euthanized	19.00	16.00	16.00	16.00	16.00
2	Number of Greyhounds that Expire or Must Be Euthanized	1.00	1.00	2.00	2.00	2.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$217,852	\$212,985	\$212,985	\$212,985	\$212,985
1002	OTHER PERSONNEL COSTS	\$5,652	\$4,025	\$4,385	\$4,745	\$5,085
2001	PROFESSIONAL FEES AND SERVICES	\$129,232	\$99,135	\$61,600	\$41,600	\$41,600
2003	CONSUMABLE SUPPLIES	\$48	\$130	\$300	\$300	\$300
2005	TRAVEL	\$22,424	\$20,000	\$17,375	\$17,375	\$17,375
2009	OTHER OPERATING EXPENSE	\$5,087	\$3,980	\$5,230	\$5,230	\$5,230
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$380,295</b>	<b>\$340,255</b>	<b>\$301,875</b>	<b>\$282,235</b>	<b>\$282,575</b>
<b>Method of Financing:</b>						
597	Texas Racing Comm Acct	\$380,295	\$340,255	\$301,875	\$282,235	\$282,575

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$380,295</b>	<b>\$340,255</b>	<b>\$301,875</b>	<b>\$282,235</b>	<b>\$282,575</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$282,235</b>	<b>\$282,575</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$380,295</b>	<b>\$340,255</b>	<b>\$301,875</b>	<b>\$282,235</b>	<b>\$282,575</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>3.2</b>	<b>3.2</b>	<b>3.2</b>	<b>3.2</b>	<b>3.2</b>

**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 determine, to the extent possible, if the animal is sound and fit to race. This vital inspection helps safeguard the health of all racing participants and helps to ensure 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:**

With limited FTEs, the small state veterinarian staff has comparatively restricted opportunities to evaluate race animals for racing soundness during a narrow window of time allotted to conduct pre-race inspections and monitor races. As wagering and purses decline at Texas racetracks, the class of the participating race animals is impacted. Due to declining industry conditions, some participants may be tempted to enter their animals in races when a rest is warranted or they may lower their standard of care in order to save money. The Commission veterinarians must remain diligent and thorough in their inspections and monitoring to protect these animals.

**476 Racing Commission**

GOAL: 1 Enforce Racing Regulations in Texas  
 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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$642,130	\$564,810	\$(77,320)	\$(20,000)	One time fee for EEE Internal Audit in FY 2019 in Professional Fees. MOF is 0597.
			\$(57,320)	Reduction in race dates in FY 2019, 2020 and 2021. Reduction taken in Professional Fees for Contract Veterinarians. MOF is 0597.
			<b>\$(77,320)</b>	<b>Total of Explanation of Biennial Change</b>

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>Output Measures:</b>						
1	Number of Horse Specimens Collected for Drug Testing	3,509.00	2,922.00	2,922.00	2,922.00	2,922.00
2	Number of Greyhound Specimens Collected for Drug Testing	430.00	352.00	350.00	350.00	350.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$176,391	\$157,976	\$135,859	\$135,859	\$135,859
1002	OTHER PERSONNEL COSTS	\$1,142	\$1,050	\$1,099	\$1,239	\$1,579
2001	PROFESSIONAL FEES AND SERVICES	\$16,000	\$500	\$20,500	\$26,100	\$26,100
2003	CONSUMABLE SUPPLIES	\$149	\$120	\$200	\$200	\$200
2005	TRAVEL	\$18,082	\$19,527	\$31,209	\$32,364	\$31,209
2009	OTHER OPERATING EXPENSE	\$3,130	\$5,500	\$10,959	\$10,959	\$10,959
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$214,894</b>	<b>\$184,673</b>	<b>\$199,826</b>	<b>\$206,721</b>	<b>\$205,906</b>
<b>Method of Financing:</b>						
597	Texas Racing Comm Acct	\$214,894	\$184,673	\$199,826	\$206,721	\$205,906
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$214,894</b>	<b>\$184,673</b>	<b>\$199,826</b>	<b>\$206,721</b>	<b>\$205,906</b>

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021	
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>						<b>\$206,721</b>	<b>\$205,906</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$214,894</b>	<b>\$184,673</b>	<b>\$199,826</b>	<b>\$206,721</b>	<b>\$205,906</b>	
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>3.3</b>	<b>2.8</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	

**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. Detecting the presence of prohibited substances, both therapeutic and non-therapeutic, and penalizing the trainer and/or owner serves as a deterrent to the illegal use of drugs.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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 other racing jurisdictions should help improve licensees' ability to comply with the same expectations as they move their racing operations from state to state. Unfortunately, there are some individuals who do not operate within established rules and regulations. Looking for a competitive edge, some participants administer unknown drugs and substances that could potentially harm an animal, enhance the performance of an animal, alter the outcome of a race, or interfere with the detection of illegal drugs. The Commission continues to work with TVMDL to stay ahead of those that will try anything to gain a win. Any significant changes that require additional resources or affect TVMDL's budget and operations could negatively impact the Commission's drug testing program cost.

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$384,499	\$412,627	\$28,128	\$(20,000)	One time fee for EEE Internal Audit in FY 2019 in Professional Fees. MOF is 0597.
			\$51,200	Veterinarian's presence at tracks during routine training hours. MOF is 0597 and is in Professional Fees.
			\$(22,117)	Decrease in salaries. Able to use a contract test barn supervisor at Lone Star Park instead of employee. MOF is 0597.
			\$5,459	Increase in other operating costs for contract test barn supervisor. MOF is 0597.
			\$13,586	Increase in travel for veterinarian's presence at race tracks during routine training hours. MOF is 0597.
			<b>\$28,128</b>	<b>Total of Explanation of Biennial Change</b>

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>Output Measures:</b>						
KEY 1	Number of New Occupational Licenses Issued	1,895.00	1,860.00	1,850.00	1,800.00	1,800.00
KEY 2	Number of Occupational Licenses Renewed	4,244.00	4,150.00	4,000.00	4,000.00	4,000.00
<b>Efficiency Measures:</b>						
1	Average Regulatory Cost Per Licensee	19.00	15.50	15.50	15.50	15.50
<b>Explanatory/Input Measures:</b>						
1	Total Number of Individuals Licensed	5,345.00	5,680.00	5,500.00	5,500.00	5,500.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$223,329	\$197,650	\$206,724	\$206,724	\$206,724
1002	OTHER PERSONNEL COSTS	\$8,067	\$10,172	\$8,127	\$8,647	\$8,847
2003	CONSUMABLE SUPPLIES	\$2,980	\$2,000	\$2,500	\$2,500	\$2,500
2005	TRAVEL	\$34,089	\$20,900	\$14,500	\$14,500	\$14,500
2007	RENT - MACHINE AND OTHER	\$1,861	\$1,800	\$2,000	\$2,000	\$2,000
2009	OTHER OPERATING EXPENSE	\$95,261	\$110,250	\$109,759	\$109,759	\$109,758
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$365,587</b>	<b>\$342,772</b>	<b>\$343,610</b>	<b>\$344,130</b>	<b>\$344,329</b>
<b>Method of Financing:</b>						
597	Texas Racing Comm Acct	\$365,587	\$342,772	\$343,610	\$344,130	\$344,329

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		\$365,587	\$342,772	\$343,610	\$344,130	\$344,329
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					\$344,130	\$344,329
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		\$365,587	\$342,772	\$343,610	\$344,130	\$344,329
<b>FULL TIME EQUIVALENT POSITIONS:</b>		5.6	4.8	5.0	5.0	5.0

**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 the occupational licensing 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.

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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With limited FTEs the licensing department makes every effort to maintain office hours that coincide with 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. This partnership is essential to assisting the Commission in fulfilling its statutory mandate.  
 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</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2018 + Bud 2019)</u>	<u>Baseline Request (BL 2020 + BL 2021)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$686,382	\$688,459	\$2,077	\$9,074	Unfilled FTE for 3 months, .25 FTE. MOF is 0597.
			\$(6,400)	Decrease in travel. MOF is 0597.
			\$(597)	Decrease in Other Operating Expenses. MOF is 0597.
			<b>\$2,077</b>	<b>Total of Explanation of Biennial Change</b>

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>Objects of Expense:</b>						
2009	OTHER OPERATING EXPENSE	\$17,212	\$17,000	\$17,000	\$17,500	\$17,500
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$17,212</b>	<b>\$17,000</b>	<b>\$17,000</b>	<b>\$17,500</b>	<b>\$17,500</b>
<b>Method of Financing:</b>						
597	Texas Racing Comm Acct	\$17,212	\$17,000	\$17,000	\$17,500	\$17,500
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$17,212</b>	<b>\$17,000</b>	<b>\$17,000</b>	<b>\$17,500</b>	<b>\$17,500</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$17,500</b>	<b>\$17,500</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$17,212</b>	<b>\$17,000</b>	<b>\$17,000</b>	<b>\$17,500</b>	<b>\$17,500</b>

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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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 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$34,000	\$35,000	\$1,000	\$1,000	Forecast a slight increase in online registration of occupational licenses. MOF is 0597.
			<b>\$1,000</b>	<b>Total of Explanation of Biennial Change</b>

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>Output Measures:</b>						
1	Number of Live and Simulcast Races Audited and Reviewed	649,329.00	645,000.00	640,000.00	638,000.00	635,000.00
2	Number of Compliance Audits Completed	1,941.00	1,500.00	1,400.00	1,400.00	1,300.00
3	Number of Tote Tests Completed	5.00	6.00	5.00	5.00	5.00
<b>Efficiency Measures:</b>						
1	Average Cost to Audit and Review a Live or Simulcast Race	0.64	0.75	0.70	0.69	0.69
<b>Explanatory/Input Measures:</b>						
KEY 1	Total Pari-Mutuel Handle (in Millions)	288.24	300.00	285.00	282.00	278.00
KEY 2	Total Take to the State Treasury from Pari-Mutuel Wagering	2,765,953.00	2,800,000.00	2,750,000.00	2,700,000.00	2,600,000.00
3	Ratio of Simulcast Handle to Live Handle	11.53	10.50	11.00	11.50	11.70
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$330,446	\$242,114	\$231,226	\$231,226	\$231,225
1002	OTHER PERSONNEL COSTS	\$17,729	\$22,465	\$8,976	\$9,256	\$9,936
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$30,000	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$8	\$0	\$0	\$0
2005	TRAVEL	\$10,704	\$11,500	\$6,000	\$6,000	\$6,000
2009	OTHER OPERATING EXPENSE	\$11,729	\$12,944	\$14,312	\$14,312	\$14,312

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$370,608</b>	<b>\$289,031</b>	<b>\$290,514</b>	<b>\$260,794</b>	<b>\$261,473</b>
<b>Method of Financing:</b>						
597	Texas Racing Comm Acct	\$370,608	\$289,031	\$290,514	\$260,794	\$261,473
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$370,608</b>	<b>\$289,031</b>	<b>\$290,514</b>	<b>\$260,794</b>	<b>\$261,473</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$260,794</b>	<b>\$261,473</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$370,608</b>	<b>\$289,031</b>	<b>\$290,514</b>	<b>\$260,794</b>	<b>\$261,473</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>6.3</b>	<b>4.3</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

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 Comptroller collects from the tax on pari-mutuel wagering. This strategy includes the inspection program for pari-mutuel wagering activities and totalisator operations, including the testing of all computer programs that calculate the odds and payoffs to patrons.

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

Beginning in FY 2016 a decision was made to increase the efficiency of the agency by consolidating two director positions. The pari-mutuel manager responsibilities were assigned to the manager of wagering compliance. Operating costs were decreased further in FY 2017-18 by reducing 2.25 FTEs from the auditing staff. 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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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**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 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$579,545	\$522,267	\$(57,278)	\$(10,890)	Salaries - reduction of FTE by .2. Employee left and was not replaced. MOF is 0597.
			\$(30,000)	One time fee for EEE Internal Audit in FY 2019 in Professional Services. MOF is 0597.
			\$(12,249)	Lump sum payout for employee who left in FY 2018. Unemployment cost for RIF in 2017 paid in FY 2018. MOF is 0597.
			\$(4,139)	Reduction in travel. MOF is 0597.
			<u>\$(57,278)</u>	<b>Total of Explanation of Biennial Change</b>

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$398,890	\$379,914	\$379,215	\$429,215	\$429,215
1002	OTHER PERSONNEL COSTS	\$26,308	\$24,100	\$35,659	\$36,049	\$36,389
2001	PROFESSIONAL FEES AND SERVICES	\$22,857	\$24,071	\$85,500	\$25,500	\$25,500
2003	CONSUMABLE SUPPLIES	\$10,042	\$4,525	\$7,000	\$8,000	\$8,000
2004	UTILITIES	\$47,956	\$43,245	\$50,000	\$51,000	\$51,000
2005	TRAVEL	\$11,090	\$10,000	\$15,000	\$15,000	\$15,000
2006	RENT - BUILDING	\$95,834	\$103,770	\$104,470	\$105,470	\$105,470
2007	RENT - MACHINE AND OTHER	\$1,230	\$1,000	\$1,200	\$1,200	\$1,200
2009	OTHER OPERATING EXPENSE	\$70,420	\$64,572	\$69,550	\$70,992	\$70,992
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$684,627</b>	<b>\$655,197</b>	<b>\$747,594</b>	<b>\$742,426</b>	<b>\$742,766</b>
<b>Method of Financing:</b>						
597	Texas Racing Comm Acct	\$684,627	\$655,197	\$747,594	\$742,426	\$742,766
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$684,627</b>	<b>\$655,197</b>	<b>\$747,594</b>	<b>\$742,426</b>	<b>\$742,766</b>

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$742,426</b>	<b>\$742,766</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$684,627</b>	<b>\$655,197</b>	<b>\$747,594</b>	<b>\$742,426</b>	<b>\$742,766</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>6.2</b>	<b>6.0</b>	<b>6.0</b>	<b>7.0</b>	<b>7.0</b>

**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 Service Categories:  
 STRATEGY: 1 Central Administration and Other Support Services Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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**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 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$1,402,791	\$1,485,192	\$82,401	\$102,243	Increase of 1 FTE for position that was temporarily reduced for FY 2018-19. MOF is 0597.
			\$(60,000)	One time fee for EEE Internal Audit in FY 2019 in Professional Services. MOF is 0597.
			\$12,679	Retirement payout forecasted in FY 2020 and 2021. MOF is 0597.
			\$12,084	Increase in rent and utilities forecasted. MOF is 0597.
			\$5,000	Increase in travel forecasted. MOF is 0597.
			\$6,920	Increase in membership dues in other operating expense. MOF is 0597.
			\$3,475	Increase in consumables forecasted. MOF is 0597.
			<b>\$82,401</b>	<b>Total of Explanation of Biennial Change</b>

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$255,673	\$251,354	\$262,188	\$262,188	\$262,188
1002	OTHER PERSONNEL COSTS	\$12,809	\$38,013	\$11,394	\$12,753	\$11,874
2001	PROFESSIONAL FEES AND SERVICES	\$78,001	\$157,162	\$150,510	\$157,337	\$157,325
2003	CONSUMABLE SUPPLIES	\$3,178	\$1,314	\$1,500	\$1,500	\$1,500
2004	UTILITIES	\$10	\$0	\$0	\$0	\$0
2005	TRAVEL	\$1,605	\$1,050	\$2,500	\$2,500	\$2,500
2006	RENT - BUILDING	\$444	\$480	\$500	\$500	\$500
2009	OTHER OPERATING EXPENSE	\$75,585	\$80,794	\$86,837	\$110,010	\$105,022
5000	CAPITAL EXPENDITURES	\$13,269	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$440,574</b>	<b>\$530,167</b>	<b>\$515,429</b>	<b>\$546,788</b>	<b>\$540,909</b>
<b>Method of Financing:</b>						
597	Texas Racing Comm Acct	\$440,574	\$530,167	\$515,429	\$546,788	\$540,909
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$440,574</b>	<b>\$530,167</b>	<b>\$515,429</b>	<b>\$546,788</b>	<b>\$540,909</b>

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$546,788</b>	<b>\$540,909</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$440,574</b>	<b>\$530,167</b>	<b>\$515,429</b>	<b>\$546,788</b>	<b>\$540,909</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>3.8</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Commission’s regulatory approach and program is based on effective implementation of information technology , specifically its 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, administrative functions and information distribution. The database integrates related data among these various departmental programs, helping staff be more efficient and effective.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The agency continues its commitment to exploring technological enhancements. Initiatives related to technological modifications or upgrades include developing solutions 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 Texas Veterinary Medical Diagnostic Laboratory has access to the agency’s database to report sample results to the drug testing application. The State Comptroller’s Office has query access to the auditing application.

**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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$1,045,596	\$1,087,697	\$42,101	\$55,000	Network and Security System Upgrade. MOF is 0597.
			\$(24,399)	Retirement payout in FY 2018 in Other Personnel Costs. MOF is 0597.
			\$11,500	Salary Increase. MOF in 0597.
			<b>\$42,101</b>	<b>Total of Explanation of Biennial Change</b>

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**SUMMARY TOTALS:**

<b>OBJECTS OF EXPENSE:</b>	<b>\$6,706,824</b>	<b>\$6,599,632</b>	<b>\$6,694,741</b>	<b>\$6,673,717</b>	<b>\$6,669,481</b>
<b>METHODS OF FINANCE (INCLUDING RIDERS):</b>				<b>\$6,673,717</b>	<b>\$6,669,481</b>
<b>METHODS OF FINANCE (EXCLUDING RIDERS):</b>	<b>\$6,706,824</b>	<b>\$6,599,632</b>	<b>\$6,694,741</b>	<b>\$6,673,717</b>	<b>\$6,669,481</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>43.3</b>	<b>37.4</b>	<b>37.8</b>	<b>39.3</b>	<b>39.3</b>

**3.A.1. PROGRAM-LEVEL REQUEST SCHEDULE**  
85th Regular Session, Agency Submission, Version 1

Agency Code: 476		Agency: Texas Racing Commission				Prepared By:					
Date: July 24, 2018						18-19 Base	Requested 2020	Requested 2021	Biennial Total 20-21	Biennial Difference	
Goal	Goal Name	Strategy	Strategy Name	Program	Program Name					\$	%
A	Enforce Racing Regulation	A.1.1.	License/Regulate Racetracks	A.1.1.1.	License/Regulate Racetracks	\$735,648	\$373,628	\$373,888	\$747,516	\$11,868	1.6%
A	Enforce Racing Regulation	A.2.1.	Texas Bred Incentive Program	A.2.1.1.	Texas Bred Incentive Program	\$6,260,000	\$3,130,000	\$3,130,000	\$6,260,000	\$0	0.0%
A	Enforce Racing Regulation	A.3.1.	Supervise & Conduct Live Races	A.3.1.1.	Supervise & Conduct Live Races	\$990,475	\$465,909	\$466,549	\$932,458	(\$58,017)	-5.9%
A	Enforce Racing Regulation	A.3.2.	Monitor Licensee Activities	A.3.2.1.	Monitor Licensee Activities	\$533,307	\$303,586	\$303,586	\$607,172	\$73,865	13.9%
A	Enforce Racing Regulation	A.4.1.	Inspect & Provide Emergency Care	A.4.1.1.	Inspect & Provide Emergency Care	\$642,130	\$282,235	\$282,575	\$564,810	(\$77,320)	-12.0%
A	Enforce Racing Regulation	A.4.2.	Administer Drug Tests	A.4.2.1.	Administer Drug Tests	\$384,499	\$206,721	\$205,906	\$412,627	\$28,128	7.3%
B	Regulate Participation	B.1.1.	Occupational Licensing Program	B.1.1.1.	Occupational Licensing Program	\$686,382	\$344,130	\$344,329	\$688,459	\$2,077	0.3%
B	Regulate Participation	B.1.2.	Texas.Gov	B.1.2.1.	Texas.Gov	\$34,000	\$17,500	\$17,500	\$35,000	\$1,000	2.9%
C	Regulate Pari-Mutuel Wagering	C.1.1.	Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspection	C.1.1.1.	Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspection	\$579,545	\$260,794	\$261,473	\$522,267	(\$57,278)	-9.9%
D	Indirect Administration	D.1.1.	Central Admin & Other Support SVCS	D.1.1.1.	Central Admin & Other Support SVCS	\$1,402,791	\$742,426	\$742,766	\$1,485,192	\$82,401	5.9%
D	Indirect Administration	D.1.2.	Information Resources	D.1.2.1.	Information Resources	\$1,045,596	\$546,788	\$540,909	\$1,087,697	\$42,101	4.0%
			Exceptional Item	D.1.2.1.	E.I. #1 - Information Security Officer/Network Specialist		\$83,200	\$83,200	\$166,400	\$166,400	
						\$13,294,373	\$6,756,917	\$6,752,681	\$13,509,598		

### 3. B. Rider Revisions and Additions Request

<b>Agency Code:</b> 476	<b>Agency Name:</b> Texas Racing Commission	<b>Prepared By:</b> Adrienne Courtney	<b>Date:</b> 7/24/2018	<b>Request Level:</b> Baseline
<b>Current Rider Number</b>	<b>Page Number in 2018–19 GAA</b>	<b>Proposed Rider Language</b>		
1	VIII-55 & VIII-56	<p><b>Performance Measure Targets.</b> 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>2020</u>	<u>2021</u>
		<p><b>A. Goal:</b> ENFORCE RACING REGULATION  <b>Outcome (Results/Impact):</b>            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>	95.0% 97.0% 0.14% 0.73%	95.0% 97.0% 0.14% 0.73%
		<p><b>A.1.1. Strategy:</b> LICENSE/REGULATE RACETRACKS  <b>Output (Volume):</b>            Number of Racetrack Inspections</p>	12	12
		<p><b>Explanatory:</b>            Number of Horse Tracks Regulated            Number of Greyhound Tracks Regulated</p>	7 3	7 3
		<p><b>A.2.1. Strategy:</b> TEXAS BRED INCENTIVE PROGRAM  <b>Output (Volume):</b>            Number of Texas Bred Awards for Horses            Number of Texas Bred Awards for Greyhounds</p>	6,400 1,100	6,400 1,100
		<p><b>A.3.1. Strategy:</b> SUPERVISE &amp; CONDUCT LIVE RACES  <b>Output (Volume):</b>            Number of Occupational Licenses Suspended or Revoked</p>	154	154
		<p><b>A.3.2. Strategy:</b> MONITOR LICENSEE ACTIVITIES  <b>Output (Volume):</b>            Number of Investigations Completed</p>	240	240
		<p><b>A.4.1. Strategy:</b> INSPECT &amp; PROVIDE EMERGENCY CARE  <b>Output (Volume):</b>            Number of Horses Inspected Pre-race            Number of Greyhounds Inspected Pre-race</p>	10,512 2,757	10,512 2,757

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

		<p><b>B. Goal:</b> REGULATE PARTICIPATION  <b>B.1.1. Strategy:</b> OCCUPATIONAL LICENSING PROGRAM  <b>Output (Volume):</b>  Number of New Occupational Licenses Issued  Number of Occupational Licenses Renewed</p> <p><b>C. Goal:</b> REGULATE PARI-MUTUEL WAGERING  <b>Outcome (Results/Impact):</b>  Percentage of Compliance Audits Passed  <b>C.1.1. Strategy:</b> MONITOR WAGERING AND AUDIT  <b>Explanatory:</b>  Total Pari-Mutuel Handle (In Millions)  Total Take to the State Treasury from Pari-Mutuel Wagering</p>	<p>1,800 4,000</p> <p>98.0%</p> <p>282 2,700,000</p>	<p>1,800 4,000</p> <p>98.0%</p> <p>278 2,600,000</p>
2	VIII-56	<p><b>Texas Bred Incentive Program Receipts.</b> The amounts appropriated above in Strategy A.2.1, Texas Bred Incentive Program, are estimated amounts set aside by the Texas Racing Act pursuant to VTCS, Article 179e §§ 6.08, 6.09, and 6.091 for the Texas Bred Incentive Program. Any additional revenue set aside by the Texas Racing Act pursuant to VTCS, Article 179e §§ 6.08, 6.09, and 6.091 for the Texas Bred Incentive Program (estimated to be \$0) is appropriated to the Racing Commission in Strategy A.2.1, Texas Bred Incentive Program, in each fiscal year of the <u>2020-21</u> <del>2018-19</del> biennium.</p>		
3	VIII-56	<p><b>Criminal History Checks and Background Checks.</b></p> <p>a. Out of the funds appropriated above in Strategy B.1.1, Occupational Licensing Program, \$124,217 in fiscal year <u>2020</u> <del>2018</del> and \$124,217 in fiscal year <u>2021</u> <del>2019</del> 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 costs 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, <u>2020</u> <del>2018</del>, 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 <u>2020-21</u> <del>2018-19</del> 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-57	<p><b>Texas Bred Incentive Program Awards.</b> None of the funds appropriated above for Texas Bred Incentive</p>		

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

		<p>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>
<p align="center">5</p>	<p align="center">VIII-57</p>	<p><b>Contingent Appropriation: New Horse Racetrack or Reopening Horse Racetrack and Accredited Texas Bred Program</b></p> <p>a. In addition to the amounts appropriated above, the Texas Racing Commission shall be appropriated \$315,950 out of funds collected by the agency and deposited to GR Dedicated-Texas Racing Commission Account No. 597 during each fiscal year of the <u>2020-21</u> <del>2018-19</del> biennium, in 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 <u>2020-21</u> <del>2018-19</del> biennium, \$423,970 for fiscal year <u>2020</u> <del>2018</del> and \$424,570 for fiscal year <u>2021</u> <del>2019</del> for each new horse racetrack or each reopening horse racetrack during the <u>2020-21</u> <del>2018-19</del> biennium in excess of \$7,496,765 in fiscal year <u>2020</u> <del>2018</del> and \$7,496,765 in fiscal year <u>2021</u> <del>2019</del> (Object Codes 3188, 3189, 3190, 3193, and 3197) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years <u>2020</u> <del>2018</del> and <u>2021</u> <del>2019</del>:</p> <ol style="list-style-type: none"> <li>1) \$97,000 in Strategy A.3.1, Supervise and Conduct Live Races;</li> <li>2) \$54,000 in Strategy A.3.2, Monitor Licensee Activities;</li> <li>3) \$65,200 in Strategy A.4.1, Inspect and Provide Emergency Care;</li> <li>4) \$19,750 in Strategy A.4.2, Administer Drug Tests;</li> <li>5) \$35,000 in Strategy B.1.1, Occupational Licensing Program;</li> <li>6) \$45,000 in Strategy C.1.1, Monitor Wagering and Audit.</li> </ol> <p>Also, the "Number of Full-Time-Equivalents (FTE)" figure indicated above shall be increased by 5.0 FTEs 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 <u>2020-21</u> <del>2018-19</del> 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 and other direct and indirect costs (estimated to be \$216,640 for the <u>2020-21</u> <del>2018-19</del> 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 and 6.091 for the Texas</p>

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

		<p>Bred Incentive Program that is collected by the agency from each new horse racetrack that begins operations for the first time in the <del>2020-21</del> <del>2018-19</del> biennium or for each reopening horse racetrack that initiates operations again during the <del>2020-21</del> <del>2018-19</del> biennium in an amount not to exceed \$334,477 from GR Dedicated-Texas Racing Commission Account No. 597 each year for each new horse racetrack. Any appropriations from revenue collected by the agency from new horse racetracks for the Texas Bred Incentive Program during the <del>2020-21</del> <del>2018-19</del> 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-57 & VIII-58	<p><b>Contingent Appropriation: New Racetrack Application.</b> 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 <del>2020-21</del> <del>2018-19</del> biennium and are not transferable to any other strategy.</p>
7	VIII-58	<p><b>Contingent Appropriation: Additional live race days added beyond the base of <u>146</u> <del>186</del> days each fiscal year to the Horse Race Date Calendar and Accredited Texas Bred Program.</b></p> <p>a. In addition to the amounts appropriated above, the Texas Racing Commission shall be appropriated \$3,501 for each additional live horse race day added beyond the base of <u>146</u> <del>186</del> days to the horse race date calendar in each fiscal year out of funds collected by the agency and deposited to GR Dedicated-Texas Racing Commission Account No. 597 during each fiscal year of the <del>2020-21</del> <del>2018-19</del> biennium (estimated to be one additional race day). This appropriation is contingent upon the Texas Racing Commission assessing fees sufficient to generate, in addition to revenue requirements elsewhere in this Act, during the <del>2020-21</del> <del>2018-19</del> biennium, \$5,346 for fiscal year <del>2020</del> <del>2018</del> and \$5,358 for fiscal year <del>2021</del> <del>2019</del> for each additional live race day added beyond the base of <u>146</u> <del>186</del> days to the horse race date calendar in each fiscal year during the <del>2020-21</del> <del>2018-19</del> biennium in excess of \$7,496,765 in fiscal year <del>2020</del> <del>2018</del> and \$7,496,765 in fiscal year <del>2021</del> <del>2019</del> (Object Codes 3188, 3189, 3190, 3193, and 3197) contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years <del>2020</del> <del>2018</del> and <del>2021</del> <del>2019</del>:</p> <ul style="list-style-type: none"> <li>(a) \$1,255 in Strategy A.3.1, Supervise and Conduct Live Races;</li> <li>(b) \$413 in Strategy A.3.2, Monitor Licensee Activities;</li> <li>(c) \$1,175 in Strategy A.4.1, Inspect and Provide Emergency Care;</li> <li>(d) \$357 in Strategy A.4.2, Administer Drug Tests;</li> <li>(e) \$301 in Strategy B.1.1, Occupational Licensing Program.</li> </ul>

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

		<p>Also the “Number of Full-Time Equivalents (FTE)” figure indicated above shall be increased by 0.1 FTEs for each live horse race day granted that exceeds the base of <del>146</del> <del>186</del> days on the horse race date calendar in each fiscal year contingent upon the Texas Racing Commission generating the amount of revenue indicated above. The Texas Racing Commission upon completion of necessary actions to assess or increase such additional revenue shall furnish copies of the Texas Racing Commission’s minutes and other information supporting the estimated revenues to be generated for the <u>2020-21</u> <del>2018-19</del> 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 \$7,002 and other direct and indirect costs (estimated to be \$3,702 for the <u>2020-21</u> <del>2018-19</del> 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 and 6.091 for the Texas Bred Incentive Program that is collected by the agency, in an amount not to exceed \$2,275 from GR Dedicated – Texas Racing Commission Account No. 597 for each additional live horse race day added beyond the base of <del>146</del> <del>186</del> days during each fiscal year to the horse race date calendar in the <u>2020-21</u> <del>2018-19</del> biennium. Any appropriations from revenue collected by the agency for the Texas Bred Incentive Program during the <u>2020-21</u> <del>2018-19</del> biennium may be used only for that purpose and are not transferable to any other strategy.</p>
8	VIII-58 & VIII-59	<p><b>Contingent Appropriation: Additional live race days added beyond the base of 36 days each fiscal year to the Greyhound Race Date Calendar and Accredited Texas Bred Program.</b></p> <p>a. In addition to the amounts appropriated above, the Texas Racing Commission shall be appropriated \$2,564 for each additional live greyhound race day added beyond the base of 36 days to the greyhound race date calendar in each fiscal year out of funds collected by the agency and deposited to GR Dedicated-Texas Racing Commission Account No. 597 during each fiscal year of the <u>2020-21</u> <del>2018-19</del> biennium (estimated to be one additional race day). This appropriation is contingent upon the Texas Racing Commission assessing fees sufficient to generate, in addition to revenue requirements elsewhere in this Act, during the <u>2020-21</u> <del>2018-19</del> biennium, \$2,837 for fiscal year <u>2020</u> <del>2018</del> and \$2,837 for fiscal year <u>2021</u> <del>2019</del> for each additional live race day added beyond the base of 36 days to the greyhound race date calendar in each fiscal year during the <u>2020-21</u> <del>2018-19</del> biennium in excess of \$7,496,765 in fiscal year <u>2020</u> <del>2018</del> and \$7,496,765 in fiscal year <u>2021</u> <del>2019</del> (Object Codes 3188, 3189, 3190, 3193, and 3197) contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years <u>2020</u> <del>2018</del> and <u>2021</u> <del>2019</del>:</p> <ul style="list-style-type: none"> <li>(a) \$1,255 in Strategy A.3.1, Supervise and Conduct Live Races;</li> <li>(b) \$413 in Strategy A.3.2, Monitor Licensee Activities;</li> <li>(c) \$595 in Strategy A.4.1, Inspect and Provide Emergency Care;</li> <li>(d) \$301 in Strategy B.1.1, Occupational Licensing Program.</li> </ul>

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

		<p>Also, the “Number of Full-Time Equivalent (FTE)” figure indicated above shall be increased by 0.1 FTEs for each live greyhound race day granted that exceeds the base of 36 days on the greyhound race date calendar in each fiscal year contingent upon the Texas Racing Commission generating the amount of revenue indicated above. The Texas Racing Commission upon completion of necessary actions to assess or increase such additional revenue shall furnish copies of the Texas Racing Commission’s minutes and other information supporting the estimated revenues to be generated for the <u>2020-21</u> <del>2018-19</del> 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 \$5,128 and other direct and indirect costs (estimated to be \$546 for the <u>2020-21</u> <del>2018-19</del> 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 §§ 6.09 and 6.091 for the Texas Bred Incentive Program that is collected by the agency, in an amount not to exceed \$75 from GR Dedicated – Texas Racing Commission Account No. 597 for each additional day added beyond the base of 36 days during each fiscal year to the greyhound race date calendar in the <u>2020-21</u> <del>2018-19</del> biennium. Any appropriations from revenue collected by the agency for the Texas Bred Incentive Program during the <u>2020-21</u> <del>2018-19</del> biennium may be used only for that purpose and are not transferable to any other strategy.</p>
9	VIII-59	<p><b>Lump Sum Annual Leave Payout.</b></p> <p><del>Included in amounts appropriated above is \$36,000 in GR Dedicated – Texas Racing Commission Account No. 597 that may only be used during the 2018-19 fiscal biennium to pay for retirement payouts due at the time of agency employees’ retirement. The unexpended funds of no more than \$18,000 in GR Dedicated – Texas Racing Commission Account No. 597 remaining on August 31, 2018, may be expended during the fiscal year beginning September 1, 2018, only to pay for retirement payouts due at the time of agency employees’ retirement. Any part of the appropriation made for retirement payouts due at the time of agency employees’ retirement that are not necessary for that purpose shall be lapsed by the agency at the end of the biennium.</del></p>

**4.A. Exceptional Item Request Schedule**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/27/2018**  
 TIME: **11:36:10AM**

Agency code: **476**

Agency name:  
**Racing Commission**

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2020</u>	<u>Excp 2021</u>
	<b>Item Name:</b> Information Security Officer/Network Specialist		
	<b>Item Priority:</b> 1		
	<b>IT Component:</b> No		
	<b>Anticipated Out-year Costs:</b> Yes		
	<b>Involve Contracts &gt; \$50,000:</b> No		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 04-01-02 Information Resources		
 <b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	80,000	80,000
1002	OTHER PERSONNEL COSTS	2,400	2,400
2009	OTHER OPERATING EXPENSE	800	800
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$83,200</b>	<b>\$83,200</b>
 <b>METHOD OF FINANCING:</b>			
597	Texas Racing Comm Acct	83,200	83,200
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$83,200</b>	<b>\$83,200</b>
	<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>	1.00	1.00

**DESCRIPTION / JUSTIFICATION:**

In accordance with Texas Administrative Code, Title 1, Part 10, Rule Section 202 B & C, the head of each state agency shall designate an Information Security Officer who has the explicit authority and the duty to administer the information security requirements of this chapter agency wide. The ISO should report to executive level management; have authority for information security for the entire agency; possess training and experience required to administer the functions described under this chapter; and whenever possible, have information security duties as that official's primary duty

The Director of Information Technology is currently fulfilling several roles in addition to the day-to-day managerial duties for the computer operations, including maintaining and supervising work related to the Oracle database; serving as the Oracle Data Base Administrator; programing, maintaining, and supporting UNIX and Linux servers; and functioning as the UNIX system administrator; serving as the Information Resource Manager and liason with the Department of Information Resources; and maintaining, troubleshooting and/or supervising agency hardware, software, internet, mail and web services and telecommunications and network services and all related systems.

Having a person dedicated to fulfilling the duties of the Information Security Officer will enhance the agency's security of information and information resources by ensuring the agency is maintaining an agency-wide information security plan as required by §2054.133, Texas Government Code, developing and maintaining security policies and procedures that address the requirements of this chapter and the agency's information security risks; ensuring annual information security risks are performed; coordinating the review and implementation of new data security requirements and specifications of any new computer applications or services that receive, maintain and/or share confidential data, etc.

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Agency code: **476**

Agency name:  
**Racing Commission**

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2020</b>	<b>Excp 2021</b>
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**EXTERNAL/INTERNAL FACTORS:**

Cyber risks continue to escalate and have grown in volume and complexity. The agency must take every precaution to protect its systems and its licensees' records.

**PCLS TRACKING KEY:**

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**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

The agency anticipates there would continue to be a need for an ISO/Network Specialist.

**ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:**

<b>2022</b>	<b>2023</b>	<b>2024</b>
\$83,200	\$83,200	\$83,200

4.B. Exceptional Items Strategy Allocation Schedule  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/27/2018  
 TIME: 11:36:10AM

Agency code: 476 Agency name: Racing Commission

Code	Description	Excp 2020	Excp 2021
<b>Item Name:</b> Information Security Officer/Network Specialist			
<b>Allocation to Strategy:</b> 4-1-2 Information Resources			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	80,000	80,000
1002	OTHER PERSONNEL COSTS	2,400	2,400
2009	OTHER OPERATING EXPENSE	800	800
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$83,200</b>	<b>\$83,200</b>
<b>METHOD OF FINANCING:</b>			
597	Texas Racing Comm Acct	83,200	83,200
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$83,200</b>	<b>\$83,200</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		1.0	1.0

**4.C. Exceptional Items Strategy Request**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/27/2018  
**TIME:** 11:36:10AM

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Exp 2020</b>	<b>Exp 2021</b>
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**EXPLANATORY/INPUT MEASURES:**

<u>1</u>	Number of Horse Tracks Regulated	7.00	7.00
<u>2</u>	Number of Greyhound Tracks Regulated	3.00	3.00

**4.C. Exceptional Items Strategy Request**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/27/2018  
**TIME:** 11:36:10AM

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

<b>CODE DESCRIPTION</b>	<b>Exp 2020</b>	<b>Exp 2021</b>
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**OUTPUT MEASURES:**

<u>2</u> Number of Complaints Received Against Licensees	2.00	2.00
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**4.C. Exceptional Items Strategy Request**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 8/27/2018**  
**TIME: 11:36:10AM**

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

<b>CODE DESCRIPTION</b>	<b>Excp 2020</b>	<b>Excp 2021</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	80,000	80,000
1002 OTHER PERSONNEL COSTS	2,400	2,400
2009 OTHER OPERATING EXPENSE	800	800
<b>Total, Objects of Expense</b>	<b>\$83,200</b>	<b>\$83,200</b>

**METHOD OF FINANCING:**

597 Texas Racing Comm Acct	83,200	83,200
<b>Total, Method of Finance</b>	<b>\$83,200</b>	<b>\$83,200</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

1.0	1.0
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**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Information Security Officer/Network Specialist

**6.A. Historically Underutilized Business Supporting Schedule**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/27/2018**  
 Time: **11:36:11AM**

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

**A. Fiscal Year 2016 - 2017 HUB Expenditure Information**

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2016			Total Expenditures FY 2016			HUB Expenditures FY 2017			Total Expenditures FY 2017
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	FY 2017		
23.7%	Professional Services	23.7 %	100.0%	76.3%	\$12,446	\$12,446	23.7 %	100.0%	76.3%	\$14,837	\$14,837	
26.0%	Other Services	26.0 %	24.8%	-1.2%	\$80,631	\$325,164	26.0 %	26.9%	0.9%	\$95,884	\$356,569	
21.1%	Commodities	21.1 %	41.2%	20.1%	\$73,968	\$179,482	21.1 %	82.0%	60.9%	\$34,417	\$41,966	
	<b>Total Expenditures</b>		<b>32.3%</b>		<b>\$167,045</b>	<b>\$517,092</b>		<b>35.1%</b>		<b>\$145,138</b>	<b>\$413,372</b>	

**B. Assessment of Fiscal Year 2016 - 2017 Efforts to Meet HUB Procurement Goals**

**Attainment:**

The agency met two of three applicable statewide HUB goals in Fiscal Year 2016 and all three applicable statewide HUB goals in Fiscal Year 2017.

**Applicability:**

The "Heavy Construction", "Building Construction", and "Special Trade" categories were not applicable to agency operations in either Fiscal Year 2016 or Fiscal Year 2017.

**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 IT services. The agency missed the statewide HUB goal in Fiscal Year 2016 by 1.2% or \$3,902.

**"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 strives 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 goals for Fiscal Year 2016 and Fiscal Year 2017.

Participated in the Statewide HUB Program Access Expo held in Irving, Texas in Fiscal Year 2016, Fiscal Year 2017 and in Fiscal Year 2018.

**6.B. Current Biennium Onetime Expenditure Schedule  
Strategy Allocation from 2018-19 Biennium to 2020-21 Biennium**

<b>Agency Code:</b> 476	<b>Agency Name:</b> Texas Racing Commission	<b>Prepared By:</b>	<b>Date:</b> 07/24/2018
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<b>2018-19</b> <b>PROJECT:</b> Economy, Effectiveness and Efficiency Internal Audit <b>ALLOCATION TO STRATEGY:</b> Various Strategies	<b>2020-21</b> <b>PROJECT:</b> Various Projects <b>ALLOCATION TO STRATEGY:</b> Various Strategies
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Strategy Code	OOE/MOF Code	Strategy Allocation	Estimated 2018	Budgeted 2019	Requested 2020	Requested 2021
<b>Object of Expense:</b>						
A.1.1.	2001	Professional Fees and Services	\$0	\$30,000	\$0	\$0
A.3.1	2001	Professional Fees and Services		\$40,000		
A.4.1	2001	Professional Fees and Services		\$20,000		
A.4.2	2001	Professional Fees and Services		\$20,000		
C.1.1.	2001	Professional Fees and Services		\$30,000		
D.1.1.	2001	Professional Fees and Services		\$60,000		
<b>Total, Object of Expense</b>			\$0	\$200,000	\$0	\$0
A.3.2.	1001	Increased staff hours for Investigator			\$25,760	\$25,760
A.3.2.	2005	Increased travel for Investigators			\$5,000	\$5,000
A.4.2.	2001	Veterinarian's presence at racetracks during training			\$18,240	\$18,240
D.1.1.	1001	Records Management Officer			\$51,000	\$51,000
<b>Total, Object of Expense</b>					\$100,000	\$100,000
<b>Method of Financing:</b>						
	0597	Texas Racing Commission GR-Dedicated Fund	\$0	\$200,000	\$100,000	\$100,000

**Project Description for the 2018-19 Biennium:**

The agency is budgeting \$200,000 for an Economy, Effectiveness and Efficiency Audit in FY 2019.

**Project Description and Allocation Purpose for the 2020-21 Biennium:**

The agency is allocating \$61,520 for additional staff hours for an investigator at Lone Star Park. This will allow the agency to minimize the use of several part-time employees by hiring a full-time investigator to provide a more consistent presence. The agency is allocating \$36,480 for veterinarians to be present at training hours during live race meets to monitor horses' health and racing soundness. \$102,000 is allocated for a Records Management Officer to manage the records management program to ensure the agency complies with state requirements.

**6.E. Estimated Revenue Collections Supporting Schedule**  
86th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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

<b>FUND/ACCOUNT</b>	<b>Act 2017</b>	<b>Exp 2018</b>	<b>Exp 2019</b>	<b>Bud 2020</b>	<b>Est 2021</b>
<b>597 Texas Racing Comm Acct</b>					
Beginning Balance (Unencumbered):	\$385,157	\$53,871	\$85,203	\$53,006	\$0
Estimated Revenue:					
3188 Race Track Licenses - Horse	2,589,973	3,229,013	3,035,592	2,616,265	2,616,265
3189 Racing and Wagering Licenses	717,040	670,562	670,500	670,500	670,500
3190 Race Track Licenses - Greyhound	1,080,000	612,525	846,262	1,080,000	1,080,000
3193 Breakage - Horse Racing	2,642,147	2,745,245	2,745,245	2,745,245	2,745,245
3197 Breakage - Greyhound Racing	386,469	384,755	384,755	384,755	384,755
3719 Fees/Copies or Filing of Records	37	172	350	350	350
3802 Reimbursements-Third Party	14,469	12,915	15,000	15,000	15,000
Subtotal: Actual/Estimated Revenue	7,430,135	7,655,187	7,697,704	7,512,115	7,512,115
<b>Total Available</b>	<b>\$7,815,292</b>	<b>\$7,709,058</b>	<b>\$7,782,907</b>	<b>\$7,565,121</b>	<b>\$7,512,115</b>
<b>DEDUCTIONS:</b>					
Expended, Budgeted, Requested	(6,652,261)	(6,533,141)	(6,639,887)	(6,618,862)	(6,614,628)
Transfer - Employee Benefits	(1,063,938)	(1,024,223)	(1,035,160)	(1,054,767)	(1,054,767)
Transfer Equine Research	(54,563)	(54,546)	(54,854)	(54,854)	(54,854)
Transfer - State Wide Cost allocation	0	0	0	0	0
Transfer - 50% Unemployment	0	(11,945)	0	0	0
<b>Total, Deductions</b>	<b>\$(7,770,762)</b>	<b>\$(7,623,855)</b>	<b>\$(7,729,901)</b>	<b>\$(7,728,483)</b>	<b>\$(7,724,249)</b>
<b>Ending Fund/Account Balance</b>	<b>\$44,530</b>	<b>\$85,203</b>	<b>\$53,006</b>	<b>\$(163,362)</b>	<b>\$(212,134)</b>

**REVENUE ASSUMPTIONS:**

**CONTACT PERSON:**

Adrienne Courtney

**6.I. Percent Biennial Base Reduction Options**

**10 % REDUCTION**

86th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/27/2018  
Time: 12:07:03PM

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

Item Priority and Name/ <u>Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total

**1 Various Reductions Including the Texas Bred Incentive Program**

**Category:** Across the Board Reductions

**Item Comment:** The first reduction of 2.5 percent includes the following. \$156,500 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 reduction to this program would prevent the payout of awards to the owners and breeders of Texas Bred race animals. The agency would not have enough appropriations to pass through the funds collected to owners and breeders. A 10 percent reduction to the Texas Bred Incentive Program is allocated equally among the four reduction items. The reduction of \$37,000 in Regulate Racetrack would eliminate an increase in salaries to recruit and/or retain qualified personnel. Commission salaries are below the midpoint in most of the salary groups across the agency. This makes it difficult to attract/retain experienced state employees. A reduction of \$30,000 in Central Administration for professional fees and services related to providing internal auditing services and the Internal Audit Plan. An additional reduction of \$102,000 in Central Administration would eliminate the position of a Records Management Officer. The RMO manages the agency's record management program to ensure the agency complies with state records management and record retention requirements.

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

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$18,500	\$18,500	\$37,000	\$18,500	\$18,500	\$37,000
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,500</b>	<b>\$18,500</b>	<b>\$37,000</b>	<b>\$18,500</b>	<b>\$18,500</b>	<b>\$37,000</b>

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

Gr Dedicated

**6.I. Percent Biennial Base Reduction Options**

**10 % REDUCTION**

86th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/27/2018  
Time: 12:07:03PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$78,250	\$78,250	\$156,500	\$78,250	\$78,250	\$156,500
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$78,250</b>	<b>\$78,250</b>	<b>\$156,500</b>	<b>\$78,250</b>	<b>\$78,250</b>	<b>\$156,500</b>

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

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$66,000	\$66,000	\$132,000	\$66,000	\$66,000	\$132,000
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$66,000</b>	<b>\$66,000</b>	<b>\$132,000</b>	<b>\$66,000</b>	<b>\$66,000</b>	<b>\$132,000</b>
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$162,750</b>	<b>\$162,750</b>	<b>\$325,500</b>	<b>\$162,750</b>	<b>\$162,750</b>	<b>\$325,500</b>

**FTE Reductions (From FY 2020 and FY 2021 Base Request)**

**1.0      1.0**

**2 Various Reductions Including the Texas Bred Incentive Program**

**Category:** Across the Board Reductions

**Item Comment:** The second reduction of 2.5 percent includes: \$156,500 for grants to the Texas Bred Incentive Program for encouraging the breeding and racing of animals in Texas. A reduction of \$62,000 would eliminate administrative support to the Licensing Program. Additional duties and responsibilities would be assigned to remaining personnel and there could be reduced regulatory oversight and compliance with Commission and state requirements. The reduction of \$56,000 in Central Administration would eliminate staff hours in accounting. This reduction would increase the duties and responsibilities assigned to remaining employees and could result in less oversight, reduced effectiveness of internal office procedures and reduced compliance with state and Commission requirements. The reduction of \$55,000 in Information Resources would delay an upgrade of the network and phone system.

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

**6.I. Percent Biennial Base Reduction Options**

**10 % REDUCTION**

86th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/27/2018  
Time: 12:07:03PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>Gr Dedicated</u>									
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$78,250	\$78,250	\$156,500	\$78,250	\$78,250	\$156,500
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$78,250</b>	<b>\$78,250</b>	<b>\$156,500</b>	<b>\$78,250</b>	<b>\$78,250</b>	<b>\$156,500</b>
Strategy: 2-1-1 Administer the Occupational Licensing Program through Enforcement									
<u>Gr Dedicated</u>									
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$31,000	\$31,000	\$62,000	\$31,000	\$31,000	\$62,000
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$31,000</b>	<b>\$31,000</b>	<b>\$62,000</b>	<b>\$31,000</b>	<b>\$31,000</b>	<b>\$62,000</b>
Strategy: 4-1-1 Central Administration and Other Support Services									
<u>Gr Dedicated</u>									
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$28,000	\$28,000	\$56,000	\$28,000	\$28,000	\$56,000
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,000</b>	<b>\$28,000</b>	<b>\$56,000</b>	<b>\$28,000</b>	<b>\$28,000</b>	<b>\$56,000</b>
Strategy: 4-1-2 Information Resources									

**6.I. Percent Biennial Base Reduction Options**

**10 % REDUCTION**

86th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/27/2018  
Time: 12:07:03PM

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

Item Priority and Name/ <u>Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>Gr Dedicated</u>									
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$30,000	\$25,000	\$55,000	\$30,000	\$25,000	\$55,000
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$25,000</b>	<b>\$55,000</b>	<b>\$30,000</b>	<b>\$25,000</b>	<b>\$55,000</b>
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$167,250</b>	<b>\$162,250</b>	<b>\$329,500</b>	<b>\$167,250</b>	<b>\$162,250</b>	<b>\$329,500</b>
<b>FTE Reductions (From FY 2020 and FY 2021 Base Request)</b>					<b>1.5</b>	<b>1.5</b>			

**3 Various Reductions Including the Texas Bred Incentive Program**

**Category:** Across the Board Reductions

**Item Comment:** The third reduction of 2.5 percent includes the following. \$156,500 consists of grants to the Texas Bred Incentive Program for encouraging the breeding and racing of animals in Texas.

A reduction of \$91,000 in Monitor Licensee Activities would eliminate .5 FTE and reduce travel in this program. This .5 FTE allows the agency to minimize the use of several part-time personnel that are rotated to work at Lone Star Park Racetrack by hiring a full-time investigator. This provides for a more consistent presence and increased enforcement efficiency at the racetrack during live racing. A reduction of \$65,790 in Administer Drug Tests would eliminate the presence of Commission and contract veterinarians at the track during routine training hours. This presence allows the veterinarians an expanded opportunity to examine horses beyond the brief pre-race examination, and when necessary, take appropriate action to place a horse on the Veterinarian's List until it is demonstrated that the horse is sound to race. A reduction of \$37,900 in Central Administration is for membership dues to the Association of Racing Commissioners International (ARCI). The agency would no longer be able to participate in the ARCI national database that is used to monitor licensees' standing in other jurisdictions.

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

Gr Dedicated

**6.I. Percent Biennial Base Reduction Options**

**10 % REDUCTION**

86th Regular Session, Agency Submission, Version 1  
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Date: 8/27/2018  
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Agency code: 476 Agency name: **Racing Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$78,250	\$78,250	\$156,500	\$78,250	\$78,250	\$156,500
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$78,250</b>	<b>\$78,250</b>	<b>\$156,500</b>	<b>\$78,250</b>	<b>\$78,250</b>	<b>\$156,500</b>

Strategy: 1-3-2 Monitor Occupational Licensee Activities

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$45,500	\$45,500	\$91,000	\$45,500	\$45,500	\$91,000
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$45,500</b>	<b>\$45,500</b>	<b>\$91,000</b>	<b>\$45,500</b>	<b>\$45,500</b>	<b>\$91,000</b>

Strategy: 1-4-2 Administer Drug Tests

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$32,895	\$32,895	\$65,790	\$32,895	\$32,895	\$65,790
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,895</b>	<b>\$32,895</b>	<b>\$65,790</b>	<b>\$32,895</b>	<b>\$32,895</b>	<b>\$65,790</b>

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

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$18,950	\$18,950	\$37,900	\$18,950	\$18,950	\$37,900
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**6.I. Percent Biennial Base Reduction Options**

**10 % REDUCTION**

86th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/27/2018  
Time: 12:07:03PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<b>Gr Dedicated Total</b>	\$0	\$0	\$0	\$18,950	\$18,950	\$37,900	\$18,950	\$18,950	\$37,900
<b>Item Total</b>	\$0	\$0	\$0	\$175,595	\$175,595	\$351,190	\$175,595	\$175,595	\$351,190
<b>FTE Reductions (From FY 2020 and FY 2021 Base Request)</b>					0.5	0.5			

**4 Various Reductions Including the Texas Bred Incentive Program**

**Category:** Across the Board Reductions

**Item Comment:** The fourth reduction of 2.5 percent consists of: \$156,500 in grants to the Texas Bred Incentive Program for encouraging the breeding and racing of animals in Texas. A reduction of \$150,000 in the Regulate Racetracks program would reduce the FTE count by 1. Additional duties and responsibilities would need to be reassigned to the remaining employees. This would have a significant impact on the agency's ability to prepare for cases brought before the State Office of Administrative Hearings and would reduce the agency's regulatory oversight.

A reduction of \$22,221 in Information Resources would delay modifications and upgrades to the agency's database.

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

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$75,000	\$75,000	\$150,000	\$75,000	\$75,000	\$150,000
<b>Gr Dedicated Total</b>	\$0	\$0	\$0	\$75,000	\$75,000	\$150,000	\$75,000	\$75,000	\$150,000

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

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$0	\$78,250	\$78,250	\$156,500	\$78,250	\$78,250	\$156,500
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**6.I. Percent Biennial Base Reduction Options**

**10 % REDUCTION**

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Date: 8/27/2018  
Time: 12:07:03PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<b>Gr Dedicated Total</b>	\$0	\$0	\$0	\$78,250	\$78,250	\$156,500	\$78,250	\$78,250	\$156,500
Strategy: 4-1-2 Information Resources									
<u>Gr Dedicated</u>									
597 Texas Racing Comm Acct	\$0	\$0	\$0	\$11,110	\$11,111	\$22,221	\$11,110	\$11,111	\$22,221
<b>Gr Dedicated Total</b>	\$0	\$0	\$0	\$11,110	\$11,111	\$22,221	\$11,110	\$11,111	\$22,221
<b>Item Total</b>	\$0	\$0	\$0	\$164,360	\$164,361	\$328,721	\$164,360	\$164,361	\$328,721
<b>FTE Reductions (From FY 2020 and FY 2021 Base Request)</b>					1.0	1.0			
<b>AGENCY TOTALS</b>									
<b>GR Dedicated Total</b>				\$669,955	\$664,956	\$1,334,911			\$1,334,911
<b>Agency Grand Total</b>	\$0	\$0	\$0	\$669,955	\$664,956	\$1,334,911	\$669,955	\$664,956	\$1,334,911
<b>Difference, Options Total Less Target</b>									
<b>Agency FTE Reductions (From FY 2020 and FY 2021 Base Request)</b>				4.0	4.0				
<b>Article Total</b>				\$669,955	\$664,956	\$1,334,911	\$669,955	\$664,956	\$1,334,911
<b>Statewide Total</b>				\$669,955	\$664,956	\$1,334,911	\$669,955	\$664,956	\$1,334,911

7.A. Indirect Administrative and Support Costs

8/27/2018 11:36:15AM

86th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$82,557	\$ 70,903	\$ 91,629	\$ 97,039	\$ 97,039
1002 OTHER PERSONNEL COSTS	4,934	6,976	6,722	6,849	6,774
2001 PROFESSIONAL FEES AND SERVICES	12,721	20,356	33,716	25,661	25,660
2003 CONSUMABLE SUPPLIES	1,667	656	1,357	1,333	1,333
2004 UTILITIES	6,050	4,857	7,286	7,158	7,158
2005 TRAVEL	1,601	1,241	2,500	2,456	2,456
2006 RENT - BUILDING	12,143	11,709	14,996	14,873	14,873
2007 RENT - MACHINE AND OTHER	155	112	171	168	168
2009 OTHER OPERATING EXPENSE	18,415	16,327	22,476	25,404	24,704
5000 CAPITAL EXPENDITURES	1,674	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$141,917</b>	<b>\$133,137</b>	<b>\$180,853</b>	<b>\$180,941</b>	<b>\$180,165</b>
<b>METHOD OF FINANCING:</b>					
597 Texas Racing Comm Acct	141,917	133,137	180,853	180,941	180,165
<b>Total, Method of Financing</b>	<b>\$141,917</b>	<b>\$133,137</b>	<b>\$180,853</b>	<b>\$180,941</b>	<b>\$180,165</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>1.3</b>	<b>1.1</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>

Method of Allocation

**7.A. Indirect Administrative and Support Costs**

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**476 Racing Commission**

<b>Strategy</b>	<b>Exp 2017</b>	<b>Est 2018</b>	<b>Bud 2019</b>	<b>BL 2020</b>	<b>BL 2021</b>
<b>1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners</b>					

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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 Count of all non-administrative strategies. The percentages that apply to this strategy are:

- FY 2017 = 12.6%
- FY 2018 = 11.2%
- FY 2019 = 14.3%
- FY 2020 = 14.0%
- FY 2021 = 14.0%

7.A. Indirect Administrative and Support Costs

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476 Racing Commission

Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$121,871	\$ 130,371	\$ 125,990	\$ 133,429	\$ 133,429
1002 OTHER PERSONNEL COSTS	7,283	12,828	9,243	9,418	9,314
2001 PROFESSIONAL FEES AND SERVICES	18,778	37,429	46,359	35,284	35,282
2003 CONSUMABLE SUPPLIES	2,461	1,206	1,866	1,833	1,833
2004 UTILITIES	8,931	8,931	10,018	9,842	9,842
2005 TRAVEL	2,363	2,282	3,438	3,377	3,377
2006 RENT - BUILDING	17,926	21,530	20,619	20,450	20,450
2007 RENT - MACHINE AND OTHER	229	207	236	232	232
2009 OTHER OPERATING EXPENSE	27,184	30,021	30,904	34,930	33,968
5000 CAPITAL EXPENDITURES	2,471	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$209,497</b>	<b>\$244,805</b>	<b>\$248,673</b>	<b>\$248,795</b>	<b>\$247,727</b>
<b>METHOD OF FINANCING:</b>					
597 Texas Racing Comm Acct	209,497	244,805	248,673	248,795	247,727
<b>Total, Method of Financing</b>	<b>\$209,497</b>	<b>\$244,805</b>	<b>\$248,673</b>	<b>\$248,795</b>	<b>\$247,727</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>1.9</b>	<b>2.0</b>	<b>1.9</b>	<b>2.1</b>	<b>2.1</b>

Method of Allocation

**7.A. Indirect Administrative and Support Costs**

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**476 Racing Commission**

<b>Strategy</b>	<b>Exp 2017</b>	<b>Est 2018</b>	<b>Bud 2019</b>	<b>BL 2020</b>	<b>BL 2021</b>
<b>1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring</b>					

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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 Count of all non-administrative strategies. The percentages that apply to this strategy are:

- FY 2017 = 18.6%
- FY 2018 = 20.7%
- FY 2019 = 19.6%
- FY 2020 = 19.3%
- FY 2021 = 19.3%

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Strategy		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>1-3-2</b>	<b>Monitor Occupational Licensee Activities</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$88,454	\$ 84,627	\$ 84,757	\$ 101,891	\$ 101,891
1002	OTHER PERSONNEL COSTS	5,286	8,327	6,218	7,192	7,112
2001	PROFESSIONAL FEES AND SERVICES	13,629	24,296	31,187	26,944	26,943
2003	CONSUMABLE SUPPLIES	1,786	783	1,255	1,400	1,400
2004	UTILITIES	6,482	5,797	6,739	7,516	7,516
2005	TRAVEL	1,715	1,481	2,313	2,579	2,579
2006	RENT - BUILDING	13,011	13,976	13,871	15,617	15,617
2007	RENT - MACHINE AND OTHER	166	134	159	177	177
2009	OTHER OPERATING EXPENSE	19,730	19,487	20,790	26,674	25,939
5000	CAPITAL EXPENDITURES	1,793	0	0	0	0
<b>Total, Objects of Expense</b>		<b>\$152,052</b>	<b>\$158,908</b>	<b>\$167,289</b>	<b>\$189,990</b>	<b>\$189,174</b>
<b>METHOD OF FINANCING:</b>						
597	Texas Racing Comm Acct	152,052	158,908	167,289	189,990	189,174
<b>Total, Method of Financing</b>		<b>\$152,052</b>	<b>\$158,908</b>	<b>\$167,289</b>	<b>\$189,990</b>	<b>\$189,174</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>1.4</b>	<b>1.3</b>	<b>1.3</b>	<b>1.6</b>	<b>1.6</b>

Method of Allocation

**7.A. Indirect Administrative and Support Costs**

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**476 Racing Commission**

<b>Strategy</b>	<b>Exp 2017</b>	<b>Est 2018</b>	<b>Bud 2019</b>	<b>BL 2020</b>	<b>BL 2021</b>
<b>1-3-2 Monitor Occupational Licensee Activities</b>					

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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 Count of all non-administrative strategies. The percentages that apply to this strategy are:

- FY 2017 = 13.5%
- FY 2018 = 13.4%
- FY 2019 = 13.2%
- FY 2020 = 14.7%
- FY 2021 = 14.7%

7.A. Indirect Administrative and Support Costs

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476 Racing Commission

Strategy		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>1-4-1</b>	<b>Inspect and Provide Emergency Care</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$62,901	\$ 73,190	\$ 73,303	\$ 77,631	\$ 77,631
1002	OTHER PERSONNEL COSTS	3,759	7,202	5,377	5,480	5,419
2001	PROFESSIONAL FEES AND SERVICES	9,692	21,013	26,973	20,529	20,528
2003	CONSUMABLE SUPPLIES	1,270	677	1,086	1,067	1,067
2004	UTILITIES	4,609	5,014	5,829	5,726	5,726
2005	TRAVEL	1,220	1,281	2,000	1,965	1,965
2006	RENT - BUILDING	9,252	12,087	11,997	11,898	11,898
2007	RENT - MACHINE AND OTHER	118	116	137	135	135
2009	OTHER OPERATING EXPENSE	14,031	16,854	17,980	20,323	19,763
5000	CAPITAL EXPENDITURES	1,275	0	0	0	0
<b>Total, Objects of Expense</b>		<b>\$108,127</b>	<b>\$137,434</b>	<b>\$144,682</b>	<b>\$144,754</b>	<b>\$144,132</b>
<b>METHOD OF FINANCING:</b>						
597	Texas Racing Comm Acct	108,127	137,434	144,682	144,754	144,132
<b>Total, Method of Financing</b>		<b>\$108,127</b>	<b>\$137,434</b>	<b>\$144,682</b>	<b>\$144,754</b>	<b>\$144,132</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>1.0</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>

Method of Allocation

**7.A. Indirect Administrative and Support Costs**

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**476 Racing Commission**

<b>Strategy</b>	<b>Exp 2017</b>	<b>Est 2018</b>	<b>Bud 2019</b>	<b>BL 2020</b>	<b>BL 2021</b>
<b>1-4-1 Inspect and Provide Emergency Care</b>					

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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 Count of all non-administrative strategies. The percentages that apply to this strategy are:

- FY 2017 = 9.6%
- FY 2018 = 11.6%
- FY 2019 = 11.4%
- FY 2020 = 11.2%
- FY 2021 = 11.2%

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Strategy		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>1-4-2</b>	<b>Administer Drug Tests</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$64,867	\$ 64,042	\$ 59,559	\$ 63,075	\$ 63,075
1002	OTHER PERSONNEL COSTS	3,876	6,301	4,369	4,452	4,403
2001	PROFESSIONAL FEES AND SERVICES	9,995	18,386	21,915	16,680	16,679
2003	CONSUMABLE SUPPLIES	1,310	592	882	867	867
2004	UTILITIES	4,753	4,387	4,736	4,653	4,653
2005	TRAVEL	1,258	1,121	1,625	1,596	1,596
2006	RENT - BUILDING	9,541	10,576	9,747	9,667	9,667
2007	RENT - MACHINE AND OTHER	122	101	111	109	109
2009	OTHER OPERATING EXPENSE	14,469	14,747	14,609	16,512	16,057
5000	CAPITAL EXPENDITURES	1,315	0	0	0	0
<b>Total, Objects of Expense</b>		<b>\$111,506</b>	<b>\$120,253</b>	<b>\$117,553</b>	<b>\$117,611</b>	<b>\$117,106</b>
<b>METHOD OF FINANCING:</b>						
597	Texas Racing Comm Acct	111,506	120,253	117,553	117,611	117,106
<b>Total, Method of Financing</b>		<b>\$111,506</b>	<b>\$120,253</b>	<b>\$117,553</b>	<b>\$117,611</b>	<b>\$117,106</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>1.0</b>	<b>1.0</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>

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**476 Racing Commission**

<b>Strategy</b>	<b>Exp 2017</b>	<b>Est 2018</b>	<b>Bud 2019</b>	<b>BL 2020</b>	<b>BL 2021</b>
<b>1-4-2 Administer Drug Tests</b>					

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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 Count of all non-administrative strategies. The percentages that apply to this strategy are:

- FY 2017 = 9.9%
- FY 2018 = 10.1%
- FY 2019 = 9.3%
- FY 2020 = 9.1%
- FY 2021 = 9.1%

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Strategy		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>2-1-1</b>	<b>Administer the Occupational Licensing Program through Enforcement</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$110,077	\$ 109,786	\$ 114,536	\$ 121,299	\$ 121,299
1002	OTHER PERSONNEL COSTS	6,578	10,802	8,402	8,562	8,467
2001	PROFESSIONAL FEES AND SERVICES	16,961	31,519	42,145	32,077	32,075
2003	CONSUMABLE SUPPLIES	2,223	1,015	1,696	1,667	1,667
2004	UTILITIES	8,066	7,521	9,107	8,947	8,947
2005	TRAVEL	2,134	1,922	3,125	3,070	3,070
2006	RENT - BUILDING	16,191	18,130	18,745	18,591	18,591
2007	RENT - MACHINE AND OTHER	207	174	214	211	211
2009	OTHER OPERATING EXPENSE	24,553	25,281	28,094	31,755	30,880
5000	CAPITAL EXPENDITURES	2,231	0	0	0	0
<b>Total, Objects of Expense</b>		<b>\$189,221</b>	<b>\$206,150</b>	<b>\$226,064</b>	<b>\$226,179</b>	<b>\$225,207</b>
<b>METHOD OF FINANCING:</b>						
597	Texas Racing Comm Acct	189,221	206,150	226,064	226,179	225,207
<b>Total, Method of Financing</b>		<b>\$189,221</b>	<b>\$206,150</b>	<b>\$226,064</b>	<b>\$226,179</b>	<b>\$225,207</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>1.7</b>	<b>1.7</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>

Method of Allocation

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**476 Racing Commission**

<b>Strategy</b>	<b>Exp 2017</b>	<b>Est 2018</b>	<b>Bud 2019</b>	<b>BL 2020</b>	<b>BL 2021</b>
<b>2-1-1 Administer the Occupational Licensing Program through Enforcement</b>					

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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 Count of all non-administrative strategies. The percentages that apply to this strategy are:

- FY 2017 = 16.8%
- FY 2018 = 17.4%
- FY 2019 = 17.9%
- FY 2020 = 17.5%
- FY 2021 = 17.5%

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Strategy		Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>3-1-1</b>	<b>Regulate Pari-mutuel Wagering &amp; Conduct Wagering Compliance Inspection</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$123,836	\$ 98,350	\$ 91,629	\$ 97,039	\$ 97,039
1002	OTHER PERSONNEL COSTS	7,401	9,677	6,722	6,849	6,774
2001	PROFESSIONAL FEES AND SERVICES	19,081	28,236	33,716	25,661	25,660
2003	CONSUMABLE SUPPLIES	2,501	910	1,357	1,333	1,333
2004	UTILITIES	9,075	6,737	7,286	7,158	7,158
2005	TRAVEL	2,401	1,722	2,500	2,456	2,456
2006	RENT - BUILDING	18,215	16,242	14,996	14,873	14,873
2007	RENT - MACHINE AND OTHER	233	156	171	168	168
2009	OTHER OPERATING EXPENSE	27,623	22,648	22,476	25,404	24,704
5000	CAPITAL EXPENDITURES	2,510	0	0	0	0
<b>Total, Objects of Expense</b>		<b>\$212,876</b>	<b>\$184,678</b>	<b>\$180,853</b>	<b>\$180,941</b>	<b>\$180,165</b>
<b>METHOD OF FINANCING:</b>						
597	Texas Racing Comm Acct	212,876	184,678	180,853	180,941	180,165
<b>Total, Method of Financing</b>		<b>\$212,876</b>	<b>\$184,678</b>	<b>\$180,853</b>	<b>\$180,941</b>	<b>\$180,165</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>1.9</b>	<b>1.5</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>

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**7.A. Indirect Administrative and Support Costs**

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**476 Racing Commission**

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**Exp 2017**

**Est 2018**

**Bud 2019**

**BL 2020**

**BL 2021**

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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 Count of all non-administrative strategies. The percentages that apply to this strategy are:

FY 2017 = 18.9%

FY 2018 = 15.6%

FY 2019 = 14.3%

FY 2020 = 14.0%

FY 2021 = 14.0%

7.A. Indirect Administrative and Support Costs

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476 Racing Commission

	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>GRAND TOTALS</b>					
<b>Objects of Expense</b>					
1001 SALARIES AND WAGES	\$654,563	\$631,269	\$641,403	\$691,403	\$691,403
1002 OTHER PERSONNEL COSTS	\$39,117	\$62,113	\$47,053	\$48,802	\$48,263
2001 PROFESSIONAL FEES AND SERVICES	\$100,857	\$181,235	\$236,011	\$182,836	\$182,827
2003 CONSUMABLE SUPPLIES	\$13,218	\$5,839	\$9,499	\$9,500	\$9,500
2004 UTILITIES	\$47,966	\$43,244	\$51,001	\$51,000	\$51,000
2005 TRAVEL	\$12,692	\$11,050	\$17,501	\$17,499	\$17,499
2006 RENT - BUILDING	\$96,279	\$104,250	\$104,971	\$105,969	\$105,969
2007 RENT - MACHINE AND OTHER	\$1,230	\$1,000	\$1,199	\$1,200	\$1,200
2009 OTHER OPERATING EXPENSE	\$146,005	\$145,365	\$157,329	\$181,002	\$176,015
5000 CAPITAL EXPENDITURES	\$13,269	\$0	\$0	\$0	\$0
<b>Total, Objects of Expense</b>	<b>\$1,125,196</b>	<b>\$1,185,365</b>	<b>\$1,265,967</b>	<b>\$1,289,211</b>	<b>\$1,283,676</b>
<b>Method of Financing</b>					
597 Texas Racing Comm Acct	\$1,125,196	\$1,185,365	\$1,265,967	\$1,289,211	\$1,283,676
<b>Total, Method of Financing</b>	<b>\$1,125,196</b>	<b>\$1,185,365</b>	<b>\$1,265,967</b>	<b>\$1,289,211</b>	<b>\$1,283,676</b>
<b>Full-Time-Equivalent Positions (FTE)</b>	<b>10.2</b>	<b>9.7</b>	<b>9.8</b>	<b>10.8</b>	<b>10.8</b>

Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$10,247	\$0	\$0	\$0	\$0
1002 OTHER PERSONNEL COSTS	263	0	0	0	0
2009 OTHER OPERATING EXPENSE	168	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$10,678</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>					
597 Texas Racing Comm Acct	10,678	0	0	0	0
<b>Total, Method of Financing</b>	<b>\$10,678</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**DESCRIPTION**

The administrative cost in this strategy was allocated based on the FTE count of the administrative assistant who provided a variety of technical/administrative duties including maintaining filing systems, record retention, preparing reports and general support work. This position was eliminated in FY 2018.

Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>1-4-1</b> <b>Inspect and Provide Emergency Care</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
1002 OTHER PERSONNEL COSTS	934	680	741	802	859
2003 CONSUMABLE SUPPLIES	8	34	51	51	51
2009 OTHER OPERATING EXPENSE	682	676	884	884	884
<b>Total, Objects of Expense</b>	<b>\$37,624</b>	<b>\$37,390</b>	<b>\$37,676</b>	<b>\$37,737</b>	<b>\$37,794</b>
<b>METHOD OF FINANCING:</b>					
597 Texas Racing Comm Acct	37,624	37,390	37,676	37,737	37,794
<b>Total, Method of Financing</b>	<b>\$37,624</b>	<b>\$37,390</b>	<b>\$37,676</b>	<b>\$37,737</b>	<b>\$37,794</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

**DESCRIPTION**

The administrative cost in this strategy was allocated based on the FTE count of the administrative assistant who provides a variety of technical/administrative duties including maintaining filing systems, record retention, preparing reports, releasing purses and general support work.

Agency code: 476

Agency name: **Racing Commission**

Strategy	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>3-1-1</b>	<b>Regulate Pari-mutuel Wagering &amp; Conduct Wagering Compliance Inspection</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$37,545	\$38,745	\$38,745	\$38,745	\$38,745
1002 OTHER PERSONNEL COSTS	1,235	3,039	1,504	1,551	1,665
2009 OTHER OPERATING EXPENSE	1,446	1,798	2,398	2,398	2,398
<b>Total, Objects of Expense</b>	<b>\$40,226</b>	<b>\$43,582</b>	<b>\$42,647</b>	<b>\$42,694</b>	<b>\$42,808</b>
<b>METHOD OF FINANCING:</b>					
597 Texas Racing Comm Acct	40,226	43,582	42,647	42,694	42,808
<b>Total, Method of Financing</b>	<b>\$40,226</b>	<b>\$43,582</b>	<b>\$42,647</b>	<b>\$42,694</b>	<b>\$42,808</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

**DESCRIPTION**

The administrative cost in this strategy was allocated based on the FTE count of the administrative assistant who provides a variety of technical/administrative duties including maintaining filing systems, record retention, preparing reports, releasing purses and general support work.

Agency code: 476

Agency name: **Racing Commission**

	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>GRAND TOTALS</b>					
<b>Objects of Expense</b>					
1001 SALARIES AND WAGES	\$83,792	\$74,745	\$74,745	\$74,745	\$74,745
1002 OTHER PERSONNEL COSTS	\$2,432	\$3,719	\$2,245	\$2,353	\$2,524
2003 CONSUMABLE SUPPLIES	\$8	\$34	\$51	\$51	\$51
2009 OTHER OPERATING EXPENSE	\$2,296	\$2,474	\$3,282	\$3,282	\$3,282
<b>Total, Objects of Expense</b>	<b>\$88,528</b>	<b>\$80,972</b>	<b>\$80,323</b>	<b>\$80,431</b>	<b>\$80,602</b>
<b>Method of Financing</b>					
597 Texas Racing Comm Acct	\$88,528	\$80,972	\$80,323	\$80,431	\$80,602
<b>Total, Method of Financing</b>	<b>\$88,528</b>	<b>\$80,972</b>	<b>\$80,323</b>	<b>\$80,431</b>	<b>\$80,602</b>
<b>Full-Time-Equivalent Positions (FTE)</b>	<b>2.2</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>