

TEXAS RACING COMMISSION

MEETING

1:30 p.m.
Wednesday,
February 9, 2022

John H. Reagan Building
Room 120
1400 Congress Avenue
Austin, Texas 78701

COMMISSIONERS:

ROBERT C. PATE, Chair
CONNIE McNABB, D.V.M., Vice Chair
MARGARET MARTIN (absent)
ARVEL "A.J." WAIGHT
MICHAEL "MIKE" MOORE (absent)
REBECCA CONTRERAS

EX OFFICIO MEMBERS:

CLINT BURGESS, Texas Department of Agriculture
STEVEN P. MACH, Public Safety Commission

ON THE RECORD REPORTING
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I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
I. Call to Order	4
Roll Call	4
II. Public Comment	5
III. General Business	
A. Discussion and consideration of staff reports regarding administrative matters:	
1. Executive Director's Report	6
2. Horseracing Integrity and Safety Act Implementation	35
3. Budget and Finance Reports	46
4. Enforcement	49
B. Discussion, consideration, and possible action on the following matters:	
1. Designation by the Chair of a Rules Committee	54
IV. Proceedings on Rules	
A. Discussion and possible action to propose amendments published in the January 7, 2022, <i>Texas Register</i> to:	
A. 16 TAC §313.110, Coupled Entries	58
B. 16 TAC §321.207, Betting Interests	60
V. Proceedings on the Horse Industry Escrow Account	
A. Staff report on breed registry requests for funding from the Horse Industry Escrow Account approved by the Executive Director, as of January 19, 2022.	62
B. Discussion and possible action to allocate funds in the Horse Industry Escrow Account to state horse breed registries for events to further the horse industry under 16 TAC Chapter 303, Subchapter G, as of January	

19, 2022.	
1. Requests by the Texas Paint Horse Breeders Association.	63
2. Requests by the Texas Quarter Horse Association.	65
3. Request by the Texas Arabian Breeders Association.	70
VI. Executive Session	none
VII. Next Commission Meeting: Wednesday, April 13, 2022, 10:30 a.m.	
VIII. Adjourn	72

P R O C E E D I N G S

1
2 CHAIRMAN PATE: Good afternoon. At this time,
3 I'd like to call today's meeting of the Texas Racing
4 Commission to order. The time is now -- it appears to be
5 1:29 p.m.

6 Jim, would you please call the roll?

7 MR. BLODGETT: Yes, sir. Chairman Pate?

8 CHAIRMAN PATE: Here.

9 MR. BLODGETT: Dr. McNabb?

10 DR. McNABB: Here.

11 MR. BLODGETT: Commissioner Margaret Martin?

12 (No response.)

13 MR. BLODGETT: Commissioner Michael Moore?

14 (No response.)

15 MR. BLODGETT: Commissioner A.J. Waight?

16 MR. WAIGHT: Here.

17 MR. BLODGETT: Commissioner Rebecca Contreras?

18 MS. CONTRERAS: Here.

19 MR. BLODGETT: Commissioner Steven Mach?

20 MR. MACH: Here.

21 MR. BLODGETT: And Commissioner Clint Burgess?

22 MR. BURGESS: Here.

23 CHAIRMAN PATE: Jim, do we have a quorum?

24 MR. BLODGETT: Yes, sir. We do.

25 CHAIRMAN PATE: Great. Commissioners, I'd like

1 to welcome you to our first meeting of 2022. We do enter
2 this year with new challenges and with great opportunities
3 for partnership and engagement at all levels of the horse
4 and greyhound industry, which will benefit the citizens of
5 the great state of Texas.

6 At this time, I'd like to ask, has anybody
7 signed up for public comment?

8 MR. BLODGETT: We had one who signed up for
9 comment.

10 CHAIRMAN PATE: That was with respect to a
11 later agenda item -- Pancho Villarreal, correct?

12 MR. VILLARREAL: Right. That's just our agenda
13 item.

14 CHAIRMAN PATE: All right. Thank you very
15 much. No other comment?

16 MR. BLODGETT: No, sir.

17 CHAIRMAN PATE: All right. At this time, I'm
18 going to ask Amy to give us our Director's Report. I want
19 to inform the Commissioners in the, I'm going to say, 90
20 days -- Amy says it hasn't been that long.

21 But this Agency, as you know, was near sunset
22 and was resurrected. And we hired a new executive
23 director who just started working November 15. Amy has
24 done, I think, great things in addressing the problems of
25 the Agency internally and externally.

1 I've asked Amy to take extra time today,
2 because our Agenda is relatively short, to really explain
3 to the Commissioners kind of what she was facing and what
4 she found and what has been done, which kind of sets up a
5 little bit of the discussion we'll have later on a couple
6 of items. All right.

7 Amy?

8 MS. COOK: Good afternoon, Commissioners.
9 Ladies and gentlemen, welcome.

10 Again, I want to say, as I provide the second
11 report to you, how honored I am to have the position. I
12 consider it a position of trust, and I have told everyone
13 that I've spoken to about the mission of the Agency and
14 our activities that I mean that when I say that, that we
15 should always have that perception, that we have public
16 trust in everything that we do. I'm going to build on
17 what I said we were going to do last time when I reported
18 to you, and tell you what we have done based on my
19 commitment to you.

20 What we did in the first -- I guess it's been
21 about 80 days, is we conducted a SWOT analysis --
22 strength, weaknesses, opportunities, and threats. It's a
23 *Harvard Business Review* model. And I had every employee
24 in the Agency fill out sort of the quad chart of what they
25 thought were the strengths, weaknesses, opportunities, and

1 threats.

2 And I want to talk to you a little bit about
3 what the employees in the Agency said because I think it's
4 important for you to hear that. What I would tell you
5 is -- I'm just going to tell you the highlights because
6 many of the themes were common.

7 Really, the strength of the Agency is you have
8 a core group of dedicated professionals. You have some
9 folks that have been there for over 20 years that have
10 really invested themselves, their lives, their families in
11 the success of the Agency, despite some of the challenges
12 the Agency has faced.

13 The weaknesses, though, that were articulated
14 by many employees was that there was little to no
15 communication between the departments within the Agency,
16 or between the Agency staff and the external customers
17 they supported. And that lack of communication really led
18 to a lot of fear and uncertainty about whether or not they
19 had a job, particularly with the legislative session that
20 we just went through, or whether or not they were even
21 doing what they were supposed to do in their job.

22 And when I arrived there and asked for a copy
23 of every job description, I was told that everyone didn't
24 have one. And so, that was, of course, of great concern.

25 And then, I asked for an organization chart, and there is

1 one in our annual report, but it doesn't have all the
2 employees listed on it.

3 So, if you can imagine you're a junior employee
4 in this Agency and you're looking at the news and the fact
5 that it's almost not an agency, and you have a job that's
6 called Administrative Assistant, for example. But you
7 don't have a job description and you're not really sure
8 who you worked for, and you don't really know where the
9 big boss is or what we're doing and what direction we're
10 going in, how scary that is.

11 So, there was a lot of fear and uncertainty, I
12 think, when I got there. And also, there was a little bit
13 of a paradigm about, Well, she's a military gal. What
14 does that mean? What I think they found that means is
15 that the experience I have tells me that there should be a
16 structure, a communication strategy, you know,
17 expectations given to you so that you know what's expected
18 of you and how you can be successful and how you can grow.

19 What they also said was we had outdated
20 personnel policies, and I would tell you that's true. We
21 didn't have performance development forms that would say,
22 what are your job objectives? What's your development
23 plan? How do you grow as an employee? Where's the career
24 ladder?

25 Like, if I wanted to be more than just, let's

1 say, a test barn employee, you know, testing horses. If I
2 want to be the test barn supervisor, if I want to be a
3 steward and judge a race, how do I get there?

4 And you have great people like Connie Estes,
5 for example, who, on her own, went from job to job to job
6 just learning the jobs, and now, has grown into Deputy
7 Executive Director for Operations in Racing. But that's
8 of her own choosing, not because there was actually a path
9 created. And so, now, we're in the process of creating
10 that path.

11 They also said our IT infrastructure was really
12 not where it needed to be. And so, when I looked at that,
13 we have spent in the neighborhood of probably \$3 million
14 over the past five or six years upgrading our IT
15 infrastructure. And so, when I took a look at the model
16 that was being funded, it is actually an Oracle database
17 that runs our licensing program. It is residing on a
18 server that is at end of life.

19 It was having some application development done
20 to it by a company we contracted with. However, it does
21 not connect, in terms of reciprocity, with other states or
22 with other systems or with other agencies in Texas. So,
23 it's really not a sustainable model to continue.

24 And so, their concerns about the IT
25 infrastructure and whether or not it really supported and

1 was the tool they needed, I think, were well-founded.
2 They also said our web page was terrible. And I said --
3 you know, given the Agency resourcing and who had the
4 ability and time to manage these things -- I actually said
5 in my interview, I didn't understand the web page and how
6 hard it was to navigate. And so, I'll talk about that
7 more in a few minutes.

8 So, that's kind of what the Agency staff said.

9 And I'm going to move to threats before I move to
10 opportunities because I want to spend the balance of my
11 time talking about our opportunities, because I think
12 that's what you really want to hear about.

13 But just to outline some of the threats that
14 they said we had, we have outdated rules of racing. I'm
15 not talking about the statute enacted by the legislature.

16 I'm talking about the rules of racing that are adopted by
17 the Commission. The rules of racing have not kept up with
18 technology.

19 For example, one of the parks would like to do
20 mobile gaming, where if you're on the park and you get a
21 signal on the park, it is permitted in Texas to actually
22 take an app on your phone and not stand in the line and do
23 pari-mutuel wagering. But our rules don't talk about
24 technology. Our rules don't talk about mobile phones.

25 Our rules have not kept pace with what the

1 parks and what the Agency has needed them to do. So we
2 will be going through and reestablishing, I think, with
3 the Chair's support, the Rules Committee, and really get
4 back to prioritizing, attacking the changes that are
5 needed to modernize those rules of racing so we can do a
6 great job for the citizens of Texas, and our customers and
7 industry are supported.

8 The employees also said that we are not, you
9 know, we are at -- one of our biggest threats was the
10 Horse Integrity and Safety Act. You know, if the
11 legislature didn't come and say we were no longer an
12 agency and collapse us into someone else, the federal
13 government was going to come in in July and take all our
14 jobs away anyway.

15 Well, that's an important point that they
16 started saying to me that some of the other stakeholders
17 said to me, which is why I had sent you some messaging,
18 and it is in meeting materials, that, you know, I wrote
19 Governor Abbott a letter, and we'll talk more about this
20 in Virginia's report, recommending that we challenge the
21 constitutionality of the Horse Integrity and Safety Act.

22 Because I really believe, especially after the
23 first only 80 days in the job, that Texans can manage
24 their own business with respect to horse integrity and
25 safety, and we can come together. And actually, an act

1 like this is actually a good change agent, really, for us
2 to think through because there are some informative things
3 in this act. But what it should do is it should draw
4 Texans together to be able to say that this is something
5 that we can do to strengthen our own rules, our own
6 partnerships, and say, thank you so much for wanting to
7 come into the state and take over, but we've got this.

8 Because effectively, what the act would do -- I
9 said this in the letter and I believe this -- is it would
10 replace the Commissioners that I report to, all of you,
11 with an unconstitutional private entity delegated by some
12 federal agency that really is unconstitutional, and
13 replace our governor, you know, in that scheme, and that's
14 not right.

15 So, we've gone ahead and with the assistance of
16 the Attorney General and the permission of the Governor's
17 office, intervened in a lawsuit in Lubbock, Texas, and
18 Virginia will give you a briefing on that. So, the
19 employees in the Agency saw that coming and said something
20 about it, and that helped me understand it and move
21 towards that.

22 And the last thing the employees said -- and I
23 think it is really important for you to understand -- is
24 that Texans, the average Texans, don't understand the
25 purpose of the Agency and what we do for them and what our

1 mission is. And I would tell you I think that's true
2 because the outreach, perhaps, was not where it needed to
3 be. The education of what we're doing to enable a great
4 horse racing and greyhound racing industry in the state,
5 that is not understood by the average Texan, and that's
6 something we need to work on as Agency staff, and we need
7 to work on as we do things.

8 So, that's sort of a summary of the strengths,
9 weaknesses, and threats. The opportunities, though, are
10 amazing. The opportunities for hope and for brightness
11 and lightness as we move into a new office space in a few
12 months.

13 The opportunities to establish Texas as an
14 industry leader in the field of racing, in the field of
15 protection and safety of animals, and integrity in how
16 those things are done. The opportunity is there to be
17 number one and be the most professional racing commission
18 in America. The opportunity is here to be the best state
19 agency in the great state of Texas.

20 And yes, I have told every other state agency
21 that, and they have all -- and I have to tell you this --
22 the Facilities Commission wrote me an e-mail about two
23 weeks ago, Dear Best State Agency in Texas, we want to let
24 you know how glad we are that you are so happy to move
25 into the new building that you'll be in in two months.

1 Yes. So, my evil plan is working. So, I think
2 that we also have a great opportunity to apply fiscal
3 stewardship practices to our business operations. You
4 know, I'm just like you. I have a checkbook. I have a
5 budget at my house.

6 And when I look at the way that we do our
7 fiscal operations and the fact that we are a public
8 agency -- and really, a fee-for-service kind of agency is
9 our fiscal structure, where that we're funded by the
10 activities of those in the industry, whether it's
11 pari-mutuel wagering or whether it's racetrack operations.

12 It's really important that we be that fiscal steward of
13 those resources we are given.

14 So, all of that informs the strategic plan that
15 I think we need to rewrite, which really needs to have
16 some clear lines of effort around operational excellence,
17 stewardship, partnerships, and innovation. You know, we
18 need to be in the forefront and be an industry leader.

19 It also informs some of the initiatives that
20 I've started, which is some of the of interagency we
21 should have with the Facilities Commission as we move into
22 the new building, re-engaging on our partnership with
23 Department of Public Safety, re-engaging with the
24 Department of Agriculture in speaking to Commissioner
25 Kleinschmidt about interagency partnerships there, as well

1 as the Department of Information Resources.

2 And I want to take a moment to talk about that.

3 So, when we talk about an outdated IT strategy and some
4 contracting models, we've already terminated one contract
5 and we're in the process of negotiating through what we
6 will do with the second contract. What I would tell you
7 is that as we move over to a great new model, which is the
8 Department of Information Resources Shared Technology
9 Services, which is a great model for small agencies, we
10 join with other small agencies and dramatically reduce our
11 cost from an average of \$500,000 a year to \$78,000 a year
12 as we do that.

13 And so, I expect that to take effect in April
14 of 2022. So, we're already on the way with DIR, and I
15 want to thank Mandi Crawford, Dale Richardson, and Hershel
16 Becker at DIR for just being amazing partners and helping
17 us get to a solution that really is more cost effective
18 for the citizens of Texas, and more effective for the
19 Agency to support its customers.

20 The partnerships, though, that we can engage in
21 beyond the interagency agreements with schools, with those
22 in the industry that want to promote charitable work that
23 should be around horse racing, the internships, the
24 research grants -- we had a lot of great discussions about
25 those things. I think there's just amazing opportunities

1 for partnerships.

2 So, but first and foremost, I really thought it
3 was an important message to send that we issue that
4 challenge against the Horse Integrity and Safety Act
5 because Texas had been managing the horse racing and
6 greyhound racing industry for 125 years, and we can
7 continue to do that without anybody else being in our way.

8 And I thought it was an important message to send not
9 only you, but to our stakeholders.

10 So, a couple more items in terms of
11 opportunities -- now that we've revisited funding
12 allocations and we're not taking money from salary
13 programs and putting them against IT, and we're realizing
14 those cost savings. We've promoted a new chief
15 veterinarian, a position that's been vacant for two years,
16 and that's Dr. Steve Bond. An amazing gentleman when you
17 get to a race park and you have a chance to sit with him
18 in the pickup truck and chase the horses and the
19 ambulance, or watch him at 5:00 in the morning when he's
20 watching these horses walk and train and run to make sure
21 they're safely running.

22 What a great gentleman, and what an amazing
23 human being who stepped up and applied for that position.

24 So grateful to have accepted him in that job.

25 Our new chief steward, Anne Alley, who's been

1 with the Agency 13 years, now is leading the Steward
2 Rebuild Program to bring in new stewards, new energy, and
3 new support for all the race parks. Our new IT program
4 manager, Dwayne Price, that's been with us for 12 years,
5 and really was just sort of a worker bee doing quiet
6 things.

7 But the day I met him -- the first day I got to
8 work, I knew he had leadership potential. I've encouraged
9 him. I've supported him. I'm growing him. And now, he
10 is now leading our IT program and our modernization in
11 that area.

12 We've got a new general counsel, who I have to
13 just tell you -- I mean, I've never seen such energy and
14 amazing engagement from an attorney in my life, where she
15 has drafted all the pleadings that can help with motion to
16 intervene, reached out to all kinds of folks, and really
17 led the charge on the Federal Trade Commission rulemaking
18 comments that we made that I think are really important,
19 because the thing that no one has done in this litigation
20 with HISA is propose the solution.

21 The solution is a public safety grant type
22 model where you say, hey, racing commissions, you're 38th
23 to do this thing. We'll provide a federal grant program
24 and we want you to meet these standards. You apply for
25 the grant and we'll have a cooperative agreement, and you

1 meet these standards and we'll pay for it.

2 I mean, that works in so many other programs in
3 federal governments. It works at the Department of
4 Agriculture. It works for Department of Public Safety.
5 It works for the Military Department. Why in the world
6 wouldn't you do that in this instance?

7 Why would you have a different model where you
8 would have the State Racing Commission go out to its
9 constituents and try to bill them to pay for this thing?
10 I mean, that model is probably not feasible and will not
11 be successful. So, a public safety grant -- we threw it
12 right in our FDC. Comments -- so, if they come out and
13 say that's their idea, you know it came from Texas, y'all.

14 And then, one of the things that this
15 Commission had approved was an internal auditor, \$15,000 a
16 year for the last 20 years. Guess what -- we're not
17 required to have an internal auditor because we have less
18 than \$10 million in our budget and less than 100
19 employees.

20 So, we said to Mr. Monday Rufus, thank you so
21 much for your service, but we'll actually do a risk
22 assessment, provide that to the State Auditor's Office.
23 It costs us nothing. So, we are saving money there.

24 So, and we're going to move away from
25 contracted staff into filling all our FTEs because the

1 legislature gave them to us. We need to fund them, grow
2 them, provide them career development, professional
3 training, cross-training, and have that career ladder for
4 them.

5 And, I guess, the last opportunity I really
6 want to talk about is our communications. I mean,
7 everything has come back to communications -- internal,
8 external. Internally, we've established principles of
9 service. You know, how you will serve as a public servant
10 in the Agency, standards of conduct, performance
11 standards, and this is what it takes to be successful.
12 This is what it takes to grow.

13 I've gone to all the parks, with the exception
14 of Gillespie County Fair. At Lone Star Park, I had great
15 engagements with the Agency and park staff there. At
16 Retama Park -- and then, Sam Houston Park.

17 I specifically want to thank Dwight Berube
18 because Dwight has been really great in hosting public
19 meetings and public events, including our Safety and
20 Health Committee last week, and we so appreciate the
21 hospitality and outreach there. So, we really have
22 pressed to make sure internal communications and
23 engagement is starting to ramp up.

24 Externally, we are modernizing our social
25 media. Our new Agency web page should go live on Monday.

1 So I'm going to be happy to share that with you when we
2 launch that. As well as we've gone out there on social
3 media and created a new logo, a new motto, "Excellence
4 starts here", and pushed our social media communications
5 as we try to make sure that we have the engagement level
6 of conversation we need to have to modernize the rules of
7 racing, as I said.

8 And so, the public meetings -- we put our
9 public meeting last week on Facebook Live, Safety and
10 Health Committee, because you may have heard that I
11 suspended hair testing in the great state of Texas, and we
12 hope to go back to that methodology of testing on 1
13 September of 2022.

14 So, why did I do that? I did that because I
15 was standing in Houston at Sam Houston Race Park and I had
16 heard about hair testing. Not so much the procedure, but
17 the way it was implemented. It's one thing for a
18 rulemaking agency to write a rule and have public comment,
19 public hearings, and publish here and have notice.

20 It's quite something else, though, to not have
21 the word "hair" mentioned in the rules of racing, even
22 though it is an authorized testing method, and modernized
23 the way we test, as I said, but not modernize the rule as
24 you do it, and sort of blind side the community that
25 you're supposed to be partnered with and/or sometimes

1 regulate, depending on the circumstance. And all of the
2 sudden, create a lot of uncertainty and fear because you
3 suddenly changed a policy without really giving notice.

4 And so, the effect of what happened in May of
5 last year was exactly that. It wasn't that anybody
6 disagreed with hair testing by the Commission. They
7 disagreed with the way that the Commission staff
8 implemented it.

9 And so what was going to happen to one of the
10 most important weekends at Sam Houston Park was there was
11 a real uncertainty among the horsemen who were entering
12 horses because they were worried the Commission might do
13 something, then change something and hair testing might
14 cause more issues. So I'm standing there at Sam Houston
15 feeling all the uncertainty, looking at the park
16 representatives, and recognizing that past decisions had
17 really created sort of a cloud over that procedure.

18 I suspended hair testing in our state so we
19 could actually have the public meetings, so we could
20 actually have the public comment that we're supposed to.
21 But do it in an open and transparent way that even if you
22 couldn't be there, you could watch it on Facebook Live.
23 You could e-mail. You could call us.

24 You could comment on social media and we would
25 know what you were thinking. And I appreciate

1 Commissioner McNabb jumping in and really helping with
2 that.

3 Some key discussion points last week is on pre-
4 and post-race testing, and really, where does the
5 Commission stand? And what does the Commission do? But
6 more important is what does the lab do? What does the lab
7 test for? What is the throughput for the lab?

8 And what is the part that everyone else takes
9 in this? Because this is not just a Commission thing.
10 It's an everybody thing that we want clean, safe racing
11 that is done with integrity.

12 So, the parks are looking at their condition
13 books. The American Quarter Horse Association has been
14 starting to talk about clean hair testing. This is a hot
15 topic in the United States. So we don't know what the
16 rule will be and what the Commission will adopt, but we do
17 know the conversation is really, really important for us
18 to have here in Texas.

19 And I will tell you that I very much appreciate
20 it, as well, and done a lot of outreach to our Governor's
21 Office representative, Jared Schaefer; our legislative
22 budget board representative, Thomas Galvan, who couldn't
23 join us today but I understand they're watching it from
24 the live feed. So, thank you for that.

25 And I just want you to know that, as we move to

1 our new office -- April 9 and 10, we'll be relocating
2 right down the street here two blocks away and the
3 Commissioners will have a tour after that meeting that
4 we've scheduled for you because we'll actually be in the
5 office space. We look forward to continuing to exploit
6 opportunities, to move the Agency towards its core mission
7 statement that I've developed, which is to be the most
8 professional racing commission in America and the best
9 state agency in the great state of Texas.

10 Unless you have further questions, that's what
11 I have for my report today. Thank you.

12 CHAIRMAN PATE: Amy, thank you.

13 Commissioners, I want you to know that the
14 actions that Amy takes, she doesn't take in a vacuum. I
15 have probably spent more time than I ever thought I would
16 in connection with the Racing Commission in communicating
17 with Amy, as well as Vice Chair McNabb, who have really --
18 Vice Chair McNabb has really invested much of her time and
19 her expertise as a veterinarian in working to inform both
20 me and Amy about that side of the business as these issues
21 have come up.

22 So, I just think Amy has really, on multiple
23 fronts, tried to attack issues that face the Agency and
24 we're mindful of the fact that we're going to be quickly
25 going into a legislative session, and we're going to have

1 some real needs that we're going to be able to articulate
2 to the Legislature, and we're going to be prepared to do
3 it. That's the way we're looking at right now.

4 But does anybody have any other questions of
5 Amy?

6 MS. CONTRERAS: I have a question.

7 CHAIRMAN PATE: Go ahead.

8 MS. CONTRERAS: I don't know --

9 DR. McNABB: There's a button.

10 CHAIRMAN PATE: You have a button underneath.

11 DR. McNABB: There's a button underneath.

12 MS. CONTRERAS: Oh, underneath? Okay.

13 Amy, thank you for your leadership. It's clear
14 you've done a lot of hard work in such an aggressive time
15 frame. Could you shed light a little bit more on the comm
16 plan, in terms of the day-to-day? Are you having, like,
17 all-hand staff meetings?

18 Do you do, like -- I'm assuming there's kind of
19 a tier one manager level. Just tell us a little bit more
20 about the communication to the staff, since that was a big
21 gap.

22 MS. COOK: Yes, ma'am. I think we did have our
23 first all-staff meeting in November, and I shared the
24 standards of conduct, daily operations, principles of
25 service. We had a Christmas party and an all-staff

1 packing party. I called it the Christmas Pot Luck
2 Relocation Roundup.

3 And what we did there is we -- actually, in
4 Austin, we had been holding a lot of office supplies. We
5 could've opened our own office supply store, I'm just
6 saying. And so -- but our field offices didn't have
7 office supplies that they needed.

8 So, we actually had them come and get what they
9 needed -- furniture, instead of surplussing things. So,
10 we had a great -- everybody put their work boots on, their
11 work gloves on and packed the office together because we
12 want to be pre-positioned to move.

13 I spent the month of January going to see them
14 all in person and spending time sitting -- actually, over
15 the past, really, six weeks -- sitting behind the
16 licensing desk with the licensing clerks, sitting with the
17 stewards while they judge races, spending time with the
18 veterinarians and the test barn folks. Sitting with the
19 investigators, watching them type into these screens on
20 the system that they said wasn't working, and kind of
21 reading through what they said they're concerned about and
22 actually standing there with them while they did the work.

23 Because, as I said, the job description -- so,
24 almost every State agency has State classifications,
25 right? I mean, but we don't have our own. There is no

1 steward in the State classification system. So, we're
2 going to write that job.

3 I mean, and so, it will take a little bit of
4 time to actually put those in place. But what we were
5 doing is we were advertising for a program supervisor,
6 which has nothing to do with being a steward judging a
7 live race, right? So now, we're advertising for a
8 hearings officer because, really, the key thing what that
9 job does is they judge a race. They hold a hearing and
10 then they follow the appellate process through.

11 But we're picking job descriptions actually
12 based on the work they're doing that are existing,
13 describing the work better in performance standards and
14 actually going to write our own job descriptions because
15 we have such a unique industry that we support.

16 But I'll tell you what -- Jim Blodgett, in
17 particular, has done a great job as Deputy Executive
18 Director of Administration, because now we have two deputy
19 executive directors. One that's over racing operations
20 that's really bringing up that group and growing them in
21 that career ladder. And in administration, a career
22 ladder group that covers finance, contracting, records
23 management, and auditing, and really bringing that group
24 together.

25 And Jim went through and did performance

1 evaluations for everyone and sat down and said, This is
2 what's expected of you. And so, they haven't had that.
3 And our performance evaluation form didn't have, you know,
4 even the objectives of how to grow you and some of that.
5 So, I actually redesigned that form and published it.

6 So, I really spent some time, once I had them
7 turn everything in on 1 December, their SWOT analysis,
8 going back and talking to them about that and trying to
9 redesign some things, employee practices based on that.

10 MS. CONTRERAS: And then, a follow-on question.

11 The last time we were together, I recall you indicating
12 that staff hadn't had raises. They hadn't had incentives.

13 I'm assuming there's a plan to propose some
14 sort of change to the legislature to allow a claim for
15 that --

16 MS. COOK: Well, actually, almost everyone has
17 either been reclassified into a new job description. And
18 while they were reclassified, they were either given a
19 raise and/or I promoted them.

20 So, the veterinarians, for example. When we
21 advertised for the chief veterinarian, there was a Chief
22 Veterinarian Level 4 -- the two gentlemen that we had on
23 board, they were 2s. And one of them had been there 20
24 years, and the other one had been there 13 years.

25 MS. CONTRERAS: Wow.

1 MS. COOK: Never had a raise.

2 MS. CONTRERAS: That's unbelievable.

3 MS. COOK: And so, I gave them a raise --

4 MS. CONTRERAS: Yeah.

5 MS. COOK: -- before one of them applied for
6 chief veterinarian.

7 But I've gone through and looked at everyone,
8 because there were some initial raises given by Connie
9 Estes because it had been so long. But I'm actually
10 looking at the value of their work, looking at what
11 they're actually doing, and we have actually, because of
12 the cost savings of some folks departing -- I mean, some
13 folks don't want to move downtown. Some folks did not
14 want to stop telecommuting, because I ended telecommuting
15 for the Agency on 1 January.

16 Those cost savings have resulted in me being
17 able to promote others. So, I think I've increased the
18 salaries of probably about 15 folks at this point.

19 MS. CONTRERAS: Well, thank you for all you're
20 doing. That's fabulous.

21 MS. COOK: Well, I'm just taking care of the
22 people so they can take care of all of you, and that is
23 the job.

24 DR. McNABB: Just a comment. When we were
25 doing the search process and the Chairman saying, Okay,

1 what is it that we're looking for? We could see that
2 there were people working in this agency who've worked in
3 this agency 20 years and longer.

4 They are incredibly loyal, unbelievably
5 dedicated to what they're doing, know their slice of the
6 pie better than anybody on the planet. But none of them
7 were being cultivated, just like Amy said. None of them
8 were being cultivated for any career ladder to learn how
9 to someday, perhaps, be the executive director to then,
10 understand how the State agency interfaces with the rest
11 of Texas.

12 We had everything from there down, and people
13 who know their job better than anybody around. You won't
14 find a better Curley Trahan than Curley Trahan right
15 there, and the guy knows his job inside out and upside
16 down. But we saw that what has held the Agency back is,
17 we haven't had a person who had the skills to do that
18 interdepartmental piece, to think outside the box.

19 Okay, what is that we need to do? What are the
20 financial pieces? And what are some of those?

21 And that's the kind of light that we were
22 looking -- and lo and behold, she walked in. But what we
23 were looking for, and boom.

24 CHAIRMAN PATE: Let me add one thing, too, just
25 to give a little bit of depth, a feel to the

1 Commissioners. This savings with this half a million
2 dollars that we've been paying for some -- what I call
3 computing services -- information technology stuff, this
4 has been, it turns out, a real bone of contention with the
5 tracks.

6 As you all know, we price our services at the
7 tracks and they pay us a fee for us to provide services to
8 them. Well, that rolled into it, and it was just an
9 excessive number. And running this Agency more like a
10 business and looking at cost and what we're getting for
11 it, and how can you do it less expensively but still get
12 the same product or a better product, we've unveiled these
13 things.

14 And the input that I got from the track members
15 was correct. It was too much and it can be addressed.
16 And Amy's done a fabulous job in tackling that item with
17 Virginia's help, too. It's been some legal finagling
18 going on.

19 So these are important issues, not just to our
20 internal operations, but how we are perceived as
21 responsible by the tracks, who are, in large part, paying
22 our bills. And I just want to make sure the Commissioners
23 understand that.

24 MS. COOK: Well, and I neglected to mention
25 that in terms of fiscal operations, that we have to have a

1 general revenue fund. We have Texas-bred incentive, the
2 Horse Industry Escrow Account, but also have a suspense
3 account.

4 And so, when someone comes before you, one of
5 the organizations, one of the race parks, or one of the
6 owning organizations -- Penn Gaming or one of those
7 folks -- come before you to do a transfer of ownership on
8 a race track, or to renew, or have a license reviewed,
9 they pay a fee. And typically a fee for you reviewing a
10 race track license is \$5,000. And what our rules say is
11 that you'll do the review once the Commission acts or that
12 money will be refunded.

13 And so, a great human being, Dwight Berube,
14 said to me just gently, Amy, I was just wondering -- we
15 never seem to get any refunds. Can you look into that?
16 And so, I looked into it.

17 And so, in the suspense account, we had
18 \$214,500, which do not belong to the Commission. Those
19 fees were paid from 2018 forward, and they were for the
20 review by the Commission of licenses, which had been done.
21 Commission had acted, and we had never refunded anything.

22
23 Some of those fees are supposed to go to
24 Department of Public Safety background checks, and some
25 are supposed to go to staff time. On the staff time, we

1 could not find records of what the staff had done. And in
2 some cases, we couldn't actually confirm, even though we
3 reached to DPS, what had been done.

4 So what we have done is refunded all of the
5 money. The only thing that was not refunded is the
6 Beaumont application. They paid \$98,000. They paid that
7 in September of 2020, however.

8 And so, I refunded half their money because
9 it's not going to take \$98,000 to finish their
10 application. So we refunded \$49,000 to them. And those
11 checks went out yesterday in the mail along with an actual
12 certificate that the Commission had renewed their race
13 track license, because we didn't really find a formal way
14 we had done that.

15 So I gave them like an elevator certificate so
16 you could hang it on the wall, and, like, you're good.
17 You're bona fide to operate, and it's nice looking. It's
18 signed by me.

19 But I think that's really important, in terms
20 of public trust -- that if you get money deposited to you
21 for a service that you're supposed to do or an action that
22 you're supposed to take and the Commission takes that
23 action, the Agency staff should follow up and provide that
24 refund. And so, that money had just been sitting there.
25 It wasn't our money.

1 So, I've talked to all of the folks and we
2 returned all that money yesterday. Subject to your
3 questions, I will --

4 CHAIRMAN PATE: Anything else?

5 MS. CONTRERAS: I have one question. I know --

6 CHAIRMAN PATE: You turned your mic off.

7 MS. CONTRERAS: One follow-on question. I know
8 one of the reasons -- at least, the reason that I was
9 given with that Governor's call to serve -- was that the
10 Commission had lost the integrity and the trust of the
11 legislature. So, I'm assuming some report of what this
12 wonderful woman has done is going up to your hearing
13 leads, or whoever it is that's lost the trust.

14 CHAIRMAN PATE: Well, we're fortunate. We have
15 various interests that are interested in the business of
16 the Agency that are represented by people within Austin
17 who know people within Austin. And they know what's
18 going on. And it's being reported, I can assure you.

19 Moreover, I don't think the Governor's Office
20 has heard from an agency like they've heard from us, and
21 getting the kind of -- I mean, we were in direct contact
22 with the General Counsel and Governor discussing the
23 merits of this litigation. It's not just some flippant
24 piece of intervention that we did in this lawsuit when we
25 say, Oh, that's unconstitutional.

1 I mean, we did a serious look at it and we ran
2 it by the Governor's Office. And the General Counsel,
3 they took a look at it. They concurred, they encouraged
4 us to contact the Attorney General, which we did.

5 And the Attorney General's Office looked at it.
6 They did their review, and they filed. And we're now
7 represented by the Attorney General's Office in this
8 proceeding.

9 So, I think we are demonstrating ourselves at
10 every level to be a responsible agency. And not that
11 we're harassing them or anything, but they're letting them
12 know that if we don't know something, we have questions,
13 we're asking for answers. And if we need something and
14 they're supposed to be the people giving it to us, we call
15 and ask them for it. And we haven't been shy about that.

16 I don't think we've been a nuisance, but I
17 think they're feeling our presence. So, I would hope so.

18 And we will -- as we go into the legislature, we have
19 Members of this Commission and we have others out there
20 that we are going to recruit to make sure that the
21 legislators that are interested in the business of this
22 Agency are informed about the changes that have occurred.

23

24 And that's going to be a program, Commissioner,
25 to advance the interest of the Agency for the benefit of

1 Texas.

2 MR. BURGESS: I'd just like to say that --

3 CHAIRMAN PATE: Yes, sir?

4 MR. BURGESS: -- in this short time period, the
5 transparency, you know, it speaks volumes just from the
6 legislators, but also, the horsemen. And I see a lot of
7 the horsemen side myself.

8 And so, you know, what you've already done,
9 people are talking about it. And so, it's really
10 appreciated. So, thank you.

11 CHAIRMAN PATE: Thank you, Commissioner.
12 Anything else?

13 MR. BURGESS: I would just say that was an
14 outstanding report, and on behalf of the Texas Department
15 of Public Safety, we accept your challenge.

16 CHAIRMAN PATE: Race is on. All right.

17 Going on our Agenda, we are going to have
18 another nice talk here. The Chair's going to get a report
19 on the Horseracing Integrity and Safety Act. Virginia
20 Fields will be discussing with us what we're doing there
21 in Lubbock, in particular.

22 MS. FIELDS: Thank you, Mr. Chair.

23 Commissioners, good afternoon. Virginia Fields, General
24 Counsel.

25 First, I'd just like to comment on Amy's

1 remarks earlier. I'm humbled, and I've always considered
2 it an honor to serve as a public servant for the State of
3 Texas, and a big thrill to be under this fearless leader.

4
5 I'll continue with the update on the
6 Horseracing Integrity and Safety Act. Of the highest
7 import of this update is that on January 27, the Texas
8 Attorney General, and specifically, Assistant Attorney
9 General Taylor Gifford, filed a motion to intervene on
10 behalf of both the State of Texas and the Texas Racing
11 Commission as party plaintiffs in the Northern District of
12 Texas Federal Court case.

13 It's entitled, The National Horsemen's
14 Benevolent and Protective Association with Several State
15 Horsemen Benevolent and Protective Associations vs.
16 Members of the HISA Authority Board and the FTC to battle
17 a myriad of constitutional issues that flaw the federal
18 legislation in protecting the sport of horse racing and
19 the welfare of all the participants.

20 To put this update in historical context, and
21 some of these issues have been brought up by both the
22 Director and the Chair, but over the past year, the Agency
23 has been reorganizing, initially under a belief that we
24 may fall within other State agency after the sunset
25 review. Once the legislative session had concluded and

1 the former director had retired in late summer, the
2 Commission then approved the interim director for the
3 Agency in September and, of course, officially hired our
4 current executive director in mid-November of 2021.

5 As you've heard, she bolted out of the gate on
6 many issues, especially with discussions with industry
7 leaders and interested parties, and this would include
8 those issues on the implementation of the Horseracing
9 Integrity and Safety Act. Thereafter, the Governor did
10 send a letter to all State agencies. It was dated
11 December 13th of 2021.

12 It requested that any agency should not
13 hesitate to contact his office when any federal funding
14 issues "hindered or needlessly constrained the State,
15 committed the State to ongoing cost for which there was no
16 appropriation available, or required an agency to
17 implement a federal policy that was contrary to law or
18 policy of the State."

19 The Executive Director took the opportunity
20 that was proffered and wrote the Governor's Office on
21 December 20 on some of these issues for the State, the
22 Texas Racing Commission, the industry, and stakeholders
23 involving the Horseracing Integrity and Safety Act that's
24 due to be implemented for thoroughbred horse racing in
25 July of 2022. A copy of the Agency's communication to the

1 Governor is in your meeting materials beginning on page 4.

2 As a result of these communications, the
3 Governor's General Counsel approved the Agency moving
4 forward by requesting the Texas Attorney General to
5 represent in a motion to intervene, not just for the State
6 Racing Commission, but for the State of Texas. And a copy
7 of the Plaintiff's First Amended Complaint for Declaratory
8 and Injunctive Relief is also included in your meeting
9 materials on page 7.

10 The State of Texas and the Texas Racing
11 Commission filed its motion to intervene alleging
12 additional anti-commandeering issues that are under the
13 Tenth Amendment of the U.S. Constitution, and
14 simultaneously filed a motion to join the plaintiffs in
15 their motion for a partial summary judgment that is
16 currently scheduled for oral arguments on February 16th in
17 the Lubbock Federal Court before the Honorable Judge
18 Hendrix. Both myself and Director Cook will be in
19 attendance at that hearing.

20 The partial motion for summary judgment asks
21 the Court to rule as a matter of law that HISA is
22 unconstitutional on its face for violation of the non-
23 delegation doctrine by delegating governmental authority
24 to a private actor, the HISA authority, and in violation
25 of the Fifth Amendment, due process clause, by having

1 interested individuals on a board that would regulate its
2 own industry. It is expected that the Court could rule on
3 the State of Texas and Racing Commission's motion to
4 intervene prior to the scheduled February 16th hearing.

5 I can break here momentarily. I'm happy to
6 answer any Commissioners' questions on that motion to
7 intervene or the litigation in general before I continue
8 with the rest of the update.

9 CHAIRMAN PATE: Virginia, you didn't mention
10 that the Court ordered the defendants to respond to the
11 State's motion to intervene tomorrow, well in advance to
12 the February 16th hearing. So --

13 MS. FIELDS: I apologize. When we filed the
14 motion on January 27, it actually requires a 20-day span
15 period in which the other side has an opportunity to file
16 a response to our motion, and that would have been the day
17 after the scheduled oral arguments on the summary
18 disposition, or summary judgment.

19 And so, the Court issued an advance -- an order
20 telling the defendants if they needed to file with any
21 objection to our motion to intervene on or before
22 tomorrow, February 10. So, potentially, that could be
23 heard and decided before the hearing itself on February
24 16. So, that was a good sign.

25 MS. CONTRERAS: Virginia, I have question. I

1 noticed there's 10 other states, so Texas would make the
2 11th state.

3 MS. FIELDS: There are other states in an
4 action that's filed in Kentucky. There are no other
5 states on this amended complaint. It is only the
6 horsemen's associations of various states.

7 MS. CONTRERAS: But they're litigating against
8 HISA, it looks like, based on the letter you wrote to the
9 Governor. Or maybe I'm reading --

10 MS. FIELDS: There are other states. Oklahoma
11 precipitated a suit that was filed in Kentucky with
12 states, Arkansas, West Virginia, et cetera --

13 MS. CONTRERAS: But they're all separate
14 litigation cases. So, Texas has a standalone case that
15 we're litigating?

16 MS. FIELD: Texas' case, we joined with the
17 Horsemen's Benevolence --

18 MS. CONTRERAS: The Horsemen's? Okay.

19 MS. FIELD: -- and Protective Associations of
20 various states, I believe. West Virginia and some others.
21 It's on the complaint on the style, with all the parties
22 that are involved in this case.

23 In the case in Lubbock, Texas, we'll be the
24 only state that's involved and our racing commission will
25 be the only racing commission that's involved in this

1 particular case.

2 MS. COOK: And the Governor's Office did ask,
3 between the Kentucky case and the Lubbock case, what did I
4 recommend. The General Counsel asked what did I
5 recommend. I recommended the Lubbock case because the
6 lead attorneys on that case were so helpful, thoughtful.

7 It's in our back yard, Lubbock, Texas, right?
8 And the fact is that it was set for oral argument on the
9 motion for summary judgement. The case is actually
10 moving.

11 The case in Kentucky has other state racing
12 commissions in it, but that case is sort of stalled out in
13 our research on the case. And so, in this case, we will
14 be the only state racing commission. So, if there's a
15 summary judgment on the face of the law that is
16 unconstitutional, it will have a nationwide effect on all
17 racing commissions, but we will be an industry leader --
18 this is what I'm going for -- with respect to being the
19 only one.

20 And we also strengthen the case, I believe, by
21 intervening in that case with other parties that are based
22 in Lubbock, Texas. And like I said, it's in our back
23 yard. It seemed like the best place for Texas for us to
24 intervene. So, that's what I recommended.

25 DR. McNABB: And just as a matter of context,

1 I'm the Texas representative to ARCI. So, that's the
2 Association of Racing Commissioners International.

3 Across the board, there is a tremendous amount
4 of concern at a minimum, if not indignation at the far
5 end, on constitutionality and how this whole thing has
6 unfolded. How they have operated to this point is
7 underwhelming, to say the least.

8 As they were trying to draft their rules,
9 people in the industry that they approached to help draft
10 the first set of rules -- you know, essentially, put it up
11 on the wall and see if it sticks? Anyone who joined any
12 of those committees had to sign a nondisclosure agreement,
13 and if they even revealed that they were on the committee,
14 they would be prosecuted for a felony for breaking their
15 nondisclosure agreement.

16 So, the entire process on how they came to the
17 rules has certainly failed anybody's standard for
18 transparency. ARCI, they approached us and we said, We
19 are happy as a group because, you know, we're the ones who
20 are -- essentially, we do the crosstalk model rules and
21 we've been trying to come to having some standardization
22 and reference points. But we won't sign any nondisclosure
23 agreement. And they said, Well, fine. Then, all of you
24 are out.

25 MS. CONTRERAS: So, this didn't come from any

1 of the industry? This came directly from the federal
2 government outside of --

3 DR. McNABB: This came through in a -- it was
4 legislation packed into one of those monstrous mega-bills.

5 MS. CONTRERAS: Right. And if we read --

6 DR. McNABB: It was never debated on the House
7 floor. It was never debated --

8 MS. CONTRERAS: Wow.

9 DR. McNABB: -- in the Senate, and it got
10 approved.

11 CHAIRMAN PATE: It was --

12 DR. McNABB: And it went through.

13 CHAIRMAN PATE: I think, technically, it was
14 passed on one of the COVID relief bills, as a Christmas
15 ornament on one of those Christmas trees.

16 DR. McNABB: Right. So, the public
17 involvement, the transparency, the kinds of things that
18 we, as Americans, get down to as to how our process works,
19 this has tripped a lot of trip wires. And there are a lot
20 of the states that may not be actively involved in the
21 suits that we're discussing right now, but everybody is
22 saying there's parts of this that just -- this is not
23 working.

24 And right now, by statute, they were named to
25 use a certain organization to do the drug testing program.

1 They weren't able to come to an agreement with them. So,
2 they are not going to be able to comply with the statute
3 on the first of July as it is.

4 And so, they get to shift the rules, but we
5 don't? Who's responsible for what? What are the
6 authorities? When we've had the ARCI meetings and the
7 folks from HISA have come in, they have been contentious,
8 at least.

9 MS. FIELDS: And to add to the Vice Chair, as
10 well, the funding mechanisms, a lot of these cases -- the
11 Kentucky cases dealing with state issues,
12 anti-commandeering, and, of course, the Lubbock case, as
13 well, the non-delegation, et cetera -- this a more rounded
14 suit. By bringing in a state, it fulfills all those
15 constitutional flaws that can be decided by the Court.
16 So, it's a much better kind of situation, as far as being
17 able to have all the issues articulated within one
18 lawsuit.

19 CHAIRMAN PATE: Okay. Thank you, Virginia --

20 MS. FIELDS: I have a little bit more, if I
21 could.

22 CHAIRMAN PATE: Oh, okay. Go ahead.

23 MS. FIELDS: Just going to wind up the update
24 with the status of proposed HISA rules that are being
25 published in the Federal Register by the Federal Trade

1 Commission. On December 6, the HISA Authority proffered
2 its first set of rules through the Federal Trade
3 Commission on race track safety.

4 The first public comments on those race track
5 safety rules were due January 19 of 2022, and the Agency's
6 public comments on those race track safety rules are also
7 provided in your meeting materials today, and that's on
8 page 15 relative to each specific rule on race track
9 safety. In addition to those rules, the FTC also
10 published in the Federal Register the enforcement rules
11 drafted by the Authority on January 26 of 2022.

12 Many of the enforcement rules are, as Vice
13 Chair mentioned, still lagging behind in publication
14 without any agreement with USADA, or the United States
15 Anti-Doping Agency, or any private actor to enforce the
16 federal law that is required by the statute. Public
17 comments on the Authority's proposed enforcement rules are
18 due today, and the Agency's comments were filed yesterday.

19 And this concludes my update, but I'm happy to
20 answer any questions on those proposed rules, as well.

21 CHAIRMAN PATE: Any other questions,
22 Commissioners?

23 (No response.)

24 CHAIRMAN PATE: All right. Thank you very
25 much, Virginia.

1 MS. FIELDS: Thank you.

2 CHAIRMAN PATE: Keep us posted.

3 Next on the Agenda is our budget finance
4 report, Item III.A.3. Curley Trahan, Director of Pari-
5 Mutuels will give us the budget and finance update today,
6 as well as the next two reports on the Horse Industry
7 Escrow Account, as well as the wagering statistics.

8 Curley?

9 MR. TRAHAN: Thank you, Mr. Chairman. Good
10 afternoon, Commissioners. For the record, I'm Curley
11 Trahan, the Director of Pari-Mutuels for the Agency.

12 I will be providing three reports this
13 afternoon, and we'll start with the current operating
14 budget for Fiscal Year 2022. On pages 22 through 26 of
15 your meeting materials is the current Fiscal Year 2022
16 operating budget through December 2021, reflecting the
17 Agency's year-to-date status.

18 With 33.3 percent of the year lapsed, the
19 Agency has expended approximately \$1.13 million,
20 accounting for 30.33 percent of the total regulatory
21 program budget appropriation. This total does not include
22 the Texas-bred Program funds.

23 On the revenue side, the Agency has collected
24 just over \$2.12 million, which is 38.76 percent of total
25 appropriated revenue for the fiscal year. This total

1 includes the Agency's allowable buy-in and carryover of
2 \$750,000. And again, these figures do not include the
3 Texas-bred Program funds.

4 If there are any questions on this report, I'd
5 be happy to try to answer them before I proceed to the
6 next report.

7 CHAIRMAN PATE: Any questions, Commissioners?

8 (No response.)

9 MR. TRAHAN: Commissioners, on page 27 of your
10 meeting materials, you will find a summary report of the
11 Horse Industry Escrow Account fund for Fiscal Year 2022.
12 This report reflects only 30 percent portion of the HIEA
13 designated for events furthering the horse industry, as
14 the 70 percent portion designated for purses is paid out
15 to the race tracks each month.

16 The breed registry portion of the HIEA began
17 Fiscal '22 with a carryover of a little over \$1.26
18 million. Since the start of the current fiscal year, the
19 account has received four equal installments from the
20 comptroller for the agriculture tax credit.

21 Those credits, along with the escrow funds
22 earned from the one operating greyhound track, total
23 approximately \$2.52 million. Three disbursements were
24 made from the account to the breed registries of just over
25 \$1.02 million. As of January 24, the balance in the

1 account stood at just over \$2.759 million. Since our last
2 meeting, we have received numerous grant requests from the
3 various breed registries, some of which will be before you
4 today seeking approval.

5 As a reminder to the breed registries, we ask
6 that requests for the April meeting be submitted by March
7 23, 2022, in order that staff will have ample to review
8 the request.

9 I'd be happy to answer any questions you have
10 about this report before I go on to the next one.

11 CHAIRMAN PATE: Any questions?

12 (No response.)

13 MR. TRAHAN: All right. Commissioners, my
14 final report under this Agenda item covers wagering
15 statistics. In your meeting materials on pages 28 through
16 30 is the comparison report on wagering statistics for the
17 calendar year 2021 versus 2020.

18 The report shows that total wagering activities
19 at the greyhound race tracks decreased by 31.90 percent,
20 equating to reduced handle of appropriately \$4.99 million.

21 Total wagering activities at the horse race tracks showed
22 an increase of 31.90 percent for the year as compared to
23 2020. This increase represents approximately \$106.45
24 million in handle.

25 Overall, the report shows that total wagers

1 placed in Texas increased by approximately \$61.96 million,
2 representing a 33.85 percent increase from the previous
3 year, while total wagers placed on Texas races showed an
4 increase of just over \$51.87 million, or 29.27 percent.

5 Please keep in mind that these numbers are to
6 some degree skewed due to the race track closings and
7 restricted occupancy levels in 2020 as precautionary
8 measures due to the COVID-19 pandemic, and a subsequent
9 change in race days that same year by Texas race tracks.

10 This concludes my report. I'd be happy to
11 answer any questions.

12 CHAIRMAN PATE: Any questions, Commissioners?

13 (No response.)

14 CHAIRMAN PATE: All right. Thank you very
15 much, Curley.

16 MR. TRAHAN: Thank you, sir.

17 CHAIRMAN PATE: Next item is Item III.A.4, our
18 enforcement report. Amy Cook will present the report on
19 behalf of Connie Estes, the Deputy Executive Director of
20 Operations.

21 MS. COOK: Commissioners, ladies and gentlemen,
22 on behalf of Connie Estes, as we looked towards our rules
23 and the architecture of the way the process is supposed to
24 work in terms of racing, the typical model is that the
25 stewards are generally the senior supervisor at any race

1 park or in any live race meet.

2 The Agency had drifted away from the rules, to
3 put it in the terms that Anne Alley, our Chief Steward,
4 uses. We sort of drifted away from our rules and we had
5 created sort of a separate enforcement group with our
6 investigators.

7 The previous model and the model in the rules
8 is that the stewards are supported by the investigators,
9 the veterinarians, the vet techs. And so, since we had
10 sort of drifted away from that, we had sort of a sit-down
11 meeting for about four hours with that group and talked
12 through how do we bring ourselves back to being in the
13 right place with our rules. And also, because our core
14 mission is we are an enforcement agency, to really
15 evaluate where we should be.

16 And back to, just for a moment to touch on the
17 hair testing suspension -- I mean, when we went through
18 that process and I made that decision, Judge Pate asked
19 me -- Chair Pate asked me why did I really do that? And I
20 said I did that to restore the credibility of the Agency,
21 that if we're going to take an enforcement action based on
22 the hair test or based on something else, we would do that
23 with fair and adequate notice. And we would do that in
24 such a way that it felt like we were being objective about
25 the way we were doing our business.

1 And so, that is a good instance of really
2 trying to send that message that we're going to try to get
3 this right. And so, we had 13 cases that were pending
4 against horsemen -- trainers and owners -- for positive
5 hair test. And so I've dropped all those cases because no
6 one felt good within the Agency about how the testing was
7 implemented.

8 The stewards did not want to hear the cases.
9 The investigators didn't feel good about it. And so, for
10 that reason, we're not pursuing those cases and we've
11 notified all of those folks to that effect.

12 So, then, when I look at this enforcement
13 mission that we have in this core group, which a lot of
14 the folks have departed, what do we do with that? And
15 coming from a background in the military police where it's
16 really critical that you have clear lines of authority,
17 clear boundaries, jurisdictional boundaries, and we're
18 really in an administrative enforcement type of scheme
19 here in this Agency.

20 What I've done is I've reached out to a very
21 experienced former deputy director with the Department of
22 Public Safety, Mr. Robert Duke Bodisch, and I've asked him
23 to come in and do a risk assessment of our enforcement
24 program and help me rebuild it in the right way. And
25 along those same lines, we've also re-engaged on our

1 interagency agreement of partnership with the Department
2 of Public Safety so that we get this right. Because the
3 commission that's issued for the peace officers under the
4 Racing Commission comes from us.

5 And so, therefore, the standards that we
6 develop need to be the right standards that have the
7 respect and the right interagency architecture to partner
8 with our fellow law enforcement agencies, whether they be
9 Department of Public Safety, local city, county sheriff's
10 office, constables, and so forth.

11 So Mr. Bodisch begins next week. He'll be with
12 us for about 60 days. He'll visit all the race parks.
13 He'll talk to the stakeholders as I have, and we will
14 eventually present you a risk assessment of our
15 enforcement program that really talks to what's the
16 staffing we need, what training, what are right things to
17 focus our investigators on so that we really do a great
18 job for the citizens of Texas.

19 Subject to your questions, that's all I have
20 for the enforcement report.

21 CHAIRMAN PATE: Are there any questions?

22 MR. BURGESS: Can you please let General
23 Bodisch know we're counting on him?

24 MS. COOK: I will. And he's also a former
25 Marine. My husband told him, Semper Fi. You know, do a

1 good job.

2 MR. MACH: And for the record, I was not aware
3 that you were reaching out to General Bodisch before you
4 brought him on board, but I applaud you for an outstanding
5 selection. We will be well-served by his work on behalf
6 of the Racing Commission.

7 MS. COOK: Yep. Great gentleman. Thank you,
8 sir.

9 CHAIRMAN PATE: And it really comes as no
10 surprise given the other problems that we had that we need
11 to really take a close look at the enforcement piece of
12 our work and how we're doing it, how it's -- what kind of
13 personnel are in it, what procedures are. And we're going
14 to do that.

15 DR. McNABB: I have just a footnote.

16 CHAIRMAN PATE: Go ahead.

17 DR. McNABB: The feedback -- we had the
18 discussion last Wednesday, and across the board, the
19 horsemen want to have solid programs. They said, We just
20 want to know what the rules are, and that it's fair. You
21 know?

22 They're not saying, Oh, you know, leave us
23 alone, you know? We want to play our own game. They just
24 want to make sure that as we make rules, that they are
25 clearly stated -- everybody, here it comes.

1 But the ones that are the evildoers, when they
2 have earned a penalty, everybody goes, Ooh, don't want to
3 do that. And that's fine.

4 CHAIRMAN PATE: Any other comments?

5 (No response.)

6 CHAIRMAN PATE: All right. The next item,
7 then, is Item B, the designation of the Chair of a safety
8 and health committee [sic]. So this is really a
9 discussion item.

10 Commissioners, the purpose of the rules
11 committee is to perform the required reviews of our rules
12 of racing, as well as address the rule changes as they
13 arise so that we can timely modify the rules to adapt to
14 the changes that allow, as we discussed here today, to
15 continue to protect the safety and integrity of racing.

16 I've had a number of discussions with Amy, as
17 well as Vice Chair McNabb. And so, what I am doing today
18 is I'm going to designate Commissioner Connie McNabb as
19 the chair of the rules committee.

20 I'm sorry that Commissioner Kleinschmidt is not
21 here because I was really going to designate him the vice-
22 chair. So, tell him I am looking for him, all right?

23 But what I'm going to invite all the
24 Commissioners to do --

25 MR. BURGESS: Does that mean it's pushed to me?

1 I mean, I'm trying to figure that --

2 CHAIRMAN PATE: I'm not going to do that to
3 you, Commissioner Burgess. But just look at Tim and give
4 him a wink.

5 If he's going to be a more permanent member and
6 you're just substituting for today, I'd really like to
7 talk to him about it because part of what we're talking
8 about is assuming some of the responsibilities of the ad
9 hoc committee on the Horse Industry Escrow account, which
10 won't be under this, which he has already chaired.

11 MR. BURGESS: Yeah, he's very well familiar
12 with that.

13 CHAIRMAN PATE: Okay. But if, on the other
14 hand, because of health or other reasons, he's not going
15 to be, let me know --

16 MR. BURGESS: Okay.

17 CHAIRMAN PATE: -- and I could easily --

18 MR. BURGESS: I will send him a text.

19 CHAIRMAN PATE: -- pick on you.

20 MR. BURGESS: I will gladly send him a text.

21 CHAIRMAN PATE: All right. But I'm going to
22 invite all the Commissioners. We're going to notice these
23 meetings, and it would be very helpful, I think, for the
24 Commissioners, to the extent they have the time, to
25 participate in some of the meetings to learn about these

1 industries, on these problems on more of a ground level.

2 So, we're going to have two regular
3 sub-committees. The first will be the rules committee,
4 and the second is the ad hoc escrow account committee.
5 And we will follow up, and we will give notice of
6 meetings, as we've done before, and try to have them.

7 We have a meeting coming up right now. It's
8 the second meeting of the safety meeting on March the 8th
9 at Retama Race Park in San Antonio. Vice Chair McNabb
10 will be chairing that meeting, and I'm planning to
11 attending it because that's one race park I have not seen
12 yet and I'm going to get a tour of it.

13 I've made it, though -- it's her meeting
14 because she can speak all the language of safety and,
15 particularly, the hair testing issues. But I invite all
16 the Commissioners to come to the extent you can -- maximum
17 of four, so we don't violate any open meeting rules.

18 But beyond that, we're going to be trying to
19 give you regular notice of when race days are and when Amy
20 will be at the race track so that if you happen to be in
21 the Dallas area on a race day and you know Amy's there,
22 you can call her and you can go and see what's going on.
23 It's very interesting.

24 As recently as Sunday last, I was at Sam
25 Houston Race Park with Commissioner McNabb and with Amy

1 doing a tour at that time. And I would invite you all to
2 take advantage of that opportunity as Commissioners.

3 You'd be much more informed about -- when you
4 hear about what a steward does and how they do it, or the
5 back side of a track and the issues of security and the
6 opportunities or lack of opportunities for contraband and
7 controlled substances and these kinds of things.

8 You will meet the investigators. You will meet
9 the officers that we employ that are our enforcement arm.

10 And you can visualize them better, I think, when we get
11 these items that come before us and we get a violation
12 before us on an appeal, what happened at the track and why
13 you're being presented with that information.

14 So, I invite you to do that. So, if anybody
15 has any questions or objections, let me know. But I'm
16 going to designate Connie as the chair. I'm going to talk
17 to Tim, see if he'll do it. And we'll be moving forward
18 on that basis.

19 Without any questions, then, we'll go on to
20 Item Number IV.A. The next item, IV.A, is the discussion
21 of the modification of 16TAC, Section 313110, coupled
22 entries published in the *Austin Texas Register* on January
23 7, 2022, by Virginia Fields.

24 And Virginia, if you'd explain briefly to the
25 Commissioners, there was a technical problem. These are

1 the same rules that we've already approved, as I recall.
2 But there was a technical problem, and we've now had them
3 properly published in the *Texas Register* and we're looking
4 for second approval. Is that correct?

5 MS. FIELDS: Actually, this is -- today, we're
6 seeking adoption of the rules --

7 CHAIRMAN PATE: All right. Go ahead.

8 MS. FIELDS: -- as they were published. I
9 think the little kink had come up is that typically, the
10 Governor likes to review any rule modifications that are
11 proposed before publication in the *Register* just to
12 confirm that there may not be any problems with other
13 agencies or conflicts, et cetera.

14 And so, as I understood it in talking to the
15 Governor's Office and their aide, these have not been
16 submitted prior to the December 8th meeting. So, it was a
17 little late in getting published. Not December 8, as you
18 had approved for publication, but they were published in
19 the January 7th.

20 They were ready for adoption on February 7,
21 which was a couple of days ago. So, they come before you
22 today for adoption. So, these were proposed by written
23 request from Tim Williams with Remington and Lone Star
24 Park, the first one under Agenda Item IV.A.1.

25 These rules begin on pages 31 through 34 of

1 your meeting materials. This rule modification or
2 amendment to 313.110 on coupled entries -- and again, at
3 your last meeting on December 8, the Commission vetted to
4 approve publication of the rule amendment as requested by
5 Mr. Williams.

6 The change to couple the entries will allow
7 entries with the same owner or owners to be coupled for
8 wagering purposes in overnight races. This amendment
9 makes similar Subsection B to Subsection C of the rule,
10 which is the same for stakes races. And therefore, the
11 amended Subsection B provides for the same option in
12 overnight races, that being the coupling over entries for
13 wagering purposes.

14 The proposed amendment was published again in
15 the January 7th issue of the *Texas Register*. We received
16 no public comment on the amendment, and today I'm before
17 to ask the Commission to adopt the rule amendment as
18 published with an effective date of February 28 of 2022.
19 Happy to answer any questions.

20 CHAIRMAN PATE: Thank you, Virginia.
21 Commission, do you have any questions?

22 MR. MACH: Mr. Chair, I'll move to adopt the
23 rule.

24 CHAIRMAN PATE: Thank you. A motion made by
25 Mach. Is there a second?

1 DR. McNABB: I'll second.

2 CHAIRMAN PATE: By McNabb. Any further
3 discussion?

4 (No response.)

5 CHAIRMAN PATE: All right. All those in favor,
6 signify please by saying, Yes.

7 (A chorus of yeses.)

8 CHAIRMAN PATE: Any opposed?

9 (No response.)

10 CHAIRMAN PATE: The motion carries.

11 Virginia, you're recognized for the next item,
12 Item IV.B. And Pancho, is this the one that you wanted to
13 speak on?

14 MR. VILLARREAL: No, it's V.B.

15 CHAIRMAN PATE: V.B is you. I'm sorry. Got
16 it.

17 MR. VILLARREAL: And only if necessary.

18 CHAIRMAN PATE: Okay.

19 MR. VILLARREAL: On two applications.

20 CHAIRMAN PATE: Thank you. Go ahead, Virginia.

21 MS. FIELDS: Thank you, Mr. Chair. Again,
22 General Counsel, Commissioners, here to present Agenda
23 Item IV.A.2. This is a corresponding amendment to Rule
24 321.207 on betting interest.

25 It's a corresponding rule change that merely

1 changes the language of the betting interest from a
2 mandatory to a permissive structure, specifically that the
3 stewards or judges "may" join the animals as a coupled
4 entry, not "shall."

5 The proposed amendment was, again, published in
6 the January 7, 2022, issue of the *Texas Register*. We
7 received no public comment on this amendment, and I'm here
8 before you to ask the Commission to adopt the rule
9 amendment as published in the *Texas Register* with an
10 effective date of February 28, 2022.

11 CHAIRMAN PATE: Thank you, Virginia.
12 Commissioners, are there any questions?

13 MR. MACH: Mr. Chairman, I'll make a motion to
14 adopt the rule.

15 CHAIRMAN PATE: Thank you. Motion made by
16 Commissioner Mach. Is there a second?

17 MS. CONTRERAS: Second.

18 CHAIRMAN PATE: Thank you, Contreras. Thank
19 you. Any further discussion?

20 (No response.)

21 CHAIRMAN PATE: Hearing none, all those in
22 favor, signify by saying aye.

23 (A chorus of ayes.)

24 CHAIRMAN PATE: Any opposed?

25 (No response.)

1 CHAIRMAN PATE: Motion carries.

2 MS. FIELDS: Thank you, Commissioners.

3 CHAIRMAN PATE: Thank you. We're now going to
4 look at Agenda Item V., the proceedings on the Horse
5 Industry Escrow Account. The first item is Agenda V.A,
6 the staff report on the Executive Director approved
7 request for funds from the HIEA presented by Curley
8 Trahan.

9 Curley? Let me mention, too -- Curley has
10 taken over primary responsibility within the staff for
11 reviewing the HIEA applications, and thank you for doing
12 that, Curley.

13 MR. TRAHAN: Thank you, sir.

14 CHAIRMAN PATE: Go ahead.

15 MR. TRAHAN: Thank you, Mr. Chairman. Good
16 afternoon again, Commissioners. Commission rule 303.321G
17 provides that the Executive Director may approve, on
18 behalf of the Commission, request from the breed
19 registries for event funding from the Horse Industry
20 Escrow Account, provided the amount requested is under the
21 threshold of \$50,000.

22 Under this authority, Executive Director Cook
23 issued approvals on January 10, 2022, for several events.

24 These events include one event for the Texas Paint Horse
25 Breeders Association in the amount of \$25,000, and eight

1 events for the Texas Quarter Horse Association, totaling
2 \$136,675.

3 Additionally, on January 26, 2022, Executive
4 Director Cook issued approvals for seven events for the
5 Texas Arabian Breeders Association, totaling \$157,850; 16
6 events for the Texas Paint Horse Breeders Association,
7 totaling \$192,500; and seven events for the Texas Quarter
8 Horse Association, which totaled \$110,300.

9 Most of the approved events were of the same or
10 similar events as were approved in previous years with
11 some minor changes to the requested amounts.

12 If you have any questions, I'd be happy to
13 answer them.

14 CHAIRMAN PATE: Are there any questions?

15 (No response.)

16 CHAIRMAN PATE: All right. Thank you for that
17 report, Curley.

18 MR. TRAHAN: Thank you.

19 CHAIRMAN PATE: Moving on to V.B.1, these
20 are -- Commissioners, as you recall in the past, we've had
21 an ad hoc HIEA meeting to review those applications for
22 amounts in excess of \$50,000. We did not have one with
23 respect to these three items. So, we're going to take
24 them up individually. But I do believe they all come with
25 a staff recommendation.

1 So, the first item is Agenda Item V.B.1, the
2 presentation request of funding from the Texas Paint Horse
3 Breeders Association for funds from the Horse Industry
4 Escrow Account, again, by Curley Trahan.

5 Go ahead, Curley.

6 MR. TRAHAN: Commissioners, on page 35 through
7 46, you will find two requests from the Texas Paint Horse
8 Breeders Association for events funding through the Horse
9 Industry Escrow Account.

10 The first request is for funding for the 2022
11 APHA World Championship Show in the amount of \$200,000.
12 The APHA show will take place in Fort Worth beginning June
13 24 and continue through July 10.

14 The second request is for \$60,000 to be used as
15 purse supplements for the 2022 Battle of the Breeds 870
16 Claiming Stakes Race at Lone Star Park on December 17,
17 2022. These two requests are identical both in the events
18 and the amounts as previous year's requests that were
19 subsequently approved the Commission.

20 Pancho Villarreal, President of the Texas Paint
21 Horse Breeders Association, is here today should you have
22 any questions about the two specific events requested.

23 CHAIRMAN PATE: Is there a staff
24 recommendation?

25 MR. TRAHAN: Staff recommends approval.

1 CHAIRMAN PATE: All right. Commissioners, do
2 you have any questions?

3 (No response.)

4 MR. MACH: Mr. Chairman, I make a motion to
5 approve the request.

6 CHAIRMAN PATE: Thank you. Motion made my
7 Mach. Is there a second?

8 MR. BURGESS: I make a second.

9 CHAIRMAN PATE: Thank you, Mr. Burgess. Thank
10 you, Commissioner Burgess. Any further discussion?

11 (No response.)

12 CHAIRMAN PATE: All those in favor, please
13 signify by saying aye.

14 (A chorus of ayes.)

15 CHAIRMAN PATE: Any opposed?

16 (No response.)

17 CHAIRMAN PATE: The motion carries. Now,
18 Curley, please present Item V.B.2.

19 MR. TRAHAN: Commissioners, beginning on page
20 47 and going through page 76, you will find five requests
21 from the Texas Quarter Horse Association for event funding
22 through the Horse Industry Escrow Account.

23 The first request is for the 2022 Quarter Horse
24 Meet at Sam Houston Race Park to pay accredited Texas-bred
25 owners, breeders, and stallion owner awards. The TQHA is

1 requesting \$543,500 for this event, which will span from
2 April to June races at Sam Houston Race Park. This
3 request is the same as previous year's request in both the
4 event and amount requested.

5 The second request is also the same as last
6 year's request, and is for stakes races at Sam Houston
7 Race Park for the period of April through June 2022. This
8 request is for \$240,000.

9 The next request is for the TQHA State
10 Championship Year End Awards. The TQHA is seeking
11 approval of \$60,000 for this event, which is based on
12 accumulated points earned from December 1, 2021, through
13 November 30, 2022. The amount of the request reflects a
14 slight increase from previous year's request, but the
15 event remains the same.

16 The Texas Quarter Horse Association is also
17 requesting \$75,000 in funding for its Classic Horse Show,
18 which runs from August 31 through September 4, 2022. This
19 is the first time that TQHA has requested funding for this
20 event.

21 Lastly, the Texas Quarter Horse Association is
22 requesting \$100,500 for the National Cutting Horse
23 Association Super Stakes and Super Stakes Classic. The
24 amount represents a slight increase from previous year's
25 requests. The approximate dates for this event are March

1 24 through April 16, 2022.

2 Rob Werstler, the Executive Director of the
3 Texas Quarter Horse Association, is here today should you
4 have any questions about the specific events requested.

5 CHAIRMAN PATE: Thank you, Curley. Does the
6 staff have a recommendation?

7 MR. TRAHAN: Staff recommends approval, sir.

8 CHAIRMAN PATE: Thank you. Commissioners, do
9 you have any questions?

10 DR. McNABB: Just a comment -- for these events
11 that are not racing, I don't want -- if those of you who
12 find other things to do with your spare time other than
13 hang around horse shows and horse events, the amount of
14 money that gets plowed back into the economy in manyfold
15 eclipses the money that we're putting into this.

16 If you just take a look at the new trucks and
17 trailers and the show clothes and the hotels and
18 everything else -- you know, the money that people will
19 spend to come to compete for better purses. You know,
20 people coming from out of state -- the money that's coming
21 back into Texas way, way, way exceeds what we're investing
22 to lure them in.

23 So, there's a ton of money. I think this is a
24 very good investment for Texas and great for our economy
25 and our agriculture.

1 CHAIRMAN PATE: Thank you, Commissioner.

2 MS. CONTRERAS: I just have a question. What
3 does the sort of Texans turnout for a traditional race
4 versus a show, like these kind of shows that you're
5 talking about? I'm just curious.

6 MR. TRAHAN: That would be a question for the
7 breed association to answer --

8 MS. CONTRERAS: Oh, okay.

9 MR. TRAHAN: -- perhaps.

10 MS. CONTRERAS: I'm just wondering what the --
11 is it --

12 CHAIRMAN PATE: Well, Rob is here.

13 DR. McNABB: Yeah.

14 CHAIRMAN PATE: Come on up, Rob.

15 DR. McNABB: While Rob moseys up to the
16 microphone -- that's what we do in Texas. It is
17 spectacular, the hundreds of people who will come in
18 and --

19 MS. CONTRERAS: Yeah, I just wondered what the
20 difference is.

21 CHAIRMAN PATE: So, the Chair recognizes Mr.
22 Werstler.

23 MR. WERSTLER: Thank you.

24 CHAIRMAN PATE: Welcome.

25 MR. WERSTLER: Thank you. Good afternoon.

1 Well, as far as fans, there are many more that show up at
2 the racing events.

3 What Dr. McNabb was referring to, I believe, is
4 there are so many more families and kids that show up at
5 these shows, which is there is not a lot of people in the
6 stands other than family rooting on. Mainly their
7 children.

8 Some of the bigger events, like the NCHA, has a
9 lot of people that show up in the stands. But typically,
10 the venue -- the race tracks are so much bigger and can
11 house so many more people than a lot of these venues where
12 the horse shows are.

13 So, it's much smaller, as far as fans. But --

14 CHAIRMAN PATE: Rob, I have a question. I
15 mean, as I mentioned earlier, I was at the Sam Houston
16 Race Park this last -- or two Sundays ago, and there was
17 one stakes race there, and I think the total handle on it
18 was -- and Dwight can correct me -- what I recall was like
19 \$550,000 on one race or something like that.

20 DR. McNABB: More than that.

21 CHAIRMAN PATE: And I mean, it was 12 horses.
22 It was a full field and there were a lot of people there.

23 So, the money that is put into the purses in stakes races
24 and those kinds of events drive participation, clearly.

25 MR. WERSTLER: And it definitely depends on the

1 day. That's a huge day for Sam Houston. Good horses and
2 good racing bring out of a lot of people, a lot of
3 spectators, and a lot of --

4 CHAIRMAN PATE: And it was a day about like
5 today, too -- about 60 degrees and clear. It was nice.
6 So --

7 DR. McNABB: Right before the freeze.

8 CHAIRMAN PATE: Yeah. Any other questions?
9 (No response.)

10 MR. MACH: Mr. Chairman, I make a motion that
11 we approve this request.

12 CHAIRMAN PATE: Motion made by Mach. Second?

13 DR. McNABB: Second.

14 CHAIRMAN PATE: By McNabb. Any further
15 discussion?

16 (No response.)

17 CHAIRMAN PATE: All those in favor, please
18 signify by saying aye.

19 (A chorus of ayes.)

20 CHAIRMAN PATE: Any opposed?

21 (No response.)

22 CHAIRMAN PATE: Motion carries. And then,
23 finally, Curley, if you would present Item V.B.3.

24 MR. TRAHAN: Commissioners, on pages 77 through
25 106, you will find five requests from the Texas Arabian

1 Breeders Association for event funding from Horse Industry
2 Escrow Account.

3 The first request is for \$63,440 to fund the
4 2022 Arabian Stakes Night at Sam Houston Race Park, which
5 is scheduled for February 27. The second request is for
6 \$72,930 for the Arabian Darley Awards on March 19, 2022.
7 Next is the request for 2022 Arabian Stakes Night at
8 Retama Park in the amount of \$62,440 for August 6, 2022.

9 We also have a request for the Arabian Juvenile
10 Stakes Night at Lone Star Park on October 29, 2022 in the
11 amount of \$62,440. The final request from the Texas
12 Arabian Breeders Association is for \$63,440 to fund the
13 Arabian Stakes Night at Lone Star Park on December 4,
14 2002.

15 All of these requests from the Texas Arabian
16 Breeders Association are for events identical to ones
17 previously requested and approved by the Commission.
18 However, the requested amounts for these five events vary
19 only slightly from the original ones from previous years.

20 Sam Vasquez, representing the Texas Arabian
21 Breeders Association, I believe, is here today, should you
22 have any questions specifically about these events.

23 CHAIRMAN PATE: Thank you, Curley. Does the
24 staff have a recommendation?

25 MR. TRAHAN: Staff recommends approval.

1 CHAIRMAN PATE: Thank you. Is there any
2 further discussion?

3 (No response.)

4 MR. MACH: Mr. Chairman, I make a motion we
5 approve this request.

6 CHAIRMAN PATE: Motion made by Commissioner
7 Mach. A second?

8 DR. McNABB: Second.

9 CHAIRMAN PATE: Second by Commissioner McNabb.
10 Thank you. Is there any further discussion?

11 (No response.)

12 CHAIRMAN PATE: All those in favor, signify by
13 saying aye.

14 (A chorus of ayes.)

15 CHAIRMAN PATE: Any opposed?

16 (No response.)

17 CHAIRMAN PATE: Motion carries.

18 There is no need to have an Executive Session.

19 Commissioners, the next meeting is scheduled for
20 Wednesday, April 13, 2022 at 10:30 a.m. right here in this
21 room. The time is now 2:46 p.m. Having concluded all
22 business on our Agenda, we are now adjourned. Thank you
23 very much.

24 (Whereupon, at 2:46 p.m., the meeting was
25 adjourned.)

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C E R T I F I C A T E

MEETING OF: Texas Racing Commission

LOCATION: Austin, Texas

DATE: February 9, 2022

I do hereby certify that the foregoing pages, numbers 1 through 73, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Elizabeth Stoddard before the Texas Racing Commission.

DATE: February 18, 2022

/s/ Anna Marie Reyes
(Transcriber)

On the Record Reporting
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