



**TEXAS RACING COMMISSION**

**P. O. Box 12080  
Austin, TX 78711-2080  
(512) 833-6699  
Fax (512) 833-6907**

Texas Racing Commission  
Wednesday, May 18, 2022  
10:30 a.m.  
John H. Reagan Building, Room 120  
1400 Congress Avenue  
Austin, Texas 78701

**AGENDA**

**I. CALL TO ORDER**

Roll Call

**II. PUBLIC COMMENT**

**III. STAFF ACTIONS**

- A. Discussion and possible action to approve the Strategic Plan for Fiscal years 2023-2027.
- B. Presentation of Cost Analysis for Racetrack Daily Services to inform Agency Legislative Budget submissions.
- C. Staff briefing on any agency current developments including but not limited to HISA matters, if any.

**IV. EXECUTIVE SESSION (AS NEEDED)**

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

- A. Under Texas Government Code §551.071(1), the Commission may enter an executive session to seek the advice of its attorney regarding pending or contemplated litigation, or regarding a settlement offer.

- B. Under Texas Government Code §551.071(2), the Commission may enter an executive session to discuss all matters identified in this agenda where the Commission seeks the advice of its attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas. This may include, but is not limited to, legal advice regarding the Open Meetings Act, the Administrative Procedures Act, and the Texas Racing Act.
- C. Under Texas Government Code § 551.074(a)(1), the Commission may enter an executive session to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee
- D. Under Texas Occupations Code §2025.005, the Commission may enter an executive session to review security plans and management, concession, and totalisator contracts.

**IX. NEXT COMMISSION MEETING**

Wednesday, June 8, 2022, 10:30 a.m.

**X. ADJOURN**

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**TEXAS RACING COMMISSION  
AGENCY STRATEGIC PLAN  
FISCAL YEAR 2023-2027  
Effective Date: June 1, 2022**



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## **I. INTRODUCTION**

For over thirty years, the Texas Racing Commission, under its current enabling statute, has struggled to effectively fulfill its role as the primary regulatory body for racing animal sports in the State of Texas.

Racing animal sports and this agency are at an important crossroads in the United States and in Texas, and the future of this agency, depends upon transformational change in the way it is structured, funded and conducts operations on behalf of Texas stakeholders.

The need for this change is clearly defined and described in the cyclical Sunset Advisory Commission documents from 1994 to 2021.

The Texas Racing Commission licenses Texas, national and international participants in the sport of pari-mutuel greyhound and horse racing, while also protecting the safety of all licensees and the betting public.

The future is bright for the horse racing industry in Texas in the next five years, with the advent of the Horse Industry Escrow Account in 2019, and the industry growth recognized because of this important investment.

Although the sport of greyhound racing is still in the agency mission statement, there are no active tracks currently operating in the state of Texas, so this strategic plan acknowledges the mission requirements, while recognizing that the sport of greyhound racing has fallen out of favor across the United States.

Given the rich agricultural history of the state and the benefit of the sport of horse racing on the equine, agricultural and entertainment economies, Texas is positioned to become the premier state for horse racing with continued investment in the industry and the state agency that enables and regulates it.

Although there are challenges from the federal level as well as across the states that must be overcome to continue the growth of horse racing, our state has four active racetracks and the potential for doubling the number of racetrack active licenses between now and 2027.

Connecting the agency and industry to research and educational partnerships through the state would result in a recognition of the benefits gained from an investment in this incredible sport.

Acknowledging the difficulties of the past, we intend to use those important lessons learned and the feedback of our industry partners, legislative and policy making stakeholders and the citizens of Texas to become the best state agency in this state and the most professional racing commission in America.

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## II. AGENCY MISSION

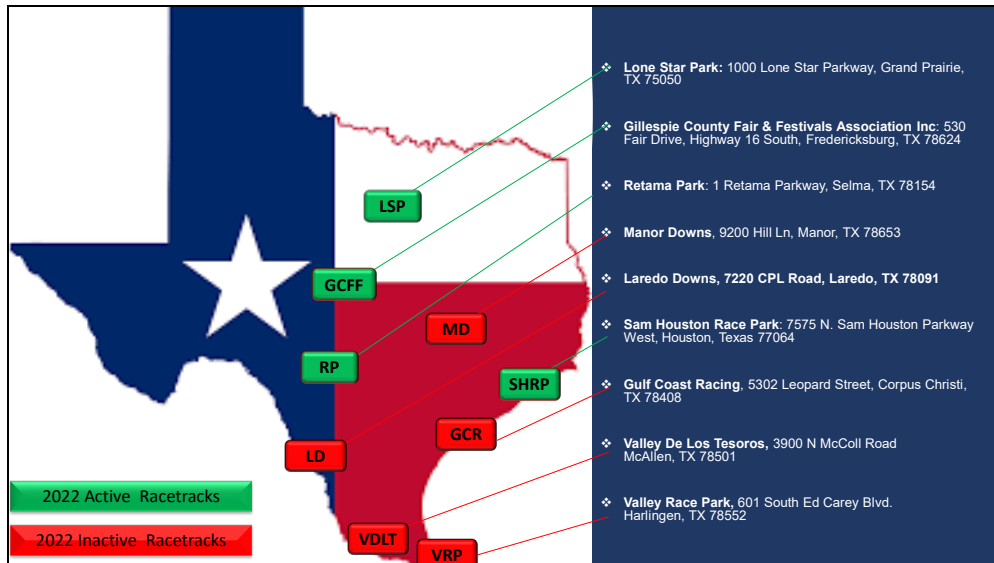
The mission of the Texas Racing Commission is to protect the safety and integrity of the sport of pari-mutuel greyhound and horse racing in Texas, through the administration and enforcement of the *Texas Racing Act* (Subtitle A-1, Title 13, Texas Occupations Code).

## VISION

Our goal is to be the best state agency in Texas and the most professional racing commission in America!

## MOTTO

"Excellence Starts Here"



**III. VALUES**

Safety ~ Integrity ~ Accountability



**PRINCIPLES OF SERVICE**

- Model the Code of Ethics for Public Servants.
- Conduct agency business with a focus on safety, integrity, and accountability.
- Communicate timely, politely, and honestly with every stakeholder.
- Treat every co-worker and stakeholder with respect and courtesy.
- Deal with underlying issues of the stakeholder or customer – listen and take time to understand their perspective.
- Always fairly and consistently apply federal/state statutes and agency policy.
- Promote harmony, unity, and teamwork within the Texas Racing Commission workforce.



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## **IV. HISTORICAL: INDUSTRY AND AGENCY PERSPECTIVE**

The modern Texas Racing Commission (TXRC) dates to 1987, but the regulatory mandate can be traced to the Depression-era of the 1930s, when the Texas Legislature first legalized pari-mutuel betting in the state and created the first embodiment of the agency, which lasted until 1937.

“The original Texas Racing Commission was created in 1933 (House Bill 12, 43rd Texas Legislature, 1st Called Session) to create and enforce rules and regulations, restrictions, and conditions applying to all horse races and exhibitions of riding horses. The commission also authorized horse racing under the ‘certificate system’ or what is known today as pari-mutuel betting. The commission was composed of three members: the Texas Commissioner of Agriculture (an elected state official), the Tax Commissioner of the State of Texas (appointed by the governor), and a third member—designated as the chairman—appointed by the governor with the advice and consent of the state senate. This chairman must have been an owner and breeder of thoroughbred livestock for at least two years. The commission, being underfunded, received an emergency appropriation by the legislature in 1937 (House Bill 714, 45th Legislature, Regular Session). In 1937, the Senate passed legislation that repealed the legal status of horse racing and pari-mutuel betting (Senate Bill 1, 45th Legislature, 1st Called Session) effectively ending the Texas Racing Commission until it was reestablished in 1986 (Senate Bill 15, 69th Legislature, 2nd Called Session).”<sup>1</sup>

### **LEGISLATIVE INTENT**

The 1986 legislation re-establishing the TXRC gave the agency purview over the regulation and licensing of pari-mutuel wagering involving racehorses and greyhounds. Pari-mutuel was defined as meaning “a mutual wager,” and refers to a betting pool where those who bet on the winners of the first three places share the total amount of money wagered, minus a percentage for the management.<sup>2</sup> When passing the *Texas Racing Act*, the Legislature’s stated purpose was to “...encourage agriculture, the horse-breeding industry, the horse-training industry, the greyhound-breeding industry, tourism, and employment opportunities in this state related to horse racing and greyhound racing, and to provide for the strict regulation and control of pari-mutuel wagering in connection with that racing.”<sup>3</sup>

Today, the TXRC is composed of nine commissioners. Seven members, including a chair and vice chair, are appointed by the governor with staggered terms. And two commissioners holding ex officio memberships through their status as the commissioner of the Texas Department of Agriculture and chair of the Texas Public Safety Commission.

### **COMPETITIVE RACING IN TEXAS**

At its peak, Texas has been home to ten licensed racetracks, accommodating live and simulcasted horse and greyhound racing. Today, the TXRC oversees nine track licenses across the state, with four tracks actively conducting horse race days during the year—Gillespie County Fair & Festivals in Fredericksburg; Lone Star Park in Grand Prairie;

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Retama Park in San Antonio; and Sam Houston Race Park in Houston. Greyhound races are simulcasted to Gulf Coast Racing in Corpus Christi from locations outside the state of Texas.

“Greyhounds were introduced to America in the 1800’s to help farmers control the jackrabbit population. It was not long before competitions of greyhound racing were conducted by the surrounding farmers. This proved to be both an exciting event for the local population but also proved that the greyhound loved the chase and excitement of racing.”<sup>4</sup>

Professional greyhound racing began in California, in the 1920s, and spread across the United States and into parts of Europe and Mexico. “In 1931, Florida became the first state to approve wagering on greyhound races. The sport often intersected with popular culture there, as movie stars, baseball players and other celebrities frequented Florida tracks.”<sup>5</sup>

Since the 1990s, greyhound racing has been in steady decline. By the end of 2022, West Virginia is expected to be the only state to hold regularly scheduled live races. While there is significant controversy related to the sport, West Virginia legislators continue to support the industry.

“There are not many industries in our state that we control. We are getting close to being the only game in town when it comes to this industry (greyhound racing),” said then-West Virginia State Sen. Bill Ihlenfeld, who was nominated and confirmed to serve as U.S. Attorney for the Northern District of West Virginia in 2021. “Instead of kicking this industry to the curb, we ought to embrace it. We ought to modernize it. We ought to make it even better and allow even more people to send money into West Virginia.”<sup>6</sup>

For more than 20 years, the Texas horse racing industry has been preserving the legacy of their sport through the Texas Horse Racing Hall of Fame.

**The competitive racing of horses is one of mankind's most ancient sports, having its origins among the prehistoric nomadic tribesmen of Central Asia who first domesticated the horse about 4500 BC. For thousands of years horse racing flourished as the sport of kings and the nobility...Horse racing is the second most widely attended U.S. spectator sport, after baseball.**

**In Texas, the organized Anglo-Texan sport of horse racing developed just after the Texas Revolution. Expensive horses were imported, and a racing circuit formed along the Gulf Coast cities of Velasco, Houston, and Galveston and in the North and East Texas cities. In 1937, betting on horses was outlawed by the state legislature. Although racing tracks closed, the breeding of fine horses continued and, in 1987, after a 50-year absence, pari-mutuel wagering was once again legalized in Texas.**<sup>7</sup>

Today, there are emergent challenges for the agency and industry, particularly related to concerns with provisions of the federal *Horsing Integrity and Safety Act of 2020* that were added included in the omnibus *Consolidated Appropriations Act of 2021*.<sup>8</sup> This situation has led to on-going litigation.<sup>9</sup>

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## SUNSET ADVISORY COMMISSION REVIEW

In October 1994, the first Sunset Advisory Commission staff report was issued about the Texas Racing Commission.

“Regulating pari-mutuel racing is substantially different from regulating charity bingo or operating a state lottery,” according to the 1994 report<sup>10</sup>. “The Racing Commission must deal with unique issues including animal health, drug testing, occupational licensing, criminal law enforcement, agribusiness, and oversight of racetrack construction and safety.”

Throughout the years, Sunset has provided multiple TXRC reviews. Following a 2020 agency review, Sunset staff recommended TXRC be dissolved and having its regulatory functions absorbed and improved as part of the Texas Department of Agriculture.

While acknowledging the need for continued regulation of pari-mutuel racing in the state, the Sunset staff determined the TXRC could not “efficiently or effectively regulate” the animal racing industry in the state. Specific concerns were raised related to the agency’s funding and regulatory structure, poor communication between commission staff and licensees as well as perceived weakened regulation due to staff shortages. Further, the Sunset staff asserted, “The commission’s small staff struggles to serve as an effective regulator while managing administrative tasks.”

In 2021, numerous pieces of legislation related to TXRC operations were considered during the Regular Session of the 87th Texas Legislature. Following the session, the *Sunset Staff Report with Final Results 2020-2021 (Texas Racing Commission)* was published with the following summary:

**Although the Sunset Commission determined the Texas Racing Commission can no longer efficiently carry out its important mission of ensuring the safety, integrity, and fairness of Texas pari-mutuel racing and wagering, the 87th Legislature did not pass Senate Bill 704, which would have transferred the regulation of pari-mutuel racing to the Texas Department of Licensing and Regulation. Instead, the Legislature passed Senate Bill 713, which continues the commission until 2027. Senate Bill 713 also requires the commission to replace certain employees by December 1, 2021. Although the statutory recommendations for the commission did not pass, the Sunset Commission adopted several nonstatutory management actions related to licensing and enforcement the commission should implement over the next two years.<sup>11</sup>**

The replacement of the certain employees outlined in Senate Bill 713 was completed before Dec. 1, 2021. In November 2021, the TXRC appointed a new executive director, Amy F. Cook, who has conducted a review of agency operations and opened channels of communication for all interested stakeholders impacted through animal racing in Texas.

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## V. HORSERACING INTEGRITY AND SAFETY ACT OF 2020

The *Interstate Horse Racing Act of 1978*<sup>12</sup> (IHRA) is one of the only U.S. gambling laws that has governed nationwide horse race betting, off-track betting venues (OTBs), and domestic online horse betting in America until now.

In December 2020, Congress included the text of the *Horseracing Integrity and Safety Act of 2020*<sup>13</sup> (HISA) into a comprehensive spending bill. While passed in the House, the stand-alone legislation was not publicly debated by any U.S. Senate committee. The new law is intended to address the safety and welfare of racehorses, and the integrity of the sport itself, through better anti-doping measures and racetrack safety standards. However, Congress delegated the authority to implement the statute to the Federal Trade Commission, and created a private, self-regulated entity called the Horseracing Integrity and Safety Authority (hereinafter the Authority), to administer the statute.

As the sole government agency charged with the protection of the horses, licensed participants, and the wagering public that engage in and attend the sport in Texas, the agency is in full agreement that increased uniformity of safety standards among the states is an appropriate direction for the future of horse racing.

We acknowledge the federal statute will lack any appearance of uniformity on its effective date. HISA cannot fulfill its mandate to protect all racing participants, cannot implement the anti-doping directive for covered horses and cannot provide experienced personnel necessary to conduct the sport of live racing. Given the Authority's inability to perform its federal mandates, the TXRC is taking this opportunity to specify the safety measures already in place within our jurisdiction and provide an assessment of costs necessary to ensure the integrity of the sport.

Because protecting the health and welfare of horse racing participants undoubtedly cost additional resources, the agency proposes that the Texas Legislature provide funding sufficient to resource TXRC to address actual future costs to the State of Texas associated with implementation of a dual-purpose federal statute.

In addressing those costs, *Texas Racing Act* requires the Commission to license and regulate all aspects of horse racing and greyhound racing in the State of Texas regardless of whether that racing involves pari-mutuel wagering. In adopting its rules and in the supervision and conduct of racing, the Commission must consider the effect of a proposed action on the state's agricultural, horse breeding, horse training, greyhound breeding, and greyhound training industry.<sup>14</sup> The duties of the Commission and the agency under the statute include:

1. Regulation and supervision of each race meeting in this state that involves wagering on the result of horse racing or greyhound racing.
2. Regulation and supervision of each person and thing relating to the operation of a race meeting.

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3. Adoption of rules regarding the issuance of business and occupational licenses and takes any other necessary action relating exclusively to horse racing or greyhound racing.
4. Adoption of rules regarding licenses for training facilities to secure past performances and workouts to (a) protect the health, safety, and welfare of race animals and participants in racing, (b) safeguard the interest of the public; and (c) promote the orderly conduct of racing in this state.
5. Maintains a right of entry for any part of a racetrack or any other place of business of a racetrack association at any time to enforce and administer the *Texas Racing Act* and *Texas Rules of Racing*.
6. Takes testimony, requires attendance of witnesses by subpoena, serves subpoenas and requires the production of books, records, papers, correspondence, and other documents that the commission considers advisable.
7. Adopts criteria to recognize an organization to represent members of a segment of the racing industry including, but not limited to, owners, breeders, trainers, kennel operators, or other persons involved in the racing industry in any interaction between the members of the organization and a racetrack association or the commission.
8. Deposits the money it collects in the state treasury to the credit of a special fund known as the Texas Racing Commission fund to be appropriated only for the administration and enforcement of the *Texas Racing Act* and *Texas Rules of Racing*.
9. Administers the Accredited Texas Bred (ATB) Incentive Fund and the Horse Industry Escrow (HIEA) trust funds.
10. Obtains criminal histories on application of licensees, exchanges and maintains pertinent intelligence data with other states and agencies.
11. Supports members of the racing industry who are attempting to develop or implement adult, youth, or continuing education programs that use distance learning.
12. Approves all racetrack officials that Texas racetracks appoint.
13. Specifies the powers and duties of each race meeting official including, but not limited to, the power of stewards and judges to impose penalties for unethical practices or violations of racing rules.
14. Handles all appeals of stewards/judge's rulings other than disqualification for a foul in a race or on a finding of act regarding the running of a race.

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15. Imposes penalties on racetrack associations if the association does not pay the state's share of a pari-mutuel pool or file a report related to the payment of that share on or before the time the payment or report is due.
16. Adopts rules relating to fitness and financial responsibility of licensee applicants.
17. Annually prescribes reasonable license fees for each category of license reasonable and necessary to cover the costs of regulating, overseeing, and licensing live and simulcast racing at racetracks under the *Texas Racing Act* and *Texas Rules of Racing*.
18. Issues the prescribed form and fee for a racetrack license to conduct wagering on a horse or greyhound race meeting in the state.
19. Inspects and reviews for each management, concession and totalisator contract associated with a proposed racetrack license at a proposed location.
20. Conducts complete personal, financial, and business background investigations of the racetrack applicant and any person who owns an interest in or exercises control over an applicant racetrack including the partners, stockholders, concessionaires, management personnel, management firms and creditors.
21. Conducts annual reviews of inactive racetrack licenses for renewal.
22. Denies, revokes, and suspends racetrack and occupation licenses.
23. Conducts summary suspension hearings for racetrack and occupational licensees.
24. Conducts criminal and administrative investigations related to violations of the *Texas Penal Code*, *Texas Racing Act*, and *Texas Rules of Racing*.

The unintended consequence of the federal legislation, with its pre-emptive effect, is there can be no pari-mutuel wagering in the state of Texas for any race HISA regulates.

Therefore, Texas has asked the Authority to rethink its approach to regulation of the sport by partnering with state racing commissions to create uniform national standards.<sup>15</sup> Partnership models that are effective, are not one way conversations where the federal government proposes a rule and the state agencies and industry stakeholders can send a comment, but there is no meaningful dialogue to achieve a common goal we should all have: protecting the animals and people involved in the sport of horse racing. Instead of treating state regulatory agencies like bill collectors for the Authority, the FTC should partner with states and their congressional delegations to return to Congress with the goal of replacing the Authority with a federal cooperative agreement program.

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## **VI. STATUTORY CONSIDERATIONS & STRATEGIC OPPORTUNITIES**

### **CHALLENGES**

- PUBLIC TRUST
- FUNDING STRUCTURE
- HORSERACING INTEGRITY AND SAFETY ACT OF 2020

### **OPPORTUNITIES**

- PARTNERSHIPS
- INDUSTRY GROWTH SUPPORTS THE TEXAS ECONOMY
- MODERNIZATION
  - *Texas Racing Act*
  - *Texas Rules of Racing*
  - Infrastructure
  - Staffing Model



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## VII. STRATEGIC INITIATIVES

### TRANSFORMATION

- REGULATORY STRUCTURE: SELF-FUNDED TO GENERAL REVENUE
- TRUST FUND ADMINISTRATION: TEXAS BRED INCENTIVE
- TRUST FUND ADMINISTRATION: HORSE INDUSTRY ESCROW ACCOUNT
- EDUCATE TEXANS ON AGENCY MISSION & RETURN ON INVESTMENT
- EMPLOY FISCAL STEWARDSHIP PRACTICES

### MODERNIZATION

*“There is no limit to what people can achieve when technology reflects the diversity of all who use it.”<sup>16</sup>*

- RECRUIT AND RETAIN A PROFESSIONAL, DIVERSE, MULTI-LINGUAL WORKFORCE
- FOCUS ON ANIMAL AND SAFETY HEALTH AND CARE/AFTER CARE
- EXPLOIT INVESTIGATIVE AND LICENSING TECHNOLOGY TO STRENGTHEN AGENCY LICENSING PRACTICES
- PROVIDE ACCESS TO LICENSING SERVICES THROUGH MODERNIZED COMMUNICATION SYSTEMS
- REMOVE COMMUNICATION BARRIERS THROUGH PARTNERSHIPS
- EMPLOY FISCAL STEWARDSHIP PRACTICES



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## VIII. OPERATIONAL GOALS

### GOAL A: ENABLE

Enable Racing Industry Growth through Effective Licensing and Oversight Programs

<b>Action Plan 1</b>	<b>Strengthen <i>Texas Racing Act</i> and the <i>Texas Rules of Racing</i> to Address Federal Mandates Impacting Texas Laws</b>
<p style="text-align: center;">IMPACT ON STATEWIDE OBJECTIVES</p> <ol style="list-style-type: none"><li>1. Accountability. TXRC will increase accountability of public funds through updates to our enabling statute and fiscal structure.</li><li>2. Efficiency. Updating our statutes and rules will enable modernization of agency business practices.</li><li>3. Effectiveness. Eliminating accessibility and language barriers as well as overcoming technology obstacles will provide for a more effective framework of laws and policy to guide our agency mission.</li><li>4. Excellence in Customer Service. Consistent feedback requires timely updates to the Act and Rules to compete in a nationwide industry.</li><li>5. Transparency. Transparent promulgation of agency rule revisions and regulations will more effectively communicate agency procedures, due process steps, appellate processes, and remedies.</li></ol>	
<b>Action Plan 2</b>	<b>Modernize Licensing Programs to Align with Chapter 53, Texas Occupations Code</b>
<ol style="list-style-type: none"><li>1. Accountability. Strengthen background check and occupational licensing posture to deter ineligible applicants from participating in Texas sports.</li><li>2. Efficiency. Adopt technology solutions to provide continuous online access to licensing applications for local, national, and international applicants.</li><li>3. Effectiveness. Eliminate barriers to licensing including language, accessibility, access to justice, fee structures.</li><li>4. Excellence in Customer Service. Provide positive, accurate, timely responses to all customer inquiries and complaints.</li><li>5. Transparency. Seek opportunities to increase online and face to face customer engagement to educate applicants and enable industry participation.</li></ol>	

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## GOAL B: PROTECT

Deter, Investigate and Adjudicate Violations of the *Texas Racing Act*

<b>Action Plan 1</b>	<b>Deter, Investigate and Adjudicate Violations of the Act</b>
<p style="text-align: center;">IMPACT ON STATEWIDE OBJECTIVES</p> <ol style="list-style-type: none"><li>1. Accountability. Increase the security and integrity of wagering activities for live and simulcast races authorized under the <i>Texas Racing Act</i> (hereafter the “Act”).</li><li>2. Efficiency. Timely review and issue, deny, suspend, or revoke licenses issued under the Act.</li><li>2. Efficiency. Reduce or eliminate paperwork, language, and accessibility barriers to more effectively investigate and adjudicate suspected violations.</li><li>3. Effectiveness. Proactively conduct pre-licensing background checks and occupational licensing requirements.</li><li>4. Excellence in Customer Service. Provide diverse methods (e.g., face to face, online, telephone access) to licensing services.</li><li>5. Transparency. Enhance timely publication of agency procedures, rulings, and proposed rule-making changes.</li></ol>	
<b>Action Plan 2</b>	<b>Effectively Address Equine/Licensee Health &amp; Safety</b>
<ol style="list-style-type: none"><li>1. Accountability. Conduct pre-race exams and training day observations on equine/canine/human participants through health record and physical screening activities.</li><li>2. Efficiency. Adopt technology solutions to provide more effective diagnostic results for animal and human conditions to prevent injuries during training or live racing events.</li><li>3. Effectiveness. Reduce scratches of entered horses/greyhounds/licensees through proactive recordkeeping and review as well as pre-race observation.</li><li>4. Excellence in Customer Service. Provide positive, accurate, timely responses to all customer inquiries and complaints.</li><li>5. Transparency. Seek opportunities to educate licensed participants in the reduce of injuries and illness for animal and human participants.</li></ol>	

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## GOAL C: COMMUNICATE

Modernize Internal and External Agency Communication Platforms and Practices

<b>Action Plan 1</b>	<b>Modernize Agency Technology Platforms to Enhance Cybersecurity and Transparency</b>
<p style="text-align: center;">IMPACT ON STATEWIDE OBJECTIVES</p> <ol style="list-style-type: none"><li>1. Accountability. Modernizing agency information technology allows for a secure and effective means for the agency to conduct its enforcement operations.</li><li>2. Efficiency. The agency will transform from outdated, cost prohibitive information technology services to a partnership with the department of information resources to reduce costs, adopt best practices and increase cybersecurity for all agency internal and external communications.</li><li>3. Effectiveness. The agency will adopt technology and business practices that are diverse, secure and eliminates barriers to licensing for all customers.</li><li>4. Excellence in Customer Service. Leveraging current and emerging technologies strengthens the agencies' ability to ensure that the integrity of pari-mutuel wagering as well as access to agency services is available on diverse online platforms.</li><li>5. Transparency. Access to agency services and procedures will facilitate a growth in agency programs, effective customer feedback mechanisms and accountability for all Texas taxpayers.</li></ol>	
<b>Action Plan 2</b>	<b>Remove Accessibility, Disability and Language Barriers to Licensing</b>
<ol style="list-style-type: none"><li>1. Accountability. The agency should meet the requirements under the Texas Government Code to provide services to all eligible applicants and will be enabled to do so by eliminating barriers to licensing.</li><li>2. Efficiency. Providing accessible, multi-lingual application and testing materials and well as translator services will open the doors to a more diverse licensing applicant pool.</li><li>3. Effectiveness. The agency will increase its effectiveness to serve all Texas, National and International applicants through implementation of accessibility, accommodation, and language translation initiatives.</li><li>4. Excellence in Customer Service. All customers should feel welcomed and included because the agency is prepared to meet their needs.</li><li>5. Transparency. Updating our business practices and conducting more outreach programs will support under-served populations having access to agency services.</li></ol>	

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## GOAL D: PARTNER

Increase Agency Effectiveness through Stakeholder and Government Partnerships

<b>Action Plan 1</b>	<b>Strengthen Inter-agency Partnerships to Gain Efficiencies and Reduce Costs</b>
IMPACT ON STATEWIDE OBJECTIVES	
<ol style="list-style-type: none"><li>1. Accountability. Invest in effective partnerships with fellow agencies and industry partners to perform the agency mission in a more efficient and cost-effective manner.</li><li>2. Efficiency. Seek opportunities to reduce costs in the areas of facilities, information technology and professional development.</li><li>3. Effectiveness. Increase agency professional staff development through developmental partnerships and exchange programs.</li><li>4. Excellence in Customer Service. Model customer service best practices throughout Texas.</li><li>5. Transparency. Recognize and report cost savings and benefits from interagency efforts.</li></ol>	
<b>Action Plan 2</b>	<b>Engage in Educational and Research Initiatives</b>
<ol style="list-style-type: none"><li>1. Accountability. Employ best practices in research and education to support safety programs for racing participants.</li><li>2. Efficiency. Recognize return on investment by using data gathered to prevent future injuries and promote human/equine/canine health and aftercare programs.</li><li>3. Effectiveness. Increase Texas citizenry understanding of the agency mission and contribution to the equine industry and Texas economy.</li><li>4. Excellence in Customer Service. Provide transparent data and access to agency operations and initiatives.</li><li>5. Transparency. Invite educational, government and industry groups to participate in agency initiatives.</li></ol>	

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**IX. REDUNDANCIES AND IMPEDIMENTS**

<b>1. Agency Regulatory Structure</b>	
<p>SERVICE STATUTE, RULE, OR REGULATION (WITH CITATION)</p>	<p><i>Texas Racing Act, 2023.053, Texas Racing Commission Fund; Additional Appropriations.</i></p> <p>(a) The commission shall deposit the money it collects under this subtitle in the state treasury to the credit of a special fund to be known as the Texas Racing Commission fund.</p> <p>(b) The Texas Racing Commission fund may be appropriated only for the administration and enforcement of this subtitle.</p> <p>(c) Any unappropriated money exceeding \$750,000 that remains in the fund at the close of each state fiscal biennium shall be transferred to the general revenue fund and may be appropriated for any purpose. (d) The legislature may appropriate money from the general revenue fund for the administration and enforcement of this subtitle. (e) Any amount of general revenue appropriated for the administration and enforcement of this subtitle in excess of the cumulative amount deposited in the Texas Racing Commission fund shall be reimbursed from the Texas Racing Commission fund not later than the first anniversary of the date the general revenue funds are appropriated, with 6.75 percent interest. All payments made under this subsection are first attributable to interest accumulated under this subsection.</p>
<p>DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN AN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</p>	<p><b>EXCERPTS From 2021 Sunset Commission Staff Report<sup>17</sup>:</b></p> <p><b>“Unsuccessful funding structure.</b> When the Legislature created the commission in 1986, the Legislative Budget Board estimated racing would contribute about \$110 million annually to the General Revenue Fund through taxes on racetracks and revenue from wagers. However, racing has not become the economic driver once envisioned. Over the last five fiscal years, the contribution to general revenue from racing industry regulation has steadily decreased, from \$3 million in fiscal year 2015 to \$2.7 million in fiscal year 2019, as fewer patrons attended races. As the industry has declined, so has the funding for the commission to effectively regulate it. In 2019, the Legislature redirected tax revenue from simulcast wagers to fund the commission’s operations. However, the lack of anticipated simulcast tax revenue in 2020 due to the COVID-19 pandemic significantly reduced the commission’s revenue in March and almost forced the commission to close in July, jeopardizing the continued operation and regulation of the Texas racing industry.</p> <p><b>“Untenable regulatory structure.</b> A regulatory agency should be structured in a way that protects the public, but in some cases, the structure can create conflicts between the regulated industry and the public interest. The commission is dependent on licensing fees, primarily from racetracks, to fund its operations. Simultaneously, the racing industry is regulated by the commission, which it funds. This</p>

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	<p>creates a constant push and pull between the commission as the regulator and racetracks as the licensees, and the level of regulation can become contingent on the amount of funding the licensees are willing and able to pay. This places the commission in an untenable position where firm regulatory enforcement could undermine the very funding it needs to provide effective regulation. Meanwhile, the commission’s small staff struggles to conduct inspections, maintain health and safety at racetracks for participants and animals, and ensure the security of wagering, while also managing the typical administrative work of a state agency.”</p>
<p>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</p>	<p>TXRC is required, by statute, to collect revenue to cover the cost of its operations. When there are economic or other (pandemic) factors that affect the agency's ability to collect revenue, TXRC as the regulatory agency, directly bills the licensees it regulates. Over time, this direct fee relationship has drawn sharp criticism as the Rules have been modified to all the agency to bill its licenses without being accountable for the revenue it required and spent. Since TXRC is required to sustain at least its indirect costs to function appropriately as a state agency, a stable, transparent, method of finance would be more appropriate to enforce the <i>Texas Racing Act</i>, while also being accountable to the citizens of Texas.</p>
<p>DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE</p>	<p>In the interest of transparency and public accountability, the agency should be able to demonstrate the true sustainable cost required to license and regulate activities under the <i>Texas Racing Act</i> and have legislative concurrence with the funding levels required to successfully achieve the agency mission.</p>

<b>2. Agency Fiscal Structure</b>	
<p>SERVICE STATUTE, RULE, OR REGULATION (WITH CITATION)</p>	<p><i>Texas Racing Act</i>, 2023.053, Texas Racing Commission Fund; Additional Appropriations.</p> <p>(a) The commission shall deposit the money it collects under this subtitle in the state treasury to the credit of a special fund to be known as the Texas Racing Commission fund.</p> <p>(b) The Texas Racing Commission fund may be appropriated only for the administration and enforcement of this subtitle.</p> <p>(c) Any unappropriated money exceeding \$750,000 that remains in the fund at the close of each state fiscal biennium shall be transferred to the general revenue fund and may be appropriated for any purpose.</p> <p>(d) The legislature may appropriate money from the general revenue fund for the administration and enforcement of this subtitle.</p> <p>(e) Any amount of general revenue appropriated for the administration and enforcement of this subtitle more than the cumulative amount deposited in the Texas Racing Commission fund shall be reimbursed from the Texas Racing Commission fund</p>

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	<p>not later than the first anniversary of the date the general revenue funds are appropriated, with 6.75 percent interest. All payments made under this subsection are first attributable to interest accumulated under this subsection.</p>
<p>DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN AN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</p>	<p><b>EXCERPTS From 2021 Sunset Commission Staff Report</b><sup>18</sup>:</p> <p><b>"Unsuccessful funding structure.</b> When the Legislature created the commission in 1986, the Legislative Budget Board estimated racing would contribute about \$110 million annually to the General Revenue Fund through taxes on racetracks and revenue from wagers. However, racing has not become the economic driver once envisioned. Over the last five fiscal years, the contribution to general revenue from racing industry regulation has steadily decreased, from \$3 million in fiscal year 2015 to \$2.7 million in fiscal year 2019, as fewer patrons attended races. As the industry has declined, so has the funding for the commission to effectively regulate it. In 2019, the Legislature redirected tax revenue from simulcast wagers to fund the commission’s operations. However, the lack of anticipated simulcast tax revenue in 2020 due to the COVID-19 pandemic significantly reduced the commission’s revenue in March and almost forced the commission to close in July, jeopardizing the continued operation and regulation of the Texas racing industry.</p> <p><b>“Untenable regulatory structure.</b> A regulatory agency should be structured in a way that protects the public, but in some cases, the structure can create conflicts between the regulated industry and the public interest. The commission is dependent on licensing fees, primarily from racetracks, to fund its operations. Simultaneously, the racing industry is regulated by the commission, which it funds. This creates a constant push and pull between the commission as the regulator and racetracks as the licensees, and the level of regulation can become contingent on the amount of funding the licensees are willing and able to pay. This places the commission in an untenable position where firm regulatory enforcement could undermine the very funding it needs to provide effective regulation. Meanwhile, the commission’s small staff struggles to conduct inspections, maintain health and safety at racetracks for participants and animals, and ensure the security of wagering, while also managing the typical administrative work of a state agency.”</p>
<p>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</p>	<p>TXRC is statutorily required to raise its own revenue, which is deposited into Account No. 597. All the Texas Bred Incentive Program funding is passed through the agency from racetracks to eligible recipients. If General Revenue–Dedicated Funds revenues fall short of the appropriations, no other funding provides the difference. The agency also is subject to a requirement in the Eighty-sixth Legislature, <i>General Appropriations Act, 2020–21</i></p>



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	<p><i>Biennium</i>, Article VIII, Special Provisions, Section 2, which limits the agency’s appropriations to the amounts of revenue actually collected.</p> <p>The agency intends to request indirect administrative and overhead costs become general revenue; reimbursable costs remain as GR-dedicated.</p>
<p>DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE</p>	<p>To effectively perform state agency functions, the agency needs to articulate its baseline operational costs, request general appropriations and track costs and efficiencies through the Texas budget process.</p>

<b>3. Agency Staffing Model (Based on Scheduled Live Racing Dates)</b>	
<p>SERVICE STATUTE, RULE, OR REGULATION (WITH CITATION)</p>	<p><i>General Appropriations Act for the 2022-2023 Biennium</i>, 87th Texas Legislature, Regular Session, 2021, Senate Bill No. 1, May 25, 2021.</p>
<p>DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN AN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</p>	<p>The current agency cost estimate to support a day of live racing is \$3,501 for horse racing dates and \$2,564 for greyhound race dates based on the calculations provided in the agency rider language in the GAA. This projected cost falls short of capturing the actual costs now required in 2022 and beyond to recruit and retain a competitive, professional workforce. In addition, it does not account for the administrative workload of conducting pre-race exams, hearings, appellate procedures, policy changes, public meetings, employee development programs or leave. Also not included is the indirect cost of state agency operations which includes facilities costs, transportations costs, information technology support.</p>
<p>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</p>	<p>Agency cost model needs to be comparable to sister state agencies in capturing annual, monthly, and recurring costs as well as anticipating market changes in the industry and economy.</p>
<p>DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE</p>	<p>As noted in the agency's strategic fiscal review and Sunset Commission report, the agency struggled to meet its requirements as a state enforcement agency charged with carrying out its statutory duties under the Act. The investment of a professionally trained staff, with the appropriate tools and technology will provide additional opportunities for industry and economic growth for Texas.</p>



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<b>4. Equine Drug Research Council</b>																																								
<p>SERVICE STATUTE, RULE, OR REGULATION (WITH CITATION)</p>	<p><i>General Appropriations Act for the 2022-2023 Biennium, 87th Texas Legislature, Regular Session, 2021, Senate Bill No. 1, May 25, 2021, <b>Equine Research Account.</b> Included in the appropriations above are fees collected in each year of the biennium beginning September 1, 2021, pursuant to the <i>Texas Racing Act</i>, for the Equine Research Account in support of the Equine Research Program, Page III-244.</i></p>																																							
<p>DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN AN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</p>	<p>The agency has provided Texas Equine Research Funds (2% of TX Bred funds from horses) to first support Equine Research and then to Texas AgriLife since 2010:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">FY</th> <th style="text-align: left;">\$ Amt Paid</th> <th style="text-align: left;">Payable to</th> </tr> </thead> <tbody> <tr><td>2010</td><td>\$69,806.54</td><td>Equine Research Account</td></tr> <tr><td>2011</td><td>\$59,163.70</td><td>Equine Research Account</td></tr> <tr><td>2012</td><td>\$59,251.57</td><td>Equine Research Account</td></tr> <tr><td>2013</td><td>\$58,502.59</td><td>Texas Agri-Life Research (Agency 556)</td></tr> <tr><td>2014</td><td>\$59,984.96</td><td>Texas Agri-Life Research (Agency 556)</td></tr> <tr><td>2015</td><td>\$58,758.65</td><td>Texas Agri-Life Research (Agency 556)</td></tr> <tr><td>2016</td><td>\$58,200.27</td><td>Texas Agri-Life Research (Agency 556)</td></tr> <tr><td>2017</td><td>\$54,562.64</td><td>Texas Agri-Life Research (Agency 556)</td></tr> <tr><td>2018</td><td>\$55,160.79</td><td>Texas Agri-Life Research (Agency 556)</td></tr> <tr><td>2019</td><td>\$49,392.31</td><td>Texas Agri-Life Research (Agency 556)</td></tr> <tr><td>2020</td><td>\$35,105.33</td><td>Texas Agri-Life Research (Agency 556)</td></tr> <tr><td>2021</td><td>\$49,071.32</td><td>Texas Agri-Life Research (Agency 556)</td></tr> </tbody> </table> <p>Methodology: All funds are paid annually at the end of the fiscal year (September) for the previous fiscal year via an agency-to-agency transfer</p> <p>-2010 funds included forfeited security bonds (LRP, LD, VDLT).</p> <p>-In 2012, the Equine Research Account Advisory Committee was sunsetted by the 82nd Legislature.</p> <p>Also, of note according to the Sunset Final Report dated July 2011, since 2005, the Legislature has not appropriated Equine Research Account funds. As a result, Texas AgriLife Research provided agency funds to award equine research proposals.</p>	FY	\$ Amt Paid	Payable to	2010	\$69,806.54	Equine Research Account	2011	\$59,163.70	Equine Research Account	2012	\$59,251.57	Equine Research Account	2013	\$58,502.59	Texas Agri-Life Research (Agency 556)	2014	\$59,984.96	Texas Agri-Life Research (Agency 556)	2015	\$58,758.65	Texas Agri-Life Research (Agency 556)	2016	\$58,200.27	Texas Agri-Life Research (Agency 556)	2017	\$54,562.64	Texas Agri-Life Research (Agency 556)	2018	\$55,160.79	Texas Agri-Life Research (Agency 556)	2019	\$49,392.31	Texas Agri-Life Research (Agency 556)	2020	\$35,105.33	Texas Agri-Life Research (Agency 556)	2021	\$49,071.32	Texas Agri-Life Research (Agency 556)
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<p>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</p>	<p>The agency recommends reinstatement of the Equine Research Model, renamed "Equine Research Drug Council" to facilitate:</p> <ul style="list-style-type: none"> <li>• Texas A&amp;M Veterinary Medical Diagnostic Laboratory (TVMDL) modernization and sustainment of equipment/staff.</li> <li>• Funding the TXRC drug testing program.</li> <li>• Funding research projects and educational opportunities to use racehorse exams and testing to prevent injuries and provide a bridge to aftercare programs for retired racehorses.</li> </ul>																																							

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DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE	Benefits of implementing this model is the investment in medical advances protects Texas racing enforcement ability to conduct drug testing and exam as required to carry out the agency mission. In addition, TVMDL requires research projects to sustain its Racing Medication & Testing Consortium (RMTC)
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<b>5. Texas Racing Act, Chapter 2025, Texas Occupations Code, Chapter 53. Licensing</b>	
SERVICE STATUTE, RULE, OR REGULATION (WITH CITATION)	TEX. OCC. CODE Chapter 53 general provisions relating to non-exempt state agency licensing and the consequences of criminal convictions has yet to be codified into the <i>Texas Racing Act</i> , Chapter 2025, and the <i>Texas Rules of Racing</i> , Chapter 311. TEX. OCC. CODE § 53.003 outlines the intent of the legislature to enhance opportunities for a person to obtain gainful employment after the person has been convicted of an offense and has discharged the sentence for the offense.
DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN AN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS	The <i>Texas Racing Act</i> , TEX. OCC. CODE §§ 2022.004, 2025.001, 2025.201, 2025.262, and 2026.051 all contain provisions for now antiquated crimes involving moral turpitude. Section 2025.001 restricts the Commission to adopting rules relating to license applications and the applicant's moral character, ability and financial responsibility to preserve and protect the public health, welfare and safety as opposed to the Chapter 53 factors in determining whether a conviction relates to the occupation and factors for a licensee's fitness for licensure.
PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION	The agency recommends codifying Chapter 53 general licensing provisions into the <i>Texas Racing Act</i> and <i>Texas Rules of Racing</i> . The agency recommends updating and modernizing license application fingerprint requirements in TEX. OCC. CODE § 2025.003. The agency recommends removal of subjective licensing factors such as moral character, crimes of moral turpitude, detrimental to the public interest or racing industry from the <i>Texas Racing Act</i> Sections 2022.004, 2025.056, 2025.201, 2025.262 and 2026.251. The agency recommends integrating the Tex. Occ. Code Chapter 53, Sections, 53.0231 and 53.051, notice and hearing requirements in the <i>Texas Racing Act</i> and <i>Texas Rules of Racing</i> . The agency recommends better licensing efficiency by implementing the criminal history evaluation for applicants with a prior criminal record for an initial licensing predetermination provided in TEX. OCC. CODE § 53.102. The agency recommends modernizing and instituting criminal guidelines contained in TEX. OCC. CODE § 53.025 to provide applicants clarity of the practice of the licensing authority under the <i>Texas Racing Act</i> and <i>Texas Rules of Racing</i> .

**DRAFT // PRE-DECISIONAL**

DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE	Benefits of implementing this model is the consistency of licensing requirements for applicants, the clarity of guidelines for denial of applications and revocation of licenses, the modernizing and removal of barriers to obtain a license.
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<b>6. Texas Racing Act, Chapter 2033, Criminal and Administrative Penalties; Cease &amp; Desist and Disciplinary Powers</b>	
SERVICE STATUTE, RULE, OR REGULATION (WITH CITATION)	The <i>Texas Racing Act</i> , TEX. OCC. CODE, Chapter 2033, deals with criminal and administrative penalties, Cease & Desist orders and disciplinary powers.
DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN AN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS	The chapter should include the criminal penalty for the felony offense of cruelty to animals TEX. PENAL CODE § 42.09 and 42.092 in addition to the other criminal penalties listed in the chapter. TEX. OCC. CODE § 2033.101 only permits issuance of a Cease & Desist order upon the reasonable belief a racetrack association or other license holder is engaging or likely to engage in conduct that violates this subtitle or a commission rule. The objective of a Cease & Desist order should be to halt unlicensed activity. The operation of illegal brush tracks harbor vast amounts of illegal activity from illegal immigrants, drug trafficking, human trafficking, animal cruelty and illegal wagering by unlicensed persons. The illegal brush track operations take economic benefits from the properly licensed racetracks in the state. The Cease & Desist section of the Act should cover all persons both licensed and unlicensed.
PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION	The agency recommends the addition of the penal code cruelty to animals in the <i>Texas Racing Act</i> , Chapter 2033. The agency recommends the <i>Texas Racing Act</i> , Section 2033.101, be revised to include all persons not just licensees.
DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE	Although difficult to pinpoint an exact amount of illegal wagering, the estimated benefit to racetracks by the elimination of unlicensed brush racetracks could easily approach millions of dollars as well as increased public confidence in racing integrity by eliminating the opportunity for unscrupulous betters from negatively influencing wagering pools with ill-gotten knowledge gathered at these tracks. Additionally, the safety of race participants and race animals tested with prohibited substances to influence the outcome of a race on an illicit racetrack could be wholly prevented by shutting down these operations with increased criminal penalties and the seizure of compromised race animals and related equipment.

# DRAFT // PRE-DECISIONAL

## TEXAS RACING COMMISSION UPDATED BUDGET STRUCTURE AS OF MAY 14, 2022

### A. BUDGET STRUCTURE

#### GOAL A/1: ENABLE

SHORT NAME: ENABLE  
FULL NAME: Enable Industry Growth  
DEFINITION: Enable Industry Growth through Modernization of Licensing Services.

#### OBJECTIVE A.1: Enable Industry Growth

SHORT NAME: ENABLE  
FULL NAME: Enable Industry Growth  
DEFINITION: Enable Industry Growth through Modernization of Licensing Services.

#### OUTCOME MEASURE 1: Annual Growth of Permanent Licenses Issued

##### BL 2024 Definition

The total number of permanent licenses issued upon license application or reapplication that meet the standards of the Texas Occupations Code.

##### BL 2024 Data Limitations

None.

##### BL 2024 Data Source

Agency enforcement database provides the data source for this outcome.

##### BL 2024 Methodology

The number of permanent licenses issued out of the total number issued annually with the goal of reducing the issuance of temporary licenses.

##### BL 2024 Purpose

This measure is used to align the agency licensing services with the Texas Occupations Code and enable industry growth, while ensuring that applicants who are licensed meet all Texas Government Code standards.

##### BL 2025 Definition

The total number of permanent licenses issued upon license application or reapplication that meet the standards of the Texas Occupations Code.

##### BL 2025 Data Limitations

None.

##### BL 2025 Data Source

Agency enforcement database provides the data source for this outcome.

# DRAFT // PRE-DECISIONAL

## **BL 2025 Methodology**

The number of permanent licenses issued out of the total number issued annually with the goal of reducing the issuance of temporary licenses.

## **BL 2025 Purpose**

This measure is used to align the agency licensing services with the Texas Occupations Code and enable industry growth, while ensuring that applicants who are licensed meet all Texas Government Code standards.

## **STRATEGY A.1.1: MODERNIZE LICENSING SERVICES**

SHORT NAME: MODERNIZE LICENSING  
FULL NAME: MODERNIZE LICENSING SERVICES  
DEFINITION: Modernize Licensing Services to Align with Texas Statutes

### **Efficiency Measures**

- Percentage of Business Licenses issued within 90 days
- Percentage of Individual Licenses issued within 10 days
- Reduction in the Number of Temporary Licenses Issued for 120 days

### **Explanatory Measures**

- Total Number of Permanent Licenses Held by Applicants - Key

### **Output Measures**

- Number of New Licenses Issued to Businesses
- Number of New Licenses Issued to Individuals
- Number of Renewed Licenses for Individuals.

## **A.1.2. STRATEGY: DEPARTMENT OF PUBLIC SAFETY (FINGERPRINTS, BACKGROUND CHECKS, CRIMINAL VIOLATIONS)**

Allocate Department of Public Safety Funds to reimburse for fingerprint, background checks. Estimated and Non-transferable.

## **A.1.3. STRATEGY: TEXAS.GOV**

Process online payment for licensing fees and fines. Estimated and Non-transferable.

## **GOAL B/2: PROTECT**

SHORT NAME: PROTECT  
FULL NAME: Protect the Integrity and Safety of Texas Racing  
DEFINITION: Protect the Integrity and Safety of Texas Racing

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## OBJECTIVE B.1 PROTECT

SHORT NAME: PROTECT  
FULL NAME: Protect the Integrity and Safety of Texas Racing  
DEFINITION: Protect the Integrity and Safety of Texas Racing

### OUTCOME MEASURE 1: Reduction of Licensee Violations

#### BL 2024 Definition

The total number of licensee violations against the total number of permanent new and renewed licenses issued that meet the standards of the Texas Occupations Code.

#### BL 2024 Data Limitations

None.

#### BL 2024 Data Source

Agency enforcement database provides the data source for this outcome.

#### BL 2024 Methodology

The number of permanent licenses issued out of the total number issued annually with the goal of reducing the number of violations because licenses are issued in accordance with Texas law.

#### BL 2024 Purpose

This measure is used to build upon Goal A (Modernize Licensing Services), while ensuring that applicants who are licensed meet all Texas Government Code standards, which should result in a reduction of violations of the Texas Racing Act.

#### BL 2025 Definition

The total number of licensee violations against the total number of permanent new and renewed licenses issued that meet the standards of the Texas Occupations Code.

#### BL 2025 Data Limitations

None.

#### BL 2025 Data Source

Agency enforcement database provides the data source for this outcome.

#### BL 2025 Methodology

The number of permanent licenses issued out of the total number issued annually with the goal of reducing the number of violations because licenses are issued in accordance with Texas law.

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## **BL 2025 Purpose**

This measure is used to build upon Goal A (Modernize Licensing Services), while ensuring that applicants who are licensed meet all Texas Government Code standards, which should result in a reduction of violations of the Texas Racing Act.

### **B.1.1. STRATEGY: DETER, INVESTIGATE AND ADJUDICATE VIOLATIONS OF THE TEXAS RACING ACT**

SHORT NAME: DETER & INVESTIGATE

FULL NAME: Deter, Investigate and Adjudicate Violations of the Texas Racing Act

DEFINITION: Deter, Investigate and Adjudicate Violations of the Texas Racing Act

#### **Efficiency Measure**

- Reduction in the Number of Violations of Permanent Licensees

#### **Explanatory Measure**

- Overall Reduction in Violations Based on Reduction of Temporary Licenses Issued and Required Background Checks under Texas Law conducted on Permanent Licenses

#### **Output Measure**

- Reduction in the Number of Violations Measured Against Total Individual Licensee Population

### **B.1.2. STRATEGY: INCREASE THE INTEGRITY AND SECURITY OF PARIMUTUEL WAGERING TO PROTECT THE CITIZENS OF TEXAS**

SHORT NAME: PARI-MUTUEL WAGERING

FULL NAME: Increase the Integrity and Security of Parimutuel Wagering to Protect Texas Racing

DEFINITION: Increase the Integrity and Security of Parimutuel Wagering to Protect Texas Racing

#### **Efficiency Measures**

- Number of Wagering Events Audited without Significant Findings
- Decrease in Complaints Filed Regarding Wagering Manipulation



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## Explanatory Measures

- Total Number of Wagering Events Audited without Significant Findings

## Output Measures

- Number of Audited Conduct on Simulcast Races without Significant Audit Findings
- Number of Audited Live Races without Significant Audit Findings.

### **STRATEGY B.1.3: PREVENT INJURIES AND RESPOND TO MEDICAL EMERGENCIES (EQUINE, CANINE, AND HUMAN)**

SHORT NAME: PREVENT INJURIES  
FULL NAME: Prevent Injuries and Respond to Medical Emergencies (Equine, Canine, And Human)  
DEFINITION: Prevent Injuries and Respond to Medical Emergencies (Equine, Canine, And Human)

## Efficiency Measures

- Number of Equine Injuries as a percentage of total Equine animals approved to entered into live races
- Number of Human injuries as a percentage of total licensees measured against number of jockeys licensed to enter live races.

## Explanatory Measures

- Number of Injuries of equine/human live racing competitors against total number approved to enter live races.

## Output Measures

- Equine Injuries of less than 2% per 1000 starts.
- Human Injuries of less than 2% per 1000 starts.

### **STRATEGY B.1.4. Administer Drug Tests to Detect Prohibited Substances in Equine/Canine/Human Racing Competitors**

SHORT NAME: ADMINISTER DRUG TESTS  
FULL NAME: Administer Drug Tests to Detect Prohibited Substances in Equine/Canine/Human Racing Competitors  
DEFINITION: Administer Drug Tests to Detect Prohibited Substances in Equine/Canine/Human Racing Competitors



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## Efficiency Measures

- Number of Equine Tests Positive for Prohibited Substances as a percentage of total Equine Tests Administered
- Number of Canine Tests Positive for Prohibited Substances as a percentage of total Canine Tests Administered
- Number of Human Tests Positive for Prohibited Substances as a percentage of total Human Tests Administered

## Explanatory Measures

- Number of drug tests of equine/canine/human live racing competitors against total number identified for testing in entered in live races.

## Output Measures

- Positive Animal Tests of less than 1% per 1000 starts.
- Positive Human Tests of less than 1% per 1000 starts.

## **GOAL C/3: COMMUNICATE & PARTNER**

SHORT NAME: COMMUNICATE & PARTNER  
FULL NAME: Modernize Agency Technology Platforms to Partnerships and Best Practices  
DEFINITION: Modernize Agency Technology Platforms to Partnerships and Best Practices

## **OBJECTIVE C.1 COMMUNICATE**

SHORT NAME: COMMUNICATE  
FULL NAME: Modernize Agency Technology Platforms to Partnerships and Best Practices  
DEFINITION: Modernize Agency Technology Platforms to Partnerships and Best Practices

**OUTCOME MEASURE 1:** Adopt Technology Best Practices to Reduce Costs and Eliminate Customer Barriers

## **BL 2024 Definition**

Cost reductions realized through agency migration to the Department of Information Resources contracts and services and through the adoption of best practices to transform from a paper driven to electronic/online customer services.

## **BL 2024 Data Limitations**

None.

## **BL 2024 Data Source**

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Cost savings illustrated through agency modernization efforts and the adoption of best practices.

### **BL 2024 Methodology**

Cost of technology divided by the total number of license applicants supported through customer contacts and application processing.

### **BL 2024 Purpose**

This measure is used to build upon Goal A (Modernize Licensing Services), and Goal B (Deter, Investigate, Adjudicate) by steps the agency will take to move from paper processes to electronic, online portal, web services, customer access to fingerprint, background, and licensing services.

### **BL 2025 Definition**

Cost reductions realized through agency migration to the Department of Information Resources contracts and services and through the adoption of best practices to transform from a paper driven to electronic/online customer services.

### **BL 2025 Data Limitations**

None.

### **BL 2025 Data Source**

Cost savings illustrated through agency modernization efforts and the adoption of best practices.

### **BL 2025 Methodology**

Cost of technology divided by the total number of license applicants supported through customer contacts and application processing.

### **BL 2025 Purpose**

This measure is used to build upon Goal A (Modernize Licensing Services), and Goal B (Deter, Investigate, Adjudicate) by steps the agency will take to move from paper processes to electronic, online portal, web services, customer access to fingerprint, background, and licensing services.

## **C.1.1. STRATEGY: INFORMATION TECHNOLOGY & CYBERSECURITY**

SHORT NAME:	INFORMATION TECHNOLOGY
FULL NAME:	Modernize Information Technology Platforms and Increase Cybersecurity
DEFINITION:	Modernize Information Technology Platforms and Increase Cybersecurity to provide customers access to agency services and protect customer and law enforcement sensitive information.

### **Efficiency Measure**

- Increase in the number of online services provided by the agency through secure, accessible platforms.

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## **Explanatory Measure**

- Agency conducts 90 percent of current services in paper format, transformation to secure electronic access to services will increase access while enhancing data security.

## **Output Measures**

- 15% increase in the number of online licenses for new applicants
- 30% increase in the number of online license renewal applications.

## **C.1.2 STRATEGY: EQUINE DRUG RESEARCH COUNCIL**

SHORT NAME: EQUINE DRUG RESEARCH

FULL NAME: Equine Drug Research Council

DEFINITION: Charter an Equine Drug Research Council to create a partnership council with members from the Texas Racing Commission, Texas Veterinary Medical School, Texas Veterinary Medical Diagnostic Laboratory, and the Horseman's Partnership to Fund and Expand the Texas Equine Drug Testing Program. Provides a mechanism to execute and expand the funds currently provided by the Texas Bred Incentive to support Equine Research. and fund drug testing programs.

## **Efficiency Measures**

- Number of Drug Tests Used for Education and Research Partnerships and Projects
- Laboratory Testing Capability Increased by 25% for New and Emerging Substances and Testing Methods

## **Explanatory Measures**

- Number of Tests of Total Administered Used for Research, Educational or Emerging Technology Testing as a percentage of total tests conducted annually by the Texas Racing Commission.

## **Output Measures**

- Percentage of Increased Tests Per 1000 Starts.
- Laboratory Testing Capability Measured by Number of New Tests Conducted Annually using new and emerging testing methods.

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## GOAL D/4: INDIRECT ADMINISTRATION

SHORT NAME: INDIRECT ADMINISTRATION  
FULL NAME: Indirect Administration  
DEFINITION: Indirect Administration

### D.1.1. STRATEGY: CENTRAL ADMIN & OTHER SUPPORT SVCS

SHORT NAME: CENTRAL ADMIN & OTHER SUPPORT SVCS  
FULL NAME: Central Admin & Other Support Services  
DEFINITION: Central Admin & Other Support Services

## GOAL E/5: TEXAS BRED INCENTIVE PROGRAM

SHORT NAME: TEXAS BRED INCENTIVE PROGRAM  
FULL NAME: Texas Bred Incentive Program  
DEFINITION: Texas Bred Incentive Program Trust Fund Administration

### E.1.1. STRATEGY: TEXAS BRED INCENTIVE PROGRAM

SHORT NAME: TEXAS BRED INCENTIVE PROGRAM  
FULL NAME: Texas Bred Incentive Program  
DEFINITION: Texas Bred Incentive Program Trust Fund Administration

#### **Efficiency Measure**

- Provide Trust Fund Distributions within 30 Days of Customer Requests

#### **Explanatory Measure**

- Timely and Accurate Distribution of Texas Bred Incentive Funding Requests

#### **Output Measure**

- Annual Reconciliation of Trust Funds with No Significant Accounting Errors of Audit Findings.

**C. HISTORICALLY UNDERUTILIZED BUSINESS PLAN**

It is the policy of TXRC to comply with the rules for the Historically Underutilized Business (HUB) Program adopted by the Comptroller of Public Accounts (CPA) and Chapter 2161 of the Texas Government Code to encourage the use of historically underutilized businesses.

The goal of this program is to promote full and equal business opportunities for all businesses in the agency's contracting. This policy incorporates the adoption of CPA's HUB rules to implement a meaningful HUB program based on the State of Texas Disparity Study. TXRC will work diligently to work with HUBs in contracts for commodities, services, professional and consulting services, and construction by contracting directly, or indirectly through subcontracting opportunities.

Additionally, TXRC will make a good faith effort to assist HUBs in receiving a portion of the total contract value of all contracts the agency expects to award in a fiscal year in accordance with the following percentages:

- 24% for professional services contracts
- 26% for all other services contracts
- 21% for commodities contracts

The agency will ensure it makes a good faith effort to work with HUBs and meet the agency goals by implementing:

- ✓ Advanced planning of large purchases to ensure adequate time and preparation.
- ✓ When possible, divide proposed requisitions into reasonable lots in keeping with industry standards and competitive bid requirements.
- ✓ When applicable, assess bond and insurance requirements to avoid unreasonable bidding restrictions and permit more than one business to perform the work.
- ✓ Specify reasonable, realistic delivery schedules consistent with the agency's actual requirements.
- ✓ Ensure that specifications, terms, and conditions reflect TXRC's actual requirements, are clearly stated, and do not impose unreasonable or unnecessary contract requirements.

**D. AGENCY WORKFORCE PLAN**

**TEXAS RACING COMMISSIONERS**

The Commission is composed of nine members, seven of whom are appointed by the Governor with the advice and consent of the Senate. The Chair of the Public Safety Commission and the Commissioner of the Texas Department of Agriculture serve as ex-officio members of the Commission with full voting privileges. The seven non-salaried Commissioners serve overlapping six-year terms. Of the seven appointed Commissioners, five must be representatives of the public and have general knowledge of business or agribusiness. At least one of those appointed members may be a veterinarian and being licensed as a veterinarian satisfies the requirement that the person have general knowledge of business or agribusiness. The Governor designates the chairman. The nine members elect the vice-chairman for a term of two years.

**AGENCY STAFF**

In 2021, the agency was continued by the Legislature until 2027, and the Sunset Commission will again review it. In 2021, the agency experienced dramatic turnover and is currently going through transformational changes to modernize its workforce planning system.

**AGENCY WORKFORCE ANALYSIS**

The agency is currently allocated 39.3 Full-Time Equivalent employees, which appears to have been a calculation of five (5) employees for each active racetrack for a total of fifteen (15) with the balance of the staff performing administrative duties at the Austin Headquarters location.

**OUTDATED COST MODEL**

The agency cost model for what is a personnel-based budget for a professionally staffed team of regulators with the training, travel, tools, and technology required to effectively enforce the *Texas Racing Act* is outdated. The salary, benefits, and compensation calculation from 1989, does not provide an effective means of recruiting, developing, and retaining an educated, well-trained, diverse workforce. For example, a base salary cost for a licensed commission veterinarian was \$68,000 per year. This figure does not include all the benefit, compensation, insurance, and retirement costs required for agency to fund the position. That same veterinarian requires an active license, professional continuing education, medical supplies, diagnostic tools, administrative support, technology tools, and transportation assets to prevent animal injury and illness before they enter the starting gate. The choices based on the limited staff allocated in 2021 were 26 Full-Time Equivalent (FTE) positions at the Austin HQ location to conduct the indirect agency operations with 13.9 FTEs allocated for field operational positions in Houston, Grand Prairie, San Antonio, and Fredericksburg, with 10-15 contracted staff positions (Veterinarians, Investigators, Veterinary Technicians, Auditors). The

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updated staffing models invert the triangle to its rightful position to allocate 30% of the agency FTEs to the Austin HQ, and 70% of the FTEs to the field operational positions.

This model was ineffective not only because it does not account for employee turnover, developmental training or leave. It also does not account for the uniform safety standards required by the *Horsereading Integrity and Safety Act of 2020* that is set to take effect on July 1, 2022.

## AGENCY WORKFORCE COST MODEL FACTORS

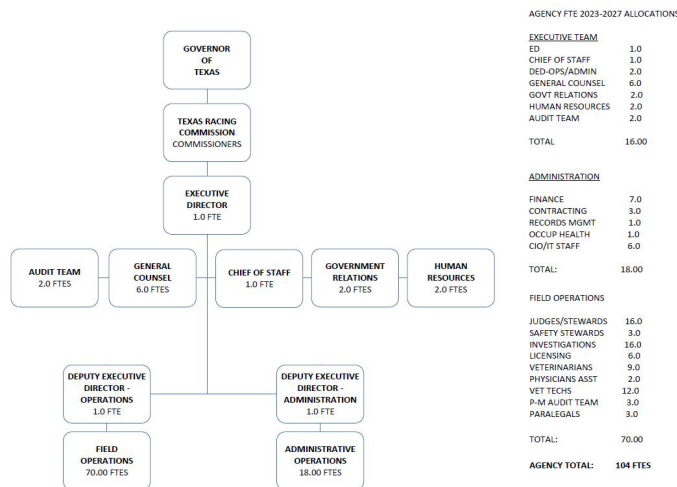
Full-time equivalent employee calculations need to include:

- Effective, Transparent, Auditable State Agency Business Practices.
- Competitive Salary, Benefits, Leave and Training Packages and Programs.
- Probationary Period On-the-Job training for specialized skill sets: Stewards, Investigators, Veterinarians, Test Barn Supervisors, Veterinary Technicians and Auditors.
- Professional development training and travel resources to update skill sets as well as adapt to developing technology advances in the industry.

For purposes of addressing the workforce goals above, based on our current operational requirement, the estimated minimal staffing for a live racing day is: three (3) Stewards, three (3) Investigators, three (3) Licensing staff members, three (3) Veterinarians; one (1) Test Barn Supervisor; six (6) Veterinary technicians; and one (1) Auditor for a total of eighteen (18) employees.

The agency organizational chart has been updated to reflect the changes required to effectively conduct the agency mission and meet industry requirements under federal law.

### AGENCY ORGANIZATIONAL CHART 2023-2027



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## E. REPORT ON CUSTOMER SERVICE.

The Texas Racing Commission did not conduct formal customer service surveys in the past 24 months. However, the Commissioners and agency staff scheduled numerous public meetings and engagement throughout the state in the past six months to gain industry feedback on the future direction of the agency. Given the serious concerns of the Sunset Commission, face-to-face feedback with agency customers and partners was an effective way to hear about the concerns provided to the Sunset Commission as well to determine how feedback could be used to draft this strategic plan.

### ENDNOTES

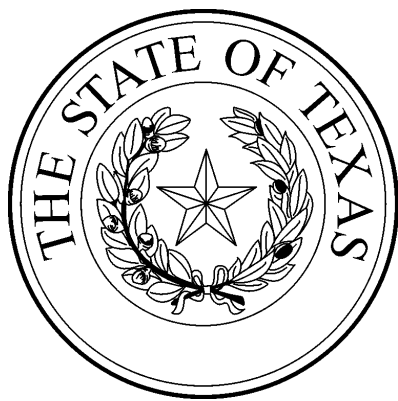
- <sup>1</sup> Texas State Library and Archives Commission, [https://txarchives.org/tslac/finding\\_aids/15003.xml](https://txarchives.org/tslac/finding_aids/15003.xml)
- <sup>2</sup> Legislative Reference Library of Texas, <https://lrl.texas.gov/scanned/hroBillAnalyses/69-2/SB15.pdf>
- <sup>3</sup> Legislative Reference Library of Texas, [https://lrl.texas.gov/LASDOCS/69CS2/SB15/SB15\\_69CS2.pdf#page=585](https://lrl.texas.gov/LASDOCS/69CS2/SB15/SB15_69CS2.pdf#page=585)
- <sup>4</sup> Texas Greyhound Association, <http://www.tgreyhounds.com/about-us/>
- <sup>5</sup> The Pew Charitable Trusts, <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2019/10/29/once-one-of-americas-favorite-pastimes-greyhound-racing-eats-dust>
- <sup>6</sup> National Greyhound Association, <https://www.ngagreyhounds.com/news?h60=5498>
- <sup>7</sup> Texas Horse Racing Hall of Fame, <https://txhof.com/hall-of-fame-history.html>
- <sup>8</sup> Albany Law School, <https://www.albanylaw.edu/government-law-center/news/understanding-the-horseracing-integrity-and-safety-act-and-new-era>
- <sup>9</sup> Liberty Justice Center, <https://libertyjusticecenter.org/media/ruling-challenge-to-hisa/>
- <sup>10</sup> Sunset Advisory Commission, [https://www.sunset.texas.gov/public/uploads/files/reports/Texas%20Racing%20Commission\\_Equine%20Staff%20Report%201995%2074%20leg.PDF](https://www.sunset.texas.gov/public/uploads/files/reports/Texas%20Racing%20Commission_Equine%20Staff%20Report%201995%2074%20leg.PDF)
- <sup>11</sup> Sunset Advisory Commission, [https://www.sunset.texas.gov/public/uploads/files/reports/Racing\\_Staff%20Report%20with%20Final%20Results.pdf](https://www.sunset.texas.gov/public/uploads/files/reports/Racing_Staff%20Report%20with%20Final%20Results.pdf)
- <sup>12</sup> 15 USC Ch. 57: INTERSTATE HORSERACING, <https://uscode.house.gov/view.xhtml?path=/prelim@title15/chapter57&edition=prelim>
- <sup>13</sup> Congress.gov, <https://www.congress.gov/bill/116th-congress/house-bill/1754/text>
- <sup>14</sup> Tex. Occ. Code § 2023.001, <https://statutes.capitol.texas.gov/Docs/OC/htm/OC.2023.htm>
- <sup>15</sup> Bloodhorse, [www.bloodhorse.com/horse-racing/articles/256994/texas-proposes-joint-efforts-with-hisa](http://www.bloodhorse.com/horse-racing/articles/256994/texas-proposes-joint-efforts-with-hisa)
- <sup>16</sup> Author unknown
- <sup>17</sup> Sunset Advisory Commission, [https://www.sunset.texas.gov/public/uploads/files/reports/Racing\\_Staff%20Report%20with%20Final%20Results.pdf](https://www.sunset.texas.gov/public/uploads/files/reports/Racing_Staff%20Report%20with%20Final%20Results.pdf)
- <sup>18</sup> Ibid.



# GENERAL APPROPRIATIONS ACT FOR THE 2022-23 BIENNIUM

**Eighty-seventh Texas Legislature  
Regular Session, 2021**

**Text of Conference Committee Report on Senate Bill No. 1**  
*(incorporating other bills that affect 2022-23 biennial appropriations)*



Editor's Note: Senate Bill No. 1 Conference Committee Report (Eighty-seventh Legislature, Regular Session) appropriation figures have been adjusted in this publication to incorporate certain Article IX (General Provisions) appropriations into relevant agency bill patterns; other legislation and resolutions enacted by the 87th Legislature, including those of the Second and Third Called Sessions, which affect appropriations; non-substantive technical corrections and/or reconciling adjustments; and the Governor's Vetoes. Conforming changes to agency riders and informational items have also been made. Complete copies of legislation affecting Senate Bill No. 1 can be found at [www.capitol.texas.gov](http://www.capitol.texas.gov).

[www.lbb.texas.gov](http://www.lbb.texas.gov)

**BOARD OF PLUMBING EXAMINERS**  
(Continued)

**A.1.1. Strategy: EXAMINE AND LICENSE PLUMBERS**

**Output (Volume):**

Number of New Licenses, Registrations and Endorsements Issued	12,000	13,000
Number of Licenses, Registrations and Endorsements Renewed	43,200	43,700

**A.1.3. Strategy: INSPECTIONS AND ENFORCEMENT**

**Output (Volume):**

Total Number of Compliance Checks Performed	7,500	9,000
Number of Investigations Conducted	875	900
Number of Complaints Resolved	975	1,000

**Explanatory:**

Percentage of Compliance Checks Found with Violations	3%	3%
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**2. Surplus Property.** Notwithstanding Article IX, §8.03. Surplus Property, one hundred percent of the receipts to the Board of Plumbing Examiners from the sale of scrap metal is appropriated to the Board for the purpose of providing materials necessary to conduct licensing examinations during the biennium in which the receipts are received.

<sup>1</sup> Incorporates Article IX, §18.08, of this Act, due to enactment of HB 636, 87th Legislature, Regular Session, relating to the continuation and functions of the Texas State Board of Plumbing Examiners, resulting in increases of \$118,372 in fiscal year 2022 and \$110,572 in fiscal year 2023 out of General Revenue and 3.0 FTEs each fiscal year of the biennium.

**RACING COMMISSION**

	For the Years Ending	
	August 31, 2022	August 31, 2023
<b>Method of Financing:</b>		
GR Dedicated - Texas Racing Commission Account No. 597	\$ 3,715,249	\$ 3,492,496
Texas-bred Incentive Fund No. 327, estimated	<u>\$ 3,130,000</u>	<u>\$ 3,130,000</u>
<b>Total, Method of Financing</b>	<u>\$ 6,845,249</u>	<u>\$ 6,622,496</u>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	\$ 1,179,366	\$ 1,193,554
<b>This bill pattern represents an estimated 21% of this agency's estimated total available funds for the biennium.</b>		
<b>Number of Full-Time-Equivalents (FTE):</b>	39.3	39.3
<b>Schedule of Exempt Positions:</b>		
Executive Director, Group 3	\$137,367	\$137,367
<b>Items of Appropriation:</b>		
<b>A. Goal: ENFORCE RACING REGULATION</b>		
Enforce Racing Regulations in Texas.		
<b>A.1.1. Strategy: LICENSE/REGULATE RACETRACKS</b>	\$ 370,563	\$ 370,563
Provide Regulatory and Enforcement Services to Racetrack Owners.		
<b>A.2.1. Strategy: TEXAS BRED INCENTIVE PROGRAM</b>	3,130,000	3,130,000
Allocate Texas Bred Funds. Estimated and Nontransferable.		
<b>A.3.1. Strategy: SUPERVISE &amp; CONDUCT LIVE RACES</b>	436,021	436,021
Supervise the Conduct of Racing through Enforcement and Monitoring.		
<b>A.3.2. Strategy: MONITOR LICENSEE ACTIVITIES</b>	317,637	317,637
Monitor Occupational Licensee Activities.		
<b>A.4.1. Strategy: INSPECT &amp; PROVIDE EMERGENCY CARE</b>	339,577	339,577
Inspect and Provide Emergency Care.		
<b>A.4.2. Strategy: ADMINISTER DRUG TESTS</b>	<u>197,327</u>	<u>197,327</u>
<b>Total, Goal A: ENFORCE RACING REGULATION</b>	\$ 4,791,125	\$ 4,791,125

**RACING COMMISSION**  
(Continued)

**B. Goal: REGULATE PARTICIPATION**

Regulate the Participation in Racing.

<b>B.1.1. Strategy: OCCUPATIONAL LICENSING PROGRAM</b>	\$	342,871	\$	342,871
Administer the Occupational Licensing Program through Enforcement.				
<b>B.1.2. Strategy: TEXAS.GOV</b>		13,323		13,324
Texas.gov. Estimated and Nontransferable.				

<b>Total, Goal B: REGULATE PARTICIPATION</b>	\$	356,194	\$	356,195
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**C. Goal: REGULATE PARI-MUTUEL WAGERING**

Regulate Pari-mutuel Wagering in Texas.

<b>C.1.1. Strategy: MONITOR WAGERING AND COMPLIANCE</b>	\$	280,866	\$	280,866
Regulate Pari-mutuel Wagering & Conduct Wagering Compliance Inspection.				

**D. Goal: INDIRECT ADMINISTRATION**

<b>D.1.1. Strategy: CENTRAL ADMIN &amp; OTHER SUPPORT SVCS</b>	\$	870,243	\$	696,055
Central Administration and Other Support Services.				
<b>D.1.2. Strategy: INFORMATION RESOURCES</b>		546,821		498,255

<b>Total, Goal D: INDIRECT ADMINISTRATION</b>	\$	1,417,064	\$	1,194,310
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<b>Grand Total, RACING COMMISSION</b>	\$	6,845,249	\$	6,622,496
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**Object-of-Expense Informational Listing:**

Salaries and Wages	\$	2,539,571	\$	2,588,287
Other Personnel Costs		84,464		84,465
Professional Fees and Services		314,149		270,886
Consumable Supplies		12,000		12,000
Utilities		30,000		30,000
Travel		173,771		173,771
Rent - Building		50,279		0
Rent - Machine and Other		4,850		4,850
Other Operating Expense		506,165		328,237
Grants		3,130,000		3,130,000

<b>Total, Object-of-Expense Informational Listing</b>	\$	6,845,249	\$	6,622,496
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**Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act:**

Employee Benefits

Retirement	\$	156,443	\$	157,225
Group Insurance		689,405		707,105
Social Security		152,903		153,667
Benefits Replacement		1,408		1,166

<b>Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act</b>	\$	1,000,159	\$	1,019,163
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**1. Performance Measure Targets.** The following is a listing of the key performance target levels for the Racing Commission. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Racing Commission. In order to achieve the objectives and service standards established by this Act, the Racing Commission shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	<u>2022</u>	<u>2023</u>
<b>A. Goal: ENFORCE RACING REGULATION</b>		
<b>Outcome (Results/Impact):</b>		
Percentage of Investigations (Individuals) Resulting in Disciplinary Action	95%	95%
Percentage of Licensees with No Recent Violations	97%	97%
Percent of Race Horses that Sustain a Catastrophic Injury	0.14%	0.14%
Percent of Greyhounds that Sustain a Catastrophic Injury	0.1%	0.1%

**RACING COMMISSION**  
(Continued)

<b>A.1.1. Strategy: LICENSE/REGULATE RACETRACKS</b>		
<b>Output (Volume):</b>		
Number of Racetrack Inspections	12	12
<b>Explanatory:</b>		
Number of Horse Tracks Regulated	7	7
Number of Greyhound Tracks Regulated	2	2
<b>A.2.1. Strategy: TEXAS BRED INCENTIVE PROGRAM</b>		
<b>Output (Volume):</b>		
Number of Texas Bred Awards for Horses	4,230	4,230
Number of Texas Bred Awards for Greyhounds	187	187
<b>A.3.1. Strategy: SUPERVISE &amp; CONDUCT LIVE RACES</b>		
<b>Output (Volume):</b>		
Number of Occupational Licenses Suspended or Revoked	101	101
<b>A.3.2. Strategy: MONITOR LICENSEE ACTIVITIES</b>		
<b>Output (Volume):</b>		
Number of Investigations Completed	100	100
<b>A.4.1. Strategy: INSPECT &amp; PROVIDE EMERGENCY CARE</b>		
<b>Output (Volume):</b>		
Number of Horses Inspected Pre-race	12,118	12,118
Number of Greyhounds Inspected Pre-race	394	394
<b>B. Goal: REGULATE PARTICIPATION</b>		
<b>B.1.1. Strategy: OCCUPATIONAL LICENSING PROGRAM</b>		
<b>Output (Volume):</b>		
Number of New Occupational Licenses Issued	1,800	1,800
Number of Occupational Licenses Renewed	4,000	4,000
<b>C. Goal: REGULATE PARI-MUTUEL WAGERING</b>		
<b>Outcome (Results/Impact):</b>		
Percentage of Compliance Audits Passed	97%	97%
<b>C.1.1. Strategy: MONITOR WAGERING AND COMPLIANCE</b>		
<b>Explanatory:</b>		
Total Pari-Mutuel Handle (in Millions)	255	255
Total Take to the State Treasury from Pari-Mutuel Wagering on Live and Simulcast Races	2,568,224	2,568,224

**2. Texas Bred Incentive Program Receipts.** 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 Occupations Code §§ 2028.101, 2028.103, 2028.105, 2028.154, and 2028.202 for the Texas Bred Incentive Program. Any additional revenue set aside by the Texas Racing Act pursuant to Occupations Code §§ 2028.101, 2028.103, 2028.105, 2028.154, and 2028.202 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 2022-23 biennium.

None of the funds appropriated above for Texas Bred Incentive Program Awards may be expended for payments to a member serving on the commission. The Racing Commission shall take all necessary steps to ensure compliance with this provision.

**3. Criminal History Checks and Background Checks.**

- a. Out of the funds appropriated above in Strategy B.1.1, Occupational Licensing Program, \$90,000 in fiscal year 2022 and \$90,000 in fiscal year 2023 are appropriated to the Racing Commission for the purpose of reimbursing the Department of Public Safety (DPS), Federal Bureau of Investigation (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 on 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 the DPS, FBI, and/or any other entity authorized to conduct criminal history background checks.
- b. Before May 31, 2022, the Racing Commission shall submit a report to the Legislative Budget Board, in a format 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 2022-23 biennium.

## RACING COMMISSION

(Continued)

- 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.

#### **4. Contingent Appropriation: New Horse Racetrack or Reopening Horse Racetrack and Accredited Texas Bred Program.**

- a. In addition to the amounts appropriated above, the Texas Racing Commission is 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 2022-23 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 2022-23 biennium, \$423,970 for fiscal year 2022 and \$424,570 for fiscal year 2023 for each new horse racetrack or each reopening horse racetrack in excess of \$4,353,479 in fiscal year 2022 and \$4,353,479 in fiscal year 2023 (Object Codes 3188, 3189, 3190, 3196, and 3200) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2022 and 2023:

- (1) \$97,000 in Strategy A.3.1, Supervise and Conduct Live Races;
- (2) \$54,000 in Strategy A.3.2, Monitor Licensee Activities;
- (3) \$65,200 in Strategy A.4.1, Inspect and Provide Emergency Care;
- (4) \$19,750 in Strategy A.4.2, Administer Drug Tests;
- (5) \$35,000 in Strategy B.1.1, Occupational Licensing Program;
- (6) \$45,000 in Strategy C.1.1, Monitor Wagering and Compliance.

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 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 2022-23 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 2022-23 biennium).

- b. In addition to amounts appropriated above out of the Texas-bred Incentive Fund No. 327, the Texas Racing Commission is appropriated in Strategy A.2.1, Texas Bred Incentive Program, revenue set aside by the Texas Racing Act pursuant to Occupations Code §§ 2028.101, 2028.103, 2028.105, 2028.154, and 2028.202 for the Texas Bred Incentive Program that is collected by the agency from each new horse racetrack that begins operations for the first time in the 2022-23 biennium or for each reopening horse racetrack that initiates operations again during the 2022-23 biennium in an amount not to exceed \$334,477 from Texas-bred Incentive Fund No. 327 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 2022-23 biennium may be used only for that purpose and are not transferable to any other strategy.
- 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 cannot have ceased operations during the same biennium in which it initiates operations again.

#### **5. Contingent Appropriation: New Racetrack Application.** All fees collected to cover the cost of the racetrack application process to GR Dedicated - Texas Racing Commission Account No. 597 (Object Code 3191) (estimated to be \$0 each fiscal year), are appropriated to Strategy A.1.1, License and Regulate Racetracks. Any appropriations from revenue collected by the agency from

## RACING COMMISSION

(Continued)

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 Hearings or the Texas Racing Commission during the 2022-23 biennium and are not transferable to any other strategy.

### **6. Contingent Appropriation: Additional Live Race Days Added beyond the Base of 146 Days Each Fiscal Year to the Horse Race Date Calendar and Accredited Texas Bred Program.**

- a. In addition to the amounts appropriated above, the Texas Racing Commission is appropriated \$3,501 for each additional live horse race day added beyond the base of 146 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 2022-23 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 2022-23 biennium, \$5,346 for fiscal year 2022 and \$5,358 for fiscal year 2023 for each additional live race day added beyond the base of 146 days to the horse race date calendar in each fiscal year during the 2022-23 biennium in excess of \$4,353,479 in fiscal year 2022 and \$4,353,479 in fiscal year 2023 (Object Codes 3188, 3189, 3190, 3196, and 3200) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2022 and 2023:

- (1) \$1,255 in Strategy A.3.1, Supervise and Conduct Live Races;
- (2) \$413 in Strategy A.3.2, Monitor Licensee Activities;
- (3) \$1,175 in Strategy A.4.1, Inspect and Provide Emergency Care;
- (4) \$357 in Strategy A.4.2, Administer Drug Tests;
- (5) \$301 in Strategy B.1.1, Occupational Licensing Program.

Also, the "Number of Full-Time-Equivalents (FTE)" figure indicated above is increased by 0.1 FTEs for each live horse race day granted that exceeds the base of 146 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 2022-23 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 2022-23 biennium).

- b. In addition to amounts appropriated above out of the Texas-bred Incentive Fund No. 327, the Texas Racing Commission is appropriated in Strategy A.2.1, Texas Bred Incentive Program, revenue set aside by the Texas Racing Act pursuant to Occupations Code §§ 2028.101, 2028.103, 2028.105, 2028.154, and 2028.202 for the Texas Bred Incentive Program that is collected by the agency, in an amount not to exceed \$2,275 from Texas-bred Incentive Fund No. 327 for each additional live horse race day added beyond the base of 146 days during each fiscal year to the horse race date calendar in the 2022-23 biennium. Any appropriations from revenue collected by the agency for the Texas Bred Incentive Program during the 2022-23 biennium may be used only for that purpose and are not transferable to any other strategy.

### **7. 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.**

- a. In addition to the amounts appropriated above, the Texas Racing Commission is 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 2022-23 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 2022-23 biennium, \$2,837 for fiscal year 2022 and \$2,837 for fiscal year 2023 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

**RACING COMMISSION**  
(Continued)

2022-23 biennium in excess of \$4,353,479 in fiscal year 2022 and \$4,353,479 in fiscal year 2023 (Object Codes 3188, 3189, 3190, 3196, and 3200) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2022 and 2023:

- (1) \$1,255 in Strategy A.3.1, Supervise and Conduct Live Races;
- (2) \$413 in Strategy A.3.2, Monitor Licensee Activities;
- (3) \$595 in Strategy A.4.1, Inspect and Provide Emergency Care;
- (4) \$301 in Strategy B.1.1, Occupational Licensing Program.

Also, the "Number of Full-Time-Equivalents (FTE)" figure indicated above is 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 2022-23 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 2022-23 biennium).

- b. In addition to amounts appropriated above out of the Texas-bred Incentive Fund No. 327, the Texas Racing Commission is appropriated in Strategy A.2.1, Texas Bred Incentive Program, revenue set aside by the Texas Racing Act pursuant to Occupations Code §§ 2028.101, 2028.103, 2028.105, 2028.154, and 2028.202 for the Texas Bred Incentive Program that is collected by the agency, in an amount not to exceed \$75 from Texas-bred Incentive Fund No. 327 for each additional day added beyond the base of 36 days during each fiscal year to the greyhound race date calendar in the 2022-23 biennium. Any appropriations from revenue collected by the agency for the Texas Bred Incentive Program during the 2022-23 biennium may be used only for that purpose and are not transferable to any other strategy.

**8. Sunset Contingency.**<sup>1</sup> Funds appropriated above for fiscal year 2023 for the Racing Commission are made contingent on the continuation of the Racing Commission by the Eighty-seventh Legislature, Regular Session, 2021. In the event that the agency is not continued, the funds appropriated above for fiscal year 2022, or as much thereof as may be necessary, are to be used to provide for the phase out of the agency operations.

<sup>1</sup> SB 713, 87<sup>th</sup> Legislature, Regular Session, relating to the sunset review process and certain governmental entities subject to that process, passed and was enacted, resulting in the continuation of the Commission through September 1, 2027.

**SECURITIES BOARD**

	For the Years Ending	
	August 31, 2022	August 31, 2023
<b>Method of Financing:</b>		
General Revenue Fund	\$ 7,653,507	\$ 7,653,508
<b>Total, Method of Financing</b>	<b>\$ 7,653,507</b>	<b>\$ 7,653,508</b>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	\$ 2,431,912	\$ 2,446,129
<b>This bill pattern represents an estimated 100% of this agency's estimated total available funds for the biennium.</b>		
<b>Number of Full-Time-Equivalents (FTE):</b>	92.0	92.0
<b>Schedule of Exempt Positions:</b>		
Securities Commissioner, Group 5	\$172,087	\$172,087





## LEGISLATIVE BUDGET BOARD

# Instructions for Preparing and Submitting Agency Strategic Plans

**Fiscal Years 2023 to 2027**

**LEGISLATIVE BUDGET BOARD STAFF  
OFFICE OF THE GOVERNOR, BUDGET AND POLICY DIVISION**

**[WWW.LBB.TEXAS.GOV](http://WWW.LBB.TEXAS.GOV)**

**FEBRUARY 2022**



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# LETTER TO AGENCY ADMINISTRATORS

TO: State Agency Administrators

FROM: Sarah Hicks, Director, Governor's Office Budget and Policy Division, Office of the Governor  
Jerry McGinty, Director, Legislative Budget Board

SUBJECT: Agency Strategic Plan Instructions

The *Instructions for Preparing and Submitting Agency Strategic Plans* for fiscal years 2023 to 2027, issued jointly by the Office of the Governor, Budget and Policy Division (OOG), and the Legislative Budget Board (LBB), are available for download at [www.gov.texas.gov/bpp](http://www.gov.texas.gov/bpp) and [www.lbb.texas.gov/Agencies\\_Portal.aspx](http://www.lbb.texas.gov/Agencies_Portal.aspx). We appreciate your attention to this process and look forward to working with you to ensure agency strategic plans are robust, useful, and focused.

Agency submission and posting requirements include:

- five submission dates for requesting changes to agency budget structures, beginning in March (see Pages 3–4);
- a single submission date for strategic plans and approved performance measure definitions on June 1 (see Page 4);
- submission of a biennial report on customer service within the strategic plan;
- electronic submission of the strategic plan, including the report on customer service, to the LBB as PDF documents. Agencies will upload their PDF documents using the LBB application (Document Submissions) located on the LBB's website at [docs.lbb.state.tx.us](https://docs.lbb.state.tx.us);
- posting of the strategic plan, including the report on customer service, to the agency website; and
- electronic-only distribution of copies of the strategic plan; (no printed copies are required).

Agencies that experience difficulties accessing or printing the instructions should contact the LBB Application Support Team at 512-463-3167.

# STRATEGIC PLANNING AND BUDGETING

## INTRODUCTION

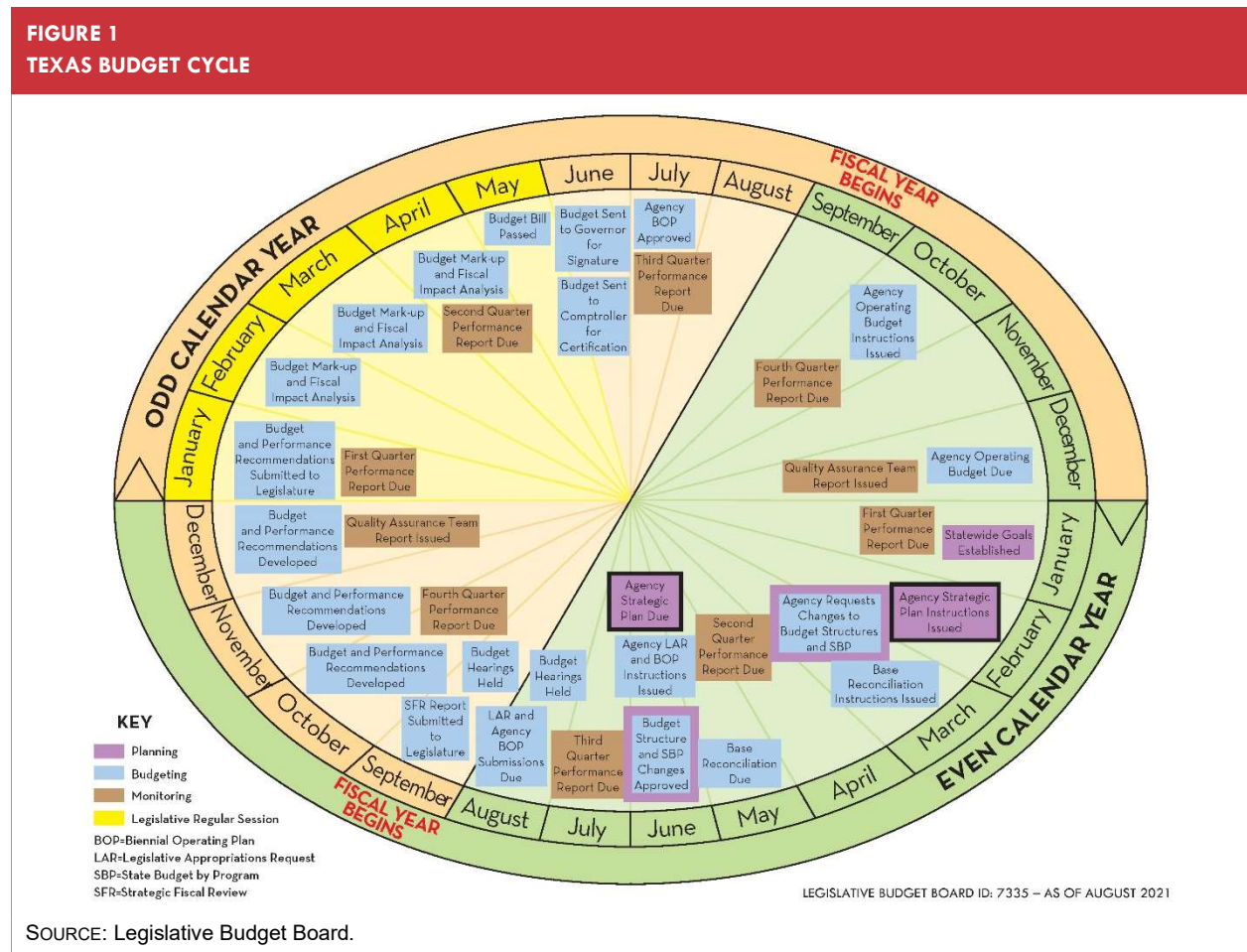
Strategic planning is a long-term and future-oriented process of assessment, goal setting, and decision making. It includes a multiyear view of objectives and strategies for accomplishing agency goals. The strategic planning process requires each agency to clearly define the results it seeks to achieve and identify factors that drive program performance and influence future planning, resource allocation, and operating decisions.

The strategic planning process incorporates and sets direction for all agency operations. The process ensures effective long-range planning to maximize the efficient use of state resources to serve the agency’s core mission. The strategic plan is the formal document that communicates the agency’s goals, directions, and outcomes to various audiences, including the Governor, the Legislature, the agency’s staff, constituency groups, and the public. The Texas Government Code, Chapter 2056, requires strategic planning for all agencies in the executive branch of state government.

The plan’s format is intended to enable agency leadership to be concise in developing a strategic vision, agency goals, and action items to achieve those goals. Therefore, the strategic plan should be prepared principally by agency executive leadership. Although a cross section of agency staff may support the plan development, strategic plan document preparation should not utilize excess agency resources or necessitate hiring outside contractors or consultants.

## STATE BUDGET CYCLE

Figure 1 shows the two-year state budgeting cycle, which is subject to change. Deadline information regarding the strategic planning and budgeting process is outlined in black.



**STRATEGIC PLAN SUBMISSION COMPONENTS**

Each agency's strategic plan submission is divided into two sections: (1) the primary strategic plan, including statements of agency mission, goals, action plan, and identification of any redundancies and impediments; and (2) supplemental elements, including a description of the budget structure connected to the strategic plan, and other statutorily required information. These planning elements are in addition to the strategic planning requirements for state agencies set in the Texas Government Code, Chapter 2056. To the extent possible, agencies should coordinate the development of their strategic plans with these other elements and, as appropriate, cross-reference these plans and efforts.

Agency submissions include the following components in this order:

- I. Strategic Plan
  - A. Title Page (template provided)
  - B. Table of Contents
  - C. Agency Mission
  - D. Agency Goals and Action Plan (template provided)
  - E. Redundancies and Impediments (template provided)
- II. Supplemental Schedules
  - A. Budget Structure – Goals, Objectives, and Performance Measures
  - B. List of Measure Definitions
  - C. Historically Underutilized Business Plan
  - D. Statewide Capital Plan (if applicable)
  - E. Health and Human Services Strategic Plan (if applicable)
  - F. Agency Workforce Plan
  - G. Workforce Development System Strategic Planning (if applicable)
  - H. Report on Customer Service

**BUDGET STRUCTURE CHANGE**

In developing strategic plans for 2023 to 2027, agencies may choose to add, modify, or delete budget structure elements (e.g., goals, strategies, and performance measures) from those contained in the 2022–23 General Appropriations Act. To make such changes, agencies must submit a request to the Office of the Governor (OOG), Budget and Policy Division, and the Legislative Budget Board (LBB) using the template for requesting changes to agency budget structures (see Appendix 5).

An agency is not required to connect each element of its budget structure to its strategic plan. This budget structure will be the basic structure for agency submission of Legislative Appropriations Requests (LAR). Structures may evolve during the budget and legislative processes. The OOG and the LBB expect that budget structure change requests will maintain or increase the transparency of agency operations.

Figure 2 shows the submission due dates for requested budget structure changes by agency.



**FIGURE 2**  
**BUDGET STRUCTURE CHANGES SUBMISSION DUE DATES**
**MARCH 18, 2022**

Department of Agriculture	Texas Medical Board
Commission on the Arts	Texas Board of Nursing
Bond Review Board	Optometry Board
Board of Chiropractic Examiners	Parks and Wildlife Department
Texas State Board of Dental Examiners	Pension Review Board
Commission on Fire Protection	Board of Pharmacy
Funeral Service Commission	Executive Council of Physical Therapy and Occupational Therapy Examiners
Board of Professional Geoscientists	Board of Plumbing Examiners
Health Professions Council	Board of Podiatric Medical Examiners
Higher Education Coordinating Board	Board of Examiners of Psychologists
Historical Commission	Racing Commission
Office of Injured Employee Counsel	Securities Board
Office of Public Insurance Counsel	Teacher Retirement System
Commission on Jail Standards	Office of Public Utility Counsel
Board of Professional Land Surveying	Veterans Commission
Commission on Law Enforcement	Board of Veterinary Medical Examiners
Department of Licensing and Regulation	
Agencies and Institutions of Higher Education	

**MARCH 25, 2022**

Cancer Prevention and Research Institute	Library and Archives Commission
Courts of Appeals (14)	Low-level Radioactive Waste Disposal Compact Commission
Court of Criminal Appeals	Supreme Court of Texas
Commission on State Emergency Communications	Office of the Attorney General
Texas Emergency Services Retirement System	Animal Health Commission
Texas Ethics Commission	Railroad Commission
Department of Housing and Community Affairs	

**APRIL 1, 2022**

State Office of Administrative Hearings	Preservation Board
Alcoholic Beverage Commission	Secretary of State
Office of Court Administration	Department of State Health Services
Department of Family and Protective Services	Public Utility Commission of Texas
Juvenile Justice Department	Department of Motor Vehicles
Texas Military Department	Soil and Water Conservation Board



<b>APRIL 8, 2022</b>	
Commission on Environmental Quality	State Office of Risk Management
Facilities Commission	Texas Department of Transportation
General Land Office	Water Development Board
Health and Human Services Commission	Texas Workforce Commission
Texas Lottery Commission	Office of the State Prosecuting Attorney
Department of Public Safety	Office of Capital and Forensic Writs
State Law Library	Judiciary Section, Comptroller’s Department
State Commission on Judicial Conduct	
<b>APRIL 15, 2022</b>	
School for the Blind and Visually Impaired	Employees Retirement System
Comptroller of Public Accounts	Public Finance Authority
Department of Criminal Justice	Department of Information Resources
School for the Deaf	Department of Insurance
Texas Education Agency	

**DEADLINE**

Agencies must submit their completed strategic plans on or before June 1, 2022.

**ELECTRONIC SUBMISSION**

Each agency is required to submit a searchable PDF version of its strategic plan electronically through the LBB Document Submissions application or via email to the entities shown in Figure 3.

Agencies that have a valid user ID and password for the Automated Budget and Evaluation System of Texas (ABEST) can access the LBB Document Submissions application located on the LBB’s website at [docs.lbb.state.tx.us](https://docs.lbb.state.tx.us). If your agency does not have access to a valid user ID and password, your agency will need to submit a Logon Request Form at [loginreqagy.lbb.state.tx.us/](https://loginreqagy.lbb.state.tx.us/).

<b>FIGURE 3 STRATEGIC PLAN DISTRIBUTION LIST</b>	
The Honorable Greg Abbott Governor, State of Texas/Office of the Governor, Budget and Policy Division	Email: <a href="mailto:budgetandpolicyreports@gov.texas.gov">budgetandpolicyreports@gov.texas.gov</a>
The Honorable Dan Patrick, Lieutenant Governor, State of Texas	Email: <a href="mailto:ltg.budget@ltgov.texas.gov">ltg.budget@ltgov.texas.gov</a>
The Honorable Dade Phelan, Speaker of the Texas House of Representatives	Login: <a href="https://docs.lbb.state.tx.us">docs.lbb.state.tx.us</a>
State Auditor’s Office	Email: <a href="mailto:submitreports@sao.texas.gov">submitreports@sao.texas.gov</a>
Legislative Budget Board	Login: <a href="https://docs.lbb.state.tx.us">docs.lbb.state.tx.us</a>

Texas State Library, Texas State Publications Depository Program

Email: [ref@tsl.texas.gov](mailto:ref@tsl.texas.gov)

Legislative Reference Library

Email: [lrl.techservices@lrl.texas.gov](mailto:lrl.techservices@lrl.texas.gov)

### **STRATEGIC PLANS ON AGENCY WEBSITES**

Each agency is required to post the strategic plan, including the report on customer service, to the agency website.

### **APPENDICES**

The instructions include **appendices**, beginning on page 14, that provide templates, submission schedules, and other resources to assist agencies in their strategic plan submissions:

1. Title Page Example
2. Format for Agency Operational Goals and Action Plans
3. Strategic Plan Statutory Considerations
4. Redundancies and Impediments Template
5. Template for Requesting Change(s) to Agency Budget Structures
6. Examples of Performance Measure Definitions
7. Format for Reporting Alignment with Texas Workforce System Strategic Plan
8. Customer Service Survey
9. Economic and Population Forecast

# PART 1. STRATEGIC PLAN

This section describes components of the main body of an agency's strategic plan.

## TITLE PAGE

The title page for an agency's strategic plan must contain the information listed in the example provided in Appendix 1.

## TABLE OF CONTENTS

A table of contents must identify all strategic planning elements, appendices, and any additional materials.

## AGENCY MISSION

An agency mission is the reason for an agency's existence. The mission succinctly identifies what the agency does, why, and for whom, and grounds its statements of purpose in enabling statutes or constitutional provisions.

An agency may include an optional statement on philosophy—an expression of core values and operating principles for the conduct of the agency in carrying out its mission. The agency philosophy is derived in conjunction with the agency's mission. It defines the way the agency conducts business by articulating management policies and principles. The philosophy defines a customer-oriented approach for producing and delivering government services.

## AGENCY GOALS AND ACTION PLAN

Each agency shall identify core operational goals. The strategic planning process entails a thorough re-examination of an agency. Agencies are not necessarily bound to the goals established in the prior strategic plan or the current General Appropriations Act. Operational goals are the general ends toward which agencies direct their efforts. A goal addresses issues by stating policy intention and is both qualitative and quantifiable, but not quantified. Goals are ranked for priority and should stretch and challenge an agency but be realistic and achievable.

In developing an agency's strategic goals, agency leadership must focus on the following statewide objectives of ensuring that the agency is:

1. accountable to tax and fee payers of Texas;
2. efficient by producing maximum results with no waste of taxpayer funds and by identifying any function or provision considered redundant or not cost-effective;
3. effective by successfully fulfilling core functions, achieving performance measures, and implementing plans to continuously improve;
4. attentive to providing excellent customer service; and
5. transparent such that agency actions can be understood by any Texan.

The agency shall identify how each goal supports these statewide objectives. In addition, the agency shall identify key action items necessary to ensure that the goal is accomplished on or before August 31, 2027, and provide a date by which the action items will be accomplished. Agencies shall provide this information in a format consistent with the Agency Operational Goals and Action Plan (see Appendix 2).

Appendix 3 provides additional considerations that an agency may be required to address in its strategic plan.

Please note that in Part 2, Schedule A (Budget Structure), agencies are required to connect identified budget objectives and strategies to their related operation goals and action plans contained in Part 1. Strategic Plan.

## REDUNDANCIES AND IMPEDIMENTS

Each agency shall identify all services, state statutes, and state rules or regulations applicable to the agency that merit additional executive and legislative review that may pose barriers to the economic prosperity of Texans or reduce the agency's effectiveness and efficiency in achieving its core mission. Examples include state services, laws, and regulations that may: (1) establish barriers to entry for new competition or otherwise limit free market participation; (2) impose excessive or burdensome regulatory costs; (3) result in economic inefficiencies due to administrative or procedural delays; or (4) are performed by another agency or result in unnecessary redundancies for agency staff or stakeholders. The agency

shall include a rationale of why the service, statute, or regulation is problematic and the agency's recommended change, including recommendations for elimination or amendment.

In addition, each agency shall identify any state services, state laws, or state regulations administered by the agency that are redundant, distract from the core mission of the agency, or produce workload costs for agency staff or regulated entities that may exceed assumptions that existed when the law or regulation was implemented. Please include any instances in which the continued implementation of the law or regulation may result in an imbalanced cost-benefit outcome for the state or stakeholders. If applicable, the agency shall make recommendations based on best practices observed from the private sector or activities of other governmental entities.

Each agency shall format its response using the Redundancies and Impediments template provided in Appendix 4.

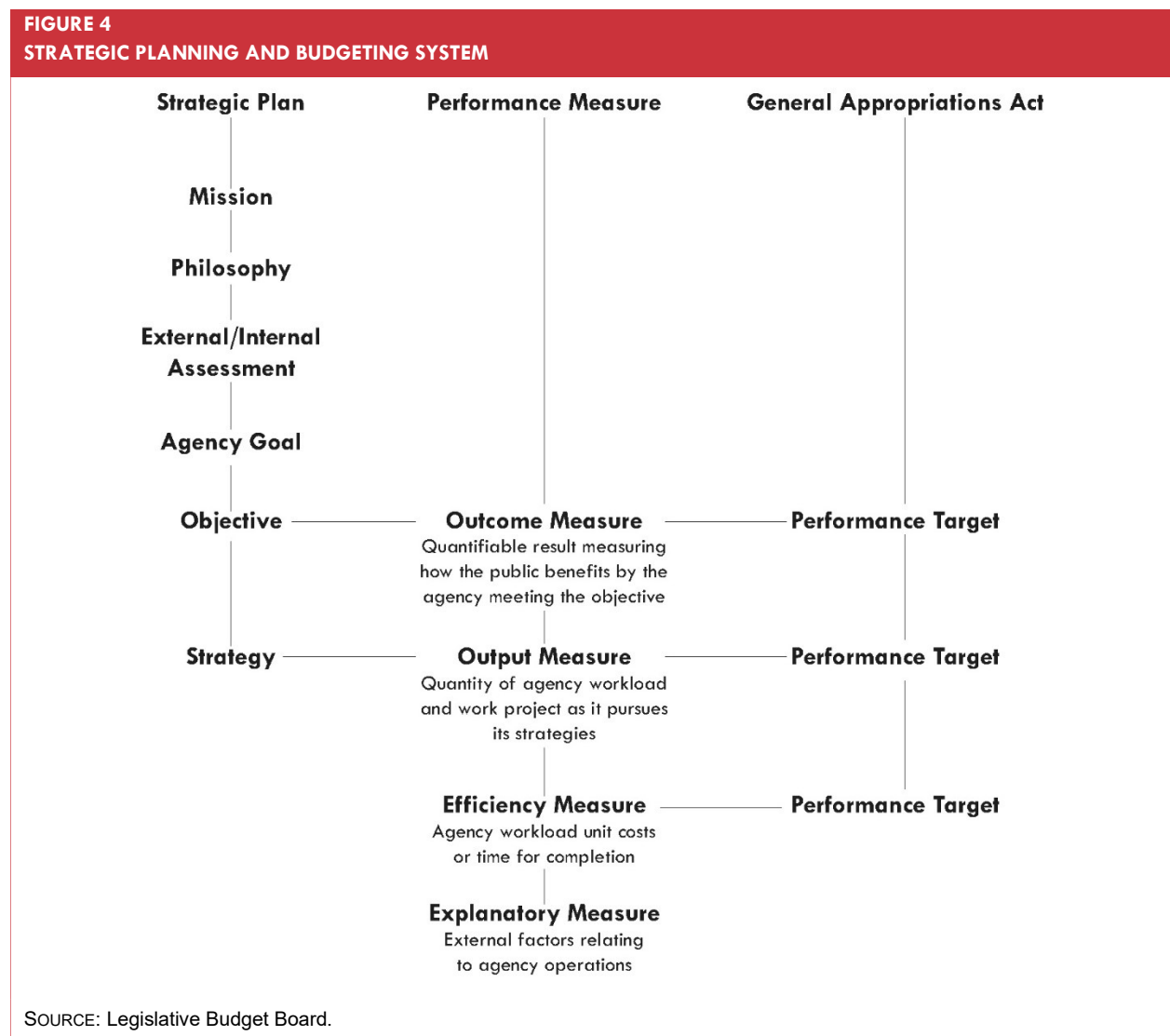
## PART 2. SUPPLEMENTAL ELEMENTS

### SCHEDULE A: BUDGET STRUCTURE

Through this schedule, the agency will list (1) agency goals, (2) objectives with their related outcome measures, and (3) strategies with their related output, efficiency, and explanatory measures that constitute the agency’s budget structure. The schedule will include descriptions of the goals, objectives, and strategies, and the names of performance measures within their appropriate objectives and strategies.

Agencies should take this opportunity to ensure performance measures exist for high-priority and significant programs. These elements should be listed in the order in which they would appear in the agency’s bill pattern in a general appropriations bill.

Figure 4 shows the structure of agency goals, objectives, strategies, and performance measures in the Strategic Planning and Budgeting System.



**AGENCY GOALS**

Agency goals are the general ends toward which agencies direct their efforts. Goals address issues by stating policy intention. They are both qualitative and quantifiable, but not quantified. Goals are ranked for priority and should stretch and challenge an agency but should be realistic and achievable.

**OBJECTIVES**

Objectives are clear targets for specific action and are connected directly to agency goals. They mark quantifiable interim steps toward achieving an agency's long-range mission and goals. Objectives are measurable, time-based statements of intent. They emphasize the results of agency actions at the end of a specific period.

For each objective, please identify all related Strategic Planning Goals.

**OUTCOME MEASURES**

Outcome measures are indicators of the actual effect on a stated condition or problem. They are tools to assess the effectiveness of an agency's performance and the public benefit derived from it. An outcome measure typically is expressed as a percentage, rate, or ratio.

**STRATEGIES**

Strategies are methods to achieve goals and objectives. Formulated from goals and objectives, a strategy is the means for transforming inputs into outputs and, ultimately, outcomes with the best use of resources. A strategy includes budgetary and other resources.

For each strategy, please identify all related Strategic Planning Goals and Action Plans.

**OUTPUT MEASURES**

Output measures are tools, or indicators, for counting the services and goods produced by an agency. The number of individuals receiving a service and the number of services delivered are typical measures of output.

**EFFICIENCY MEASURES**

Efficiency measures are indicators that quantify an agency's cost, unit cost, or productivity associated with a given outcome or output. Efficiency measures typically are expressed in unit costs, units of time, or other ratio-based units.

**EXPLANATORY MEASURES**

Explanatory measures are quantitative indicators that provide additional information that contributes to the understanding of an agency's operating environment.

**REQUESTING CHANGES TO THE BUDGET STRUCTURE**

The agency's strategic plan is used as a starting point for developing the agency's budget structure. An agency's budget structure need not necessarily mirror its strategic plan. Any changes to an agency's budget structure from that in place for the 2022–23 biennium must be requested in writing by the agency's strategic plan due date in Figure 2 on page 3 using the template shown in Appendix 5 and available at [http://www.lbb.texas.gov/Agencies\\_Portal.aspx](http://www.lbb.texas.gov/Agencies_Portal.aspx). Changes must be approved by the OOG and the LBB.

**NOTE ON BUDGET STRUCTURE ELEMENTS**

Budget structure elements are limited to 35 and 70 characters (including spaces) for short names and full names, respectively. Descriptions for performance measures are limited to 500 characters and will print in an agency's bill pattern only if the measure is considered a key measure. Agencies should consider renaming elements to limit abbreviations so that a member of the Legislature or the public may understand more readily the title and purpose of the goal, strategy, or measure.

**SCHEDULE B: PERFORMANCE MEASURE DEFINITIONS**

Each agency must enter all approved performance measure definitions in the Automated Budget and Evaluation System of Texas (ABEST) by the submission due date of its strategic plan (see Appendix 11 for the submission schedule). Additionally, each agency must submit Schedule B, Performance Measure Definitions, as part of its strategic plan. This schedule contains the definitions for all approved measures in the agency's strategic planning and budget structure.

A performance measure’s definition must explain the measure and the methodology for its calculation and provide enough information that it can be understood clearly. The description of a measure’s calculation must be detailed enough to enable replication. Definitions submitted with the agency’s strategic plan must include all the following elements:

- definition—provides a brief explanation of what the measure is, with enough detail to give an overall understanding of the measure;
- purpose—explains what the measure is intended to show and why it is important;
- data source—describes where the information comes from and how it is collected;
- methodology—describes clearly and specifically how the measure is calculated;
- data limitations—identifies any limitations about the measurement data, including factors that may be beyond the agency’s control;
- calculation method—identifies whether the information is cumulative or noncumulative;
- new measure—identifies whether the measure is new, has changed significantly, or continues without change from the previous biennium; and
- target attainment—identifies whether actual performance that is higher or lower than targeted performance is desirable (e.g., a disease rate lower than targeted is desirable).

#### NOTE

For ABEST reporting purposes, all outcome and explanatory measures are noncumulative because they are reported only once a year.

Appendix 6 provides examples of definitions in the proper format. Additional information appears in the *Guide to Performance Measure Management*, 2012, published by the State Auditor’s Office ([www.sao.texas.gov/reports/main/12-333.pdf](http://www.sao.texas.gov/reports/main/12-333.pdf)), and the guidelines in the LBB’s *ABEST Instructions for Finalizing Budget Structures and Defining Measures*, February 2022 ([www.lbb.texas.gov/Agencies\\_Portal.aspx](http://www.lbb.texas.gov/Agencies_Portal.aspx) → Instructions → Strategic Plan Instructions).

#### SCHEDULE C: HISTORICALLY UNDERUTILIZED BUSINESS PLAN

The Texas Government Code, Section 2161.123, requires agencies that complete a strategic plan pursuant to the Texas Government Code, Chapter 2056, to include a written plan for increasing their use of historically underutilized businesses (HUB) in purchasing and public works contracting. The plan must include a policy or mission statement relating to increasing the agency’s use of HUBs, goals to be met by the agency in carrying out the policy or mission, and specific programs that the agency must conduct to meet the goals stated in the plan, including a specific program to encourage contractors to use HUBs as partners and subcontractors.

#### SCHEDULE D: STATEWIDE CAPITAL PLANNING (IF APPLICABLE)

The Eighty-seventh Legislature, General Appropriations Act (GAA), 2022–23 Biennium, Article IX, Section 11.03, requires all state agencies and institutions of higher education to supply capital planning information relating to projects for the 2022–23 biennium to the Bond Review Board. Based on information submitted by agencies and institutions, the Bond Review Board is required to compile a statewide capital expenditure plan for the 2024–25 biennium for submission to the Governor and the LBB. Agencies will submit capital plans separately to the Bond Review Board in accordance with instructions issued by the board.

The Bond Review Board provides resources to guide agencies in the submission of capital planning information at the following website: [www.brb.state.tx.us/programs\\_capital\\_planning.aspx](http://www.brb.state.tx.us/programs_capital_planning.aspx).



### **SCHEDULE E: HEALTH AND HUMAN SERVICES STRATEGIC PLANNING (IF APPLICABLE)**

The Texas Government Code, Chapter 531, requires the Executive Commissioner of Health and Human Services to develop a coordinated state strategic plan for health and human services for submission to the Governor, Lieutenant Governor, and Speaker of the House. Chapter 531 also requires all health and human services agencies to submit strategic plans and biennial updates to the Health and Human Services Commission.

### **SCHEDULE F: AGENCY WORKFORCE PLAN**

The Texas Government Code, Section 2056.0021, requires each state agency to conduct a strategic planning staffing analysis and to develop a workforce plan that follows guidelines developed by the State Auditor's Office. The workforce plan addresses the agency's critical staffing and training needs, including the need for experienced employees to impart knowledge to their potential successors.

Agencies should refer to the State Auditor's Office Workforce Planning website to complete their plans. This website (<http://www.hr.sao.texas.gov/WorkforceAnalysis>) contains a Workforce Planning Guide, Workforce Plan Questionnaire, tools, and other helpful information. An agency must include this plan as an appendix to its strategic plan.

#### **OPTIONAL**

Agencies that have participated in a Survey of Employee Engagement may incorporate elements of the most recent survey results into this schedule.

### **SCHEDULE G: WORKFORCE DEVELOPMENT SYSTEM STRATEGIC PLAN (IF APPLICABLE)**

The Texas Government Code, Sections 2308.104 and 2308.1015, requires that the Texas Workforce Investment Council develop a single strategic plan for the Texas workforce system, which must include goals, objectives, and performance measures for the workforce system and those state agencies that administer workforce programs or services. The statute further mandates that, upon approval of the strategic plan by the Governor, each agency administering a workforce program shall use that strategic plan in developing the agency's operational plan.

The approved *Texas Workforce System Strategic Plan (FY 2016–FY 2023)* is available at: [https://gov.texas.gov/uploads/files/organization/twic/Texas\\_Workforce\\_System\\_Strategic\\_Plan\\_\(FY2016-FY2023\).pdf](https://gov.texas.gov/uploads/files/organization/twic/Texas_Workforce_System_Strategic_Plan_(FY2016-FY2023).pdf).

To demonstrate alignment with the state workforce system strategic plan, the six partner agencies, identified in this section, shall submit information within their strategic plans using the template provided in Appendix 7. The information will address key initiatives the agency has taken to fulfill objectives that are critical to achieve systems goals specified in the system strategic plan. Additionally, the agency will describe approaches and strategies that it will employ to build internal organizational and staff competence in each of the three strategic pillars noted in the system strategic plan. Additional direction is provided in Appendix 7.

System partner agencies with workforce programs or services include the following agencies:

- Texas Department of Criminal Justice – Windham School District;
- Texas Education Agency;
- Texas Higher Education Coordinating Board;
- Texas Juvenile Justice Department;
- Texas Veterans Commission; and
- Texas Workforce Commission.

## **SCHEDULE H: REPORT ON CUSTOMER SERVICE**

The Texas Government Code, Chapter 2114, requires state agencies and institutions of higher education to submit a Report on Customer Service to the OOG and the LBB no later than June 1, 2022. Agencies should include this report within their strategic plans due on the same date. Chapter 2114 also requires agencies and institutions of higher education to develop customer service standards and implement customer satisfaction assessment plans. Agencies and institutions that previously have not prepared a compact with Texans or appointed a customer relations representative (i.e., newly established agencies) must include this information in their required reports on customer service.

Pursuant to Chapter 2114, the LBB and OOG are required jointly to develop a standardized method to measure customer service satisfaction and establish standardized performance measures for agencies. Appendix 8 provides customer service survey questions for agencies to include, with a corresponding scale, to measure customer satisfaction. These standardized questions should be in addition to survey questions that address customer satisfaction specific to the agencies' programs and services. Additionally, standard measures are provided in the following sections for inclusion in reports.

An agency's report on customer service contains the following five elements:

1. an inventory of external customers served by each strategy in the 2022–23 GAA and a brief description of the types of services provided to them, including a description of how customers are defined (e.g., by unique customers, total customer encounters, or some other measure);
2. a brief description of the methods the agency used to gather information from agency or institution customers;
3. a chart showing the levels of customer-determined service quality and other relevant information received for each customer group, and each statutorily identified customer service quality element included in the customer service survey in Appendix 8, including the following elements:
  - a. facilities, including the customer's ability to access the agency, the office location, signs, and cleanliness;
  - b. staff, including employee courtesy, friendliness, and knowledgeability, and whether staff adequately identify themselves to customers by name, including the use of name plates or tags for accountability;
  - c. communications, including toll-free telephone access, the average time a customer spends on hold, call transfers, access to live staff, letters, electronic mail, and any applicable text messaging or mobile applications;
  - d. Internet site, including the ease of use of the site, mobile access to the site, information on the location of the site and the agency, and information accessible through the site such as a listing of services and programs and whom to contact for further information or complaints;
  - e. complaint handling process, including whether it is easy to file a complaint and whether responses are timely;
  - f. ability to timely serve customers, including the amount of time a customer waits for service in person, by phone, by letter, or on a website; and
  - g. brochures or other printed information, including the accuracy of that information;
4. an analysis of the findings identified from the customer satisfaction assessment – this analysis must include an identification of changes that would improve the survey process, and summary findings regarding the quality of service provided and improvements to be made in response to this assessment; and
5. performance measure information for customer service standards and customer satisfaction (e.g., wait times, complaints, responses), in addition to the standard measures shown in this section; estimated performance for fiscal year 2022 must be included for both agency-specific and standard measures.

### **OUTCOME MEASURES**

- Percentage of Surveyed Customer Respondents Expressing Overall Satisfaction with Services Received: The total number of agency survey respondents indicating that they are satisfied or very satisfied with the agency, divided by the total number of agency survey respondents. Measure is based on responses to question 8 of Appendix 8 Customer Service Survey.

### **OUTPUT MEASURES**

- Total Customers Surveyed: The number of customers who receive access to surveys regarding agency services. This number includes all customers who receive surveys in person or by phone, mail, email, website, or any other means.
- Response Rate: The percentage of total customers surveyed who completed the survey.

- Total Customers Served: Total number of customers receiving services through the agency's programs.

**EFFICIENCY MEASURES**

- Cost per Customer Surveyed: Total costs for the agency to administer customer surveys divided by the total number of customers surveyed.

**EXPLANATORY MEASURES**

- Total Customers Identified: The total population of customers in all unique customer groups.
- Total Customer Groups Inventoried: The total number of unique customer groups identified for each agency program. Customer groups served by more than one agency program should be counted only once.

# APPENDIX 1. TITLE PAGE

The title page for an agency's strategic plan must include the elements shown in the example below.

<b>AGENCY STRATEGIC PLAN</b>		
<b>FISCAL YEARS 2023 TO 2027</b>		
<b>BY</b>		
<b>AGENCY, DEPARTMENT, BOARD, OR COMMISSION</b>		
<b>Board Member</b>	<b>Dates of Term</b>	<b>Hometown</b>
<b>DATE OF SUBMISSION</b>		
<b>SIGNED:</b> _____		
<b>APPROVED:</b> _____		

# APPENDIX 2. FORMAT FOR AGENCY OPERATIONAL GOALS AND ACTION PLANS

<b>AGENCY OPERATIONAL GOAL AND ACTION PLAN</b>
<p style="text-align: center;"><b>SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL</b></p> <ol style="list-style-type: none"><li>1.</li><li>2.</li><li>3.</li></ol>
<p style="text-align: center;"><b>DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORT EACH STATEWIDE OBJECTIVE</b></p> <ol style="list-style-type: none"><li>1. Accountable to tax and fee payers of Texas.</li><li>2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.</li><li>3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve.</li><li>4. Attentive to providing excellent customer service.</li><li>5. Transparent such that agency actions can be understood by any Texan.</li></ol>
<p style="text-align: center;"><b>DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM</b></p>

## APPENDIX 3. STRATEGIC PLAN STATUTORY CONSIDERATIONS

The following are subject areas that agencies should address, if applicable, in their strategic plans, but should not be additional reports, schedules, or sections of the strategic plan. Any references to these issues should be integrated into the discussion of the agency's operational goals and action plan, as submitted in the format provided in Appendix 2. Inclusion of discussion on the items listed below, pursuant to Texas Government Code, Section 2056.002, is left to agency discretion.

### EXTERNAL/INTERNAL ASSESSMENT

In the strategic plan, agencies may consider including an evaluation of key factors that influence the agency. Detailed evaluation of trends, conditions, opportunities, and obstacles directs the development of each element of the strategic plan. An external/internal assessment may include the following information:

- an identification of groups of people served by the agency and of priority and other service populations in accordance with current law, and how those populations are expected to change within the timeframe of the strategic plan;
- an analysis of current agency resources for meeting current needs and expected needs, and a broad summary of additional resources necessary to meet future needs;
- an analysis of expected changes in services provided by the agency due to changes in state or federal law;
- further description of means and strategies for meeting the agency's needs, including future needs, and achieving its goals;
- a broad summary of the capital improvement needs of the agency during the period covered by the plan, and a prioritization of those needs (see Part 2. Supplemental Elements for related requirement); and
- an identification of each geographic region of Texas that the agency serves, including the Texas–Louisiana and the Texas–Mexico border regions, and, if appropriate, the agency's measures and strategies for serving each region.

External factors may include economic conditions, global competitiveness impact, population shifts, technological advances, geographical changes, and statutory changes. The Comptroller of Public Accounts (CPA) provides a long-term forecast of the state's economy and population for use in the external/internal assessment. A summary of this forecast is provided in Appendix 9. The agency uses the summary to the extent that variables important to agency activities are included in the forecast. A more complete set of variables is available for agency use through the CPA's Revenue Estimating Division. All data and projections obtained from sources other than the CPA must be referenced in footnotes. Internal factors may include management policies, resource constraints, organizational structure, automation, staff, and operational procedures.

### INFORMATION RESOURCES PLANNING

Agencies should examine technology solutions that advance the mission of the agency and align with statewide technology principles and priorities, pursuant to the Texas Government Code, Section 2056.002(b)(11). The agency should provide a description of the agency's information resources (IR) management organization, policies, and practices; a description of how the agency's IR programs support and promote its mission, goals, and objectives and the goals and policies of the State Strategic Plan for IR Management; and other planning components that the Department of Information Resources (DIR) may prescribe.

For reference, the *2020–2024 State Strategic Plan for Information Resources Management* is available at: <https://dir.texas.gov/sites/default/files/2020-2024%20State%20Strategic%20Plan%20for%20Information%20Resources%20Management.pdf>.

Submit questions regarding the information resources planning section to: [techplan@dir.texas.gov](mailto:techplan@dir.texas.gov).

**ENHANCING MILITARY FACILITIES**

If applicable, a state agency should include an analysis of the agency's expected expenditures that relate to federally owned or operated military installations or facilities, or communities where such an installation or facility is located, pursuant to the Texas Government Code, Section 2056.002(b)(10). Agencies are encouraged to make this evaluation using the most current criteria provided by the Texas Military Preparedness Commission. If an agency determines that the expenditure will enhance the military value of a federally owned or operated military installation or facility based on the base realignment and closure criteria, the agency should make that expenditure a high priority.

**CONTRACT MANAGER TRAINING**

Agencies that contract with other state agencies, federal or local governments, or private enterprise should describe the training requirements for their contract managers, pursuant to the Texas Government Code, Section 2056.002(b)(9).



# APPENDIX 4. FORMAT FOR REPORTING REDUNDANCIES AND IMPEDIMENTS

REDUNDANCIES AND IMPEDIMENTS (REPEAT SECTION AS NECESSARY FOR EACH IDENTIFIED REDUNDANCY AND IMPEDIMENT)	
SERVICE, STATUTE, RULE, OR REGULATION (PROVIDE SPECIFIC CITATION IF APPLICABLE)	
DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS	
PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION	
DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE	
NATURAL DISASTER-RELATED REDUNDANCIES AND IMPEDIMENTS (IF APPLICABLE)	
SERVICE, STATUTE, RULE, OR REGULATION (PROVIDE SPECIFIC CITATION IF APPLICABLE)	
DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS	
PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION	
DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE	

# APPENDIX 5. TEMPLATE TO REQUEST CHANGE(S) TO AGENCY BUDGET STRUCTURES

This template can be found on the Legislative Budget Board website in the section for Agency Portal/Strategic Planning Instructions ([www.lbb.texas.gov/Agencies\\_Portal.aspx](http://www.lbb.texas.gov/Agencies_Portal.aspx)). It is available in Microsoft Word and Microsoft Excel formats.

REQUESTED CHANGES TO AGENCY BUDGET STRUCTURE ELEMENTS (GOALS, STRATEGIES, MEASURES AND MEASURE DEFINITIONS) FOR THE 2024–25 BIENNIUM						
AGENCY NAME:	ELEMENT Identify the current Goal, Strategy, Measure or Measure Definition.	REQUESTED CHANGE Indicate requested change using strike-through to delete text and underscore to add text.	JUSTIFICATION FOR REQUESTED CHANGE Explain the reason for the proposed change.	LBB AND/OR OOG APPROVED CHANGE (if different from agency request)	LBB / OOG COMMENTS	STATUS
						NA
						NA
						NA
						NA
						NA
						NA
						NA
						NA
						NA
						NA
						NA
						NA
						NA
						NA
						NA
						NA
						NA
						NA
						NA
						NA
						NA
						NA

**Note:** The most recent goal, strategy and measure definition descriptions are located on Web ABEST. After logging on, select *Performance* then *Reports* to obtain the appropriate text. Measure definition must include all eight prescribed categories of information (i.e., short definition, purpose/importance, source/collection of data, method of calculation, data limitations, calculation type, new or existing measure, and desired performance).

# APPENDIX 6. EXAMPLES OF PERFORMANCE MEASURE DEFINITIONS

The following are examples of performance measures and definitions that the Department of Family and Protective Services has developed as part of its Strategic Planning and Performance Budgeting System. Each of these definitions not only contains all the properties identified on pages 9 and 10, but the agency also has developed each of these elements fully.

<b>Agency:</b>	Department of Family and Protective Services
<b>Goal:</b>	In collaboration with other public and private entities, protect children from abuse and neglect by providing an integrated service delivery system that results in quality outcomes.
<b>Objective:</b>	By 2023, provide or manage a quality integrated service delivery system for 70 percent of children at risk of abuse/neglect and mitigate the effects of maltreatment and assure that confirmed incidence of abuse/neglect does not exceed 10.9 per 1,000 children.
<b>Strategy:</b>	Provide caseworkers and related staff to conduct investigations and deliver family-based safety services, out-of-home care, and permanency planning for children who are at risk of abuse/neglect and their families.

## EXAMPLE 1

**Outcome Measure:** **Percent Absence of Maltreatment within Twelve Months of Intake (CPS)**

### Definition

Absence of Repeat Maltreatment is the percent of all children who were confirmed victims of a validated report of maltreatment during the first Fiscal Year who did not have a subsequent validated instance of maltreatment within a twelve-month period.

### Purpose

The purpose of this measure is to assess the degree to which children did not experience maltreatment after an initial validation of maltreatment in the Child Protective Services (CPS) system of care. This measure is intended to monitor the occurrence of repeat maltreatment within twelve months. This measure is one of the National Standard Data Indicators (Safety Indicator 1) used to assess states' performance on the Federal Child and Family Service Review.

### Data Source

The Information Management Protecting Adults and Children in Texas (IMPACT) application is the official source of record for abuse/neglect information at DFPS.

### Methodology

Divide the total number of unique confirmed victims in investigations completed during the previous Fiscal Year for whom there is not a second validated maltreatment for abuse or neglect in a completed investigation where the difference between the two intake dates is between three and 365 days (numerator) by the total number of unique confirmed victims in completed investigations where the investigation stage closure date is within previous Fiscal Year (denominator) and divide by 100 to achieve a percentage. Should the federal methodology change, the agency will work with the Legislative Budget Board (LBB) to update the measure definition in the Automated Budget and

Evaluation System of Texas (ABEST).

**Data Limitations**

None

**Calculation Method**

Noncumulative

**New Measure**

Yes

**Target Attainment:**

Higher than target

**EXAMPLE 2**

**Output Measure: Number of Completed CPS Investigations**

**Definition**

A completed CPS investigation is when the agency has reached a finding of abuse/neglect. The completion is determined by investigation stage closure date. The investigation stage closure date cannot be null and must occur during the reporting period.

**Purpose**

The purpose of this measure is to track the number of investigations of child abuse/neglect completed by CPS staff during the reporting period. This measure provides useful information for management purposes. It is helpful for noting variances and determining resource allocation.

**Data Source**

The Information Management Protecting Adults and Children in Texas (IMPACT) application is the official source of record for abuse/neglect information at DFPS.

**Methodology**

Count the number of completed CPS investigations where the investigations stage closure date is during the reporting period and the disposition has been determined regarding the allegations of child abuse/neglect. The annual or year-to-date count will be the sum of all completed investigations during the reporting period.

**Data Limitations**

Measure does not count investigations completed by the caseworker that are awaiting supervisory closure.

**Calculation Method**

Cumulative

**New Measure**

No

**Target Attainment:**

Lower than target

**EXAMPLE 3**

**Efficiency Measure: CPS Daily Caseload per Worker: Investigation**

**Definition**

This measure provides the average daily caseload for CPS investigation caseworkers. Supervisors carrying investigation cases are not included in the definition of investigation caseworker. Investigation workers are defined by job class code.

**Purpose**

This measure is an indicator of an average amount of work handled each day by a CPS investigation caseworker. The intent is to approximate what a caseworker would state if asked about the workload being managed.

**Data Source**

The Information Management Protecting Adults and Children in Texas (IMPACT) application is the official source of record for abuse/neglect information at DFPS. For each day during the reporting period, count stages from IMPACT that were open at any time during the day and for which the primary assignment is to a CPS investigation caseworker with the appropriate job class paid out of Strategy B.01.01 in HHSAS-HR. The following stages are included: Intake (INT) (if not progressed to INV in the same day), Investigation (INV), Family Preservation (FPR), Sub Care Child (SUB; including children reunified), Family Sub Care (FSU), Adoption (ADO), Foster/Adopt Home Development (FAD; if approved or receiving casework services) and Kinship (KIN).

**Methodology**

For the numerator, count stages assigned to caseworkers that were open during the day for each day during the reporting period if the primary assignment is to an investigative caseworker paid out of Strategy B.01.01 in HHSAS-HR.

For the denominator, calculate the total number of investigation caseworkers with primary assignments for each day during the report period, excluding trainees with less than 98 days of service. Trainees with 98-128 days of service are counted as half (0.5) a worker.

**Data Limitations**

Data from HHSAS-HR is point in time at the end of the month, so if a worker changed job class codes during the month, only the last one for the month is captured.

**Calculation Method**

Noncumulative

**New Measure**

No

**Target Attainment**

Lower than target

**EXAMPLE 4**

**Explanatory Measure:**

**Percent of CPS Workers with Two or More Years of Service**

**Definition**

CPS caseworkers providing direct services to clients are identified with the following job class codes: 1353C CPS Senior Investigator; 5024C CPS Investigator II; 5024F Faith Based CPS Specialist II; 5024K Kinship Caregiver CPS Specialist II; 5024 CPS Specialist II; 5025C CPS Investigator III; 5025F Faith Based CPS Specialist III; 5025K Kinship Caregiver CPS Specialist III; 5025 CPS Specialist III; 5026C CPS Investigator IV; 5026F Faith Based CPS Specialist IV; 5026K Kinship Caregiver CPS Specialist IV, 5026 CPS Specialist IV; 5027C CPS Investigator V; and 5027 CPS Specialist V specifying CPS direct delivery staff. Staff tenure is calculated from date of hire.

**Purpose**

This measure is a useful indicator of staff competencies and a general reflection of staff satisfaction.

**Data Source**

Information for this measure is taken quarterly from HHSAS-HR. Due to possible modifications in the

FPS fiscal system, PACs, service codes and/or worker classification codes are subject to change. Should this occur, the current equivalent codes will be substituted and documented in the performance folder.

**Methodology**

Divide the total number of CPS direct delivery caseworkers with two or more years of service (numerator) by the total number of CPS direct delivery caseworkers (denominator) and multiply by 100 to achieve a percentage.

**Data Limitations**

None

**Calculation Method**

Noncumulative

**New Measure**

No

**Target Attainment**

Higher than target

# APPENDIX 7. FORMAT FOR REPORTING ALIGNMENT WITH TEXAS WORKFORCE SYSTEM STRATEGIC PLAN

## PART 1

The following matrix shows the system objectives that are critical to achieve the system goals specified in the system strategic plan.

RESPONSIBLE AGENCY	SYSTEM OBJECTIVES
Texas Department of Criminal Justice – Windham School District	<ul style="list-style-type: none"> <li>Expand licensure and industry certification.</li> <li>Expand partnerships with system partners and stakeholders to promote collaboration, joint planning, and enhanced participant outcomes.</li> </ul>
Texas Education Agency	<ul style="list-style-type: none"> <li>Increase business and industry involvement.</li> <li>Expand licensure and industry certification.</li> <li>Improve and enhance services, programs, and policies to facilitate effective and efficient transitions.</li> </ul>
Texas Higher Education Coordinating Board	<ul style="list-style-type: none"> <li>Expand licensure and industry certification.</li> <li>Expand partnerships with system partners and stakeholders to promote collaboration, joint planning, and enhanced participant outcomes.</li> <li>Improve and enhance services, programs, and policies to facilitate effective and efficient transitions.</li> <li>Develop and implement policies and processes to ensure portable and transferrable credit and credentials.</li> </ul>
Texas Juvenile Justice Department	<ul style="list-style-type: none"> <li>Develop and implement policies and processes to ensure portable and transferrable credit and credentials.</li> <li>Employ enhanced or alternative program and service delivery methods.</li> </ul>
Texas Veterans Commission	<ul style="list-style-type: none"> <li>Increase business and industry involvement.</li> <li>Expand licensure and industry certification.</li> </ul>
Texas Workforce Commission	<ul style="list-style-type: none"> <li>Expand licensure and industry certification.</li> <li>Expand partnerships with system partners and stakeholders to promote collaboration, joint planning, and enhanced participant outcomes.</li> <li>Improve and enhance services, programs, and policies to facilitate effective and efficient transitions.</li> <li>Employ enhanced or alternative program and service delivery methods.</li> </ul>

For each system objective, the agency responsible for the objective is asked to provide information on key initiatives that will fulfill the intent of the objective that the agency intends to undertake, as well as the anticipated outcomes to be achieved during the agency’s strategic plan for fiscal years 2023 to 2027. Use the format on the following page. Repeat the section as necessary for each identified objective.

SYSTEM OBJECTIVE:	KEY ACTIONS/STRATEGIES/OUTCOMES:

**PART 2**

Describe the approach and list the strategies that your agency will employ to build internal organizational and staff competence in each of the three strategic pillars specified in the *Texas Workforce System Strategic Plan (FY 2016–FY 2023)*:

1. Customer service and satisfaction  
Agency response:
2. Data-driven program improvement  
Agency response:
3. Continuous improvement and innovation  
Agency response:



## APPENDIX 8. CUSTOMER SERVICE SURVEY

An agency’s customer service survey must include the following questions and scale to measure satisfaction with the agency’s facilities, staff interactions, communications, website, complaint handling processes, timeliness, printed information, and overall satisfaction with the agency. An agency may disaggregate these general questions into multiple questions that separately examine components of customer service; for example, for Question 2, an agency may ask separate questions regarding staff friendliness from questions regarding staff knowledgeable. The disaggregated questions should, likewise, use the prescribed scale. However, in its report, an agency should include a result for Question 2 that combines the results for those separate questions. These standardized questions should be in addition to survey questions that address customer satisfaction specific to the agency’s programs and services.

SCALE						
1 – Very unsatisfied	2 – Unsatisfied	3 – Neutral	4 – Satisfied	5 – Very satisfied	N/A – Not Applicable	

1. How satisfied are you with the agency’s facilities, including your ability to access the agency, the office location, signs, and cleanliness?

1      2      3      4      5      N/A

2. How satisfied are you with agency staff, including employee courtesy, friendliness, and knowledgeable, and whether staff members adequately identify themselves to customers by name, including the use of name plates or tags for accountability?

1      2      3      4      5      N/A

3. How satisfied are you with agency communications, including toll-free telephone access, the average time you spend on hold, call transfers, access to a live person, letters, electronic mail, and any applicable text messaging or mobile applications?

1      2      3      4      5      N/A

4. How satisfied are you with the agency’s Internet site, including the ease of use of the site, mobile access to the site, information on the location of the site and the agency, and information accessible through the site such as a listing of services and programs and whom to contact for further information or to complain?

1      2      3      4      5      N/A

5. How satisfied are you with the agency’s complaint handling process, including whether it is easy to file a complaint and whether responses are timely?

1      2      3      4      5      N/A

6. How satisfied are you with the agency’s ability to timely serve you, including the amount of time you wait for service in person?

1            2            3            4            5            N/A

7. How satisfied are you with any agency brochures or other printed information, including the accuracy of that information?

1            2            3            4            5            N/A

8. Please rate your overall satisfaction with the agency.

1            2            3            4            5            N/A

## APPENDIX 9. ECONOMIC AND POPULATION FORECAST

TEXAS AND THE U.S. ECONOMIC AND POPULATION FORECAST FISCAL YEARS 2022 TO 2029, FALL 2020 FORECAST								
CATEGORY	2022	2023	2024	2025	2026	2027	2028	2029
<b>Texas</b>								
Gross State Product (2012 dollars in billions)	\$1,878.3	\$1,941.5	\$2,001.9	\$2,055.1	\$2,113.7	\$2,174.3	\$2,237.0	\$2,301.9
Annual percentage change	5.4%	3.4%	3.1%	2.7%	2.9%	2.9%	2.9%	2.9%
Personal Income (current dollars in billions)	\$1,734.1	\$1,826.0	\$1,930.4	\$2,042.6	\$2,161.2	\$2,284.6	\$2,414.6	\$2,550.3
Annual percentage change	1.9%	5.3%	5.7%	5.8%	5.8%	5.7%	5.7%	5.6%
Nonfarm Employment (in thousands)	12,987.3	13,339.1	13,607.2	13,812.9	13,975.2	14,095.8	14,189.0	14,293.5
Annual percentage change	3.7%	2.7%	2.0%	1.5%	1.5%	1.2%	0.9%	0.7%
Unemployment Rate (percentage)	4.5%	3.6%	3.5%	3.6%	3.8%	3.9%	4.0%	4.0%
Resident Population (in thousands)	29,747.7	30,098.0	30,459.0	30,826.2	31,195.3	31,565.0	31,936.5	32,309.3
Annual percentage change	1.1%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
New York Mercantile Exchange (NYMEX) Oil Price (\$ per barrel)	\$75.07	\$69.89	\$66.47	\$66.84	\$68.06	\$71.65	\$82.30	\$93.71
NYMEX Natural Gas Price (\$ per Million BTUs)	\$4.27	\$3.31	\$2.92	\$2.79	\$2.79	\$2.85	\$2.94	\$3.11
<b>U.S.</b>								
Gross Domestic Product (2012 dollars in billions)	\$20,198.9	\$20,686.5	\$21,172.3	\$21,660.7	\$22,158.4	\$22,669.7	\$23,184.7	\$23,705.1
Annual percentage change	5.2%	2.4%	2.3%	2.3%	2.3%	2.3%	2.3%	2.1%
Consumer Price Index (1982–84=100)	275.1	279.7	285.5	291.7	298.0	304.5	311.4	318.8

Annual percentage change	3.3%	1.6%	2.1%	2.2%	2.2%	2.2%	2.3%	2.4%
Prime Interest Rate	3.3%	3.3%	3.6%	4.0%	4.5%	5.0%	5.5%	5.8%

SOURCE: Texas Comptroller of Public Accounts.