

## Racing Commission Summary of Recommendations - House

Section 1

Page VIII-54

Charles Trout, Executive Director

Thomas Galvan, LBB Analyst

Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$0	\$0	\$0	0.0%
GR Dedicated Funds	\$14,666,769	\$15,610,182	\$943,413	6.4%
<i>Total GR-Related Funds</i>	<i>\$14,666,769</i>	<i>\$15,610,182</i>	<i>\$943,413</i>	<i>6.4%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$0	\$0	\$0	0.0%
<b>All Funds</b>	<b>\$14,666,769</b>	<b>\$15,610,182</b>	<b>\$943,413</b>	<b>6.4%</b>

	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	47.0	51.6	4.6	9.8%

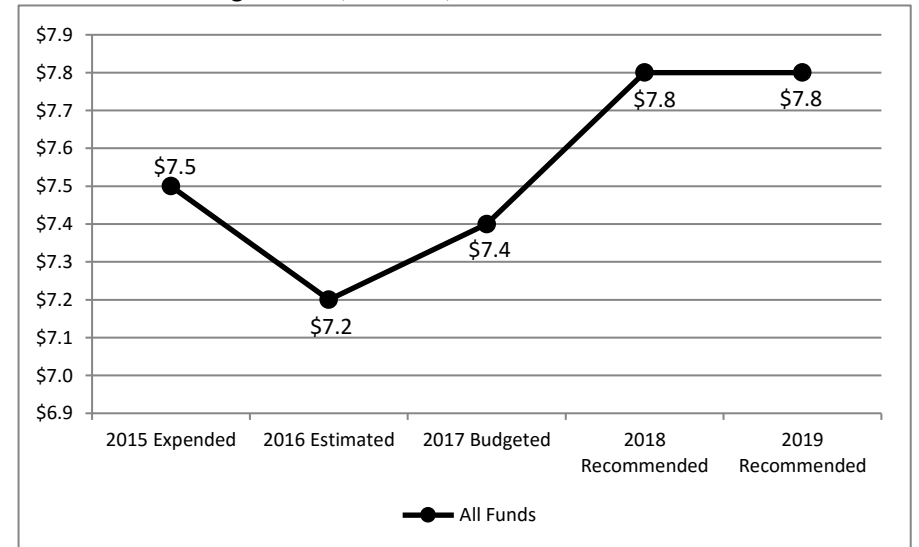
### Agency Budget and Policy Issues and/or Highlights

The 2018-19 recommendations include a net increase of \$0.9 million in GR Dedicated Funds and 4.6 FTEs over the 2016-17 Base due to the following:

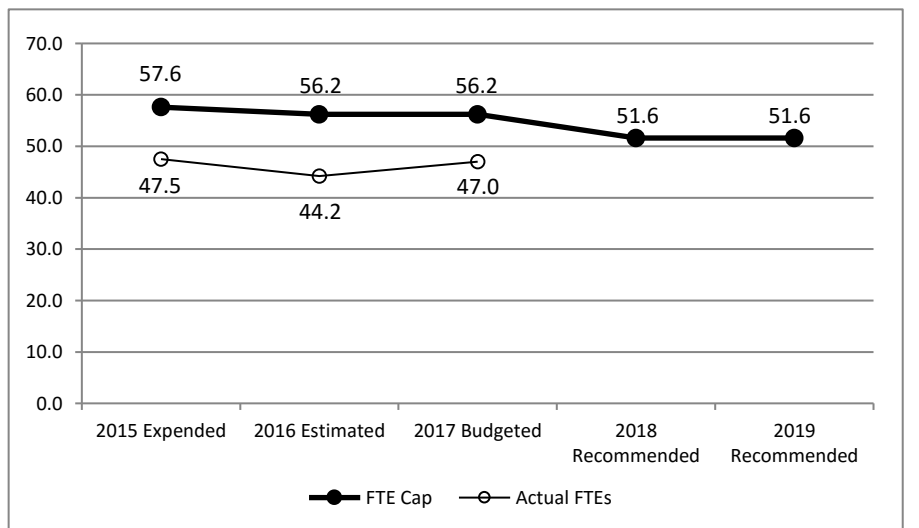
- An increase of \$1.3 million and 5.2 FTEs related to regulatory contingency rider appropriations, contingent upon increases in racing activity and the generation of increased revenue; and
- A decrease of \$0.4 million or 2.6 percent in regular strategy appropriations from \$14.7 million in 2016-17 to \$14.3 million recommended for the 2018-19 biennium and a reduction of 0.6 FTEs related to the four percent reduction.

The bill pattern for this agency (2018-19 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2018-19 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



**Racing Commission**  
**Summary of Funding Changes and Recommendations - House**

**Section 2**

<b>Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level</b>	<b>General Revenue</b>	<b>GR-Dedicated</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>All Funds</b>	<b>Strategy in Appendix A</b>
---	----------------------------	---------------------	--------------------------	--------------------	------------------	-----------------------------------

***Funding Changes and Recommendations:***

A)	Decrease of 1) \$167,083 for lump sum annual leave payments for retirees and other personnel costs; 2) \$27,534 for salaries, professional services, and other operating expenses; and 3) \$215,654 for Texas Bred Incentive Program payments, pursuant to the four percent reduction	\$0	(\$410,271)	\$0	\$0	(\$410,271)	All strategies
B)	Agency building lease cost increase for \$36,000	\$0	\$36,000	\$0	\$0	\$36,000	D.1.1
C)	Contingency appropriation for the opening of a new horse racetrack or reopening racetrack	\$0	\$1,300,854	\$0	\$0	\$1,300,854	A.3.1, A.3.2, A.4.1, A.4.2, B.1.1, C.1.1
D)	Contingency appropriation for additional live horse race dates added beyond the base of 186 days each fiscal year for \$11,552	\$0	\$11,552	\$0	\$0	\$11,552	A.3.1, A.3.2, A.4.1, A.4.2, B.1.1
E)	Contingency appropriation for additional live greyhound race dates added beyond the base of 36 days each fiscal year for \$5,278	\$0	\$5,278	\$0	\$0	\$5,278	A.3.1, A.3.2, A.4.1, B.1.1

<b>TOTAL Funding Changes and Recommendations</b>	<b>\$0</b>	<b>\$943,413</b>	<b>\$0</b>	<b>\$0</b>	<b>\$943,413</b>	As Listed
<i>Funding Increases</i>	\$0	\$1,353,684	\$0	\$0	\$1,353,684	As Listed
<i>Funding Decreases</i>	\$0	(\$410,271)	\$0	\$0	(\$410,271)	As Listed

**Racing Commission  
Selected Fiscal and Policy Issues - House**

1. **2018–19 General Revenue-Dedicated Recommendations.** Recommendations, excluding contingency rider appropriations, provide \$14,292,498 in General Revenue-Dedicated Funds for the 2018–19 biennium for the agency’s core regulatory and administrative functions, which represents a \$374,271 decrease from the 2016–17 base.

The agency’s four percent biennial baseline reduction amount is \$586,671. Recommendations retain a total of \$176,400 in General Revenue-Dedicated funds for the 2018–19 biennium for the following items identified in the agency’s four percent reduction.

- a. **Regulation of Reopened Greyhound Racetracks.** Recommendations retain \$46,000 in General Revenue-Dedicated funds for the 2018–19 biennium from amounts identified in the agency’s four percent reduction for travel expenses and professional services (contract race judge and veterinarian) to inspect greyhound racetracks and regulate live race meets in the 2018–19 biennium at tracks that had not operated in the last biennium. Three greyhound tracks have been granted 36 race dates per year to be rotated among the three racetracks, with the first live meet beginning in November 2017. One racetrack had ended live racing in December 2015, and the other two racetracks last conducted live racing in 2013 and 2007. The agency will incur travel costs associated with rotating its staff and resources among the tracks and hiring contractors to regulate the race meets.
  - b. **Lump Sum Annual Leave Payout.** Recommendations retain \$36,000 in General Revenue-Dedicated funds from amounts identified in the agency’s four percent reduction for lump sum annual leave payments for agency employees who will be eligible to retire and return-to-work retirees who may resign during the 2018–19 biennium. The agency reports that eight employees will be eligible to retire and three return-to-work retiree employees are anticipated to resign during the 2018–19 biennium. The agency estimates a total liability of \$117,716 for lump sum annual leave payments for these employees (see Rider Highlights, New #9).
  - c. **Increased Travel and Regulatory Costs.** Recommendations retain \$35,400 in General Revenue-Dedicated funds for the 2018–19 biennium from amounts identified in the agency’s four percent reduction for travel costs (\$14,500 each fiscal year) and contract veterinarian services (\$3,200 each fiscal year) to maintain its regulatory presence at racetracks. In response the declining racing industry and anticipated revenue losses, the agency reduced its FTE count during the 2016–17 biennium and currently employs one full-time veterinarian. The agency will incur increased travel costs for employees assigned to work at racetracks other than their headquarters location and to provide contract veterinary services at live races.
  - d. **Texas Bred Incentive Program.** Recommendations retain \$59,000 in General Revenue-Dedicated funds for the 2018–19 biennium from amounts identified in the agency’s four percent reduction for the payment of incentive awards under the Texas Bred Incentive Program. Funding for the program is based on horse and greyhound race wagering revenue set-asides required by the Texas Racing Act that is passed through the agency to the designated breed registries for distribution to race animal owners and breeders in Texas. Recommendations include an estimated \$6,650,686 for the program in the 2018–19 biennium (see Rider Highlights #2).
2. **Building Lease Increase.** Recommendations include an increase of \$36,000 (\$18,000 each fiscal year) in General Revenue-Dedicated funds above the agency’s baseline request for the 2018–19 biennium to accommodate an increase in the agency’s building lease cost. The agency’s new five-year lease for its current facility, procured by the Texas Facilities Commission, will begin in February 2017 (fiscal year 2017) and end in January 2022 (fiscal year 2022). The agency anticipates being relocated to state-owned property by the end of the lease.

3. **Appropriations Limited to Revenue Collections and Projected Revenue Shortfall.** The agency is required by the Texas Racing Act and the Special Provisions Relating to All Regulatory Agencies in Article VIII (Article VIII Special Provisions) of the General Appropriations Act (GAA) to generate revenue to cover its direct appropriations and appropriations made elsewhere in the GAA for other direct and indirect costs. The agency's revenue is derived mostly from fees assessed on racetracks and occupational licenses under the agency's jurisdiction, deposited to the General Revenue-Dedicated Texas Racing Commission Account No. 597.

The agency reports that three horse racetracks stopped paying license fees in fiscal year 2016 resulting in a revenue loss during the 2016–17 biennium. As a result, the agency anticipates a shortfall in revenue needed to cover appropriations from General Revenue-Dedicated Account No. 597 in fiscal year 2017 under its current fee structure. The agency currently has the authority to raise fees and generate additional revenue.

Based on the Comptroller's Biennial Revenue Estimate for the 2018–19 biennium, it is estimated that revenue in General Revenue-Dedicated Account No. 597 would fall short of the amount needed to cover the 2018–19 recommended funding levels and other transfers from the account (e.g., employee benefits) by approximately \$1.6 million for the biennium. Pursuant to the Article VIII Special Provisions, the agency's appropriations are limited to revenue collections from fees and other miscellaneous revenues generated by the agency. In the event that actual and/or projected revenue collections are insufficient to cover the agency's appropriations and other direct and indirect costs, the Legislative Budget Board and the Governor may direct the Comptroller to reduce the agency's appropriation authority to be within the amount of revenue expected to be available.

4. **FTE Positions.** Recommendations provide 51.6 FTEs in fiscal years 2018 and 2019 in alignment with the agency's request. This is a net increase of 4.6 FTEs from the fiscal year 2017 budgeted level due to the following:
- Increase of 5.2 FTEs in contingency riders (see #5, below); and
  - Decrease of 0.6 FTEs to shift full-time positions to part-time.
5. **Regulatory Contingency Appropriations.** Recommendations include three regulatory contingency rider appropriations for a total increase of \$1,317,684 in General Revenue-Dedicated funding over the 2016-17 base and an additional 5.2 FTEs in each fiscal year as detailed below. Newly generated revenue would offset the cost of these appropriations.
- a. **New Horse Racetrack or Reopening Horse Racetrack.** Recommendations continue contingency rider appropriations of \$1,300,854 in General Revenue-Dedicated funding (\$650,427 each fiscal year) and an increase of 5.0 Full-Time Equivalents (FTEs) each year to allow the agency to regulate each new horse racetrack that begins operations during the biennium. The rider provides \$315,950 per year for additional enforcement and regulation activities at the new racetrack, including appropriations for salary and travel costs for 5.0 additional FTEs. The rider also provides \$334,477 per year in additional appropriations for the Texas Bred Incentive Program. The contingency appropriation and funding mechanism continues a legislative policy established by the 79th Legislature (see Rider Highlights #5).
  - b. **Additional Live Horse Race Days Beyond Base of 186 Days.** Recommendations include a new contingency rider to appropriate \$5,776 in General Revenue-Dedicated funding for each additional live horse race day added beyond the base of 186 dates on the horse race date calendar for each fiscal year (\$11,552 for the 2018–19 biennium). The contingent appropriation provides \$3,501 and 0.1 FTEs for salary, travel, and other operating costs associated with inspections and oversight and \$2,275 in additional appropriations for the Texas Bred Incentive Program for each additional race date (see Rider Highlights, New #7).
  - c. **Additional Live Greyhound Race Days Beyond Base of 36 Days.** Recommendations include a new contingency rider to appropriate \$2,639 in General Revenue-Dedicated funding for each additional live greyhound race day added beyond the base of 36 dates on the

greyhound race date calendar for each fiscal year (\$5,278 for the 2018–19 biennium). The contingent appropriation provides \$2,564 and 0.1 FTEs for salary, travel, and other operating costs associated with inspections and oversight and \$75 in additional appropriations for the Texas Bred Incentive Program for each additional race date (see Rider Highlights, New #8).

**Racing Commission  
Rider Highlights - House**

**Modification of Existing Riders**

2. **Texas Bred Incentive Program Receipts.** Recommendations revise the rider to clarify that the appropriation in Strategy A.2.1, Texas Bred Incentive Program, is estimated and based on the amount of revenue set aside for the program by the Texas Racing Act.
5. **Contingent Appropriation: New Horse Racetrack or Reopening Horse Racetrack and Accredited Texas Bred Program.** Recommendations retain this rider to allow the agency to regulate each new horse racetrack that begins operations during the biennium. Newly generated revenue will offset these appropriations. Recommendations revise this rider to increase the contingent appropriation by \$12,500 per fiscal year for providing veterinary and drug testing services and \$2,440 per fiscal year for the Texas Bred Incentive Program for each new or reopening racetrack in alignment with the agency's request. The contingency appropriation and funding mechanism continues a legislative policy established by the Seventy-ninth Legislature, 2005 (see Selected Fiscal and Policy Issues #5a).

**New Riders**

7. **Contingent Appropriation: Additional Live Race Days Added beyond the Base of 186 Days Each Fiscal Year to the Horse Race Date Calendar and Accredited Texas Bred Program.** Recommendations include a new rider to authorize an increase in appropriations and FTEs for each additional live race date granted beyond the base of 186 days on the horse race date calendar for each fiscal year in alignment with the agency's request. Additional revenue generated from racetrack license fees would offset these appropriations (see Selected Fiscal and Policy Issues #5b).
8. **Contingent Appropriation: Additional Live Race Days Added Beyond Base of 36 Days Each Fiscal Year to the Greyhound Race Date Calendar and Accredited Texas Bred Program.** Recommendations include a new rider to authorize an increase in appropriations and FTEs for each additional live race date granted beyond the base of 36 days on the greyhound race date calendar for each fiscal year in alignment with the agency's request. Additional revenue generated from racetrack license fees would offset these appropriations (see Selected Fiscal and Policy Issues #5c).
9. **Lump Sum Annual Leave Payout.** Recommendations add a rider for funds appropriated for the purpose of lump sum payment of accrued annual leave to retiring employees. Recommendations include unexpended balance authority for these funds between fiscal years of the biennium, and a provision requiring that unspent funds dedicated for this purpose would lapse at the end of the biennium (see Selected Fiscal and Policy Issues #1b).

**Deleted Riders**

7. **Approval of Central Administration & Other Support Services.** Recommendations delete this rider.

**Racing Commission**  
**Items Not Included in Recommendations - House**

	2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
	GR & GR-D	All Funds	FTEs			

**Agency Exceptional Items - In Agency Priority Order**

1)	Increase General Revenue-Dedicated funds for internal audit contracting services	\$30,000	\$30,000	0.0	No	Yes	\$30,000
2)	New rider authorizing the agency to establish an imprest fund not to exceed \$2,000 from appropriated funds for the purpose of purchasing evidence	\$0	\$0	0.0	No	No	\$0

<b>TOTAL Items Not Included in Recommendations</b>		<b>\$30,000</b>	<b>\$30,000</b>	<b>0.0</b>			<b>\$30,000</b>
--	--	-----------------	-----------------	------------	--	--	-----------------

**Racing Commission  
Appendices - House**

<b>Table of Contents</b>		
<b>Appendix</b>	<b>Appendix Title</b>	<b>Page</b>
<b>A</b>	Funding Changes and Recommendations by Strategy	9
<b>B</b>	Summary of Federal Funds	*
<b>C</b>	FTE Highlights	*
<b>D</b>	Performance Measure Highlights	*
<b>E</b>	Summary of Ten Percent Biennial Base Reduction Options	14

\* Appendix is not included - no significant information to report



**Racing Commission**  
**Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
<b>All Funds are from the General Revenue-Dedicated Texas Racing Commission Account No. 597.</b>					
LICENSE/REGULATE RACETRACKS A.1.1	\$769,106	\$771,882	\$2,776	0.4%	Net increase of \$2,776, including an increase of \$5,951 in travel and other operating expenses offset by a decrease of \$3,175 for lump sum annual leave payments to retiring employees.
TEXAS BRED INCENTIVE PROGRAM A.2.1	\$6,866,340	\$7,324,340	\$458,000	6.7%	Net increase of \$458,000 includes an increase of \$673,654 related to regulatory contingency rider appropriations (see below) and a decrease of \$215,654 for Texas Bred Incentive Program payments related to a decline in the amount of money wagered at Texas racetracks.
SUPERVISE & CONDUCT LIVE RACES A.3.1	\$1,099,756	\$1,290,502	\$190,746	17.3%	Net increase of \$190,746 includes an increase of \$199,020 related to regulatory contingency rider appropriations (see below) and a net decrease of \$8,274 due to the following: - A decrease of \$26,320 in salaries related to a reduction of 0.4 FTEs maintained from the 2016-17 biennium; - A decrease of \$7,327 for lump sum annual leave payments to retiring employees; - An increase of \$21,083 for travel and other operating expenses; and - An increase of \$4,290 for contract race judges.
MONITOR LICENSEE ACTIVITIES A.3.2	\$481,005	\$580,146	\$99,141	20.6%	Net increase of \$99,141 includes an increase of \$109,652 related to regulatory contingency rider appropriations (see below) and a net decrease of \$10,511 due to the following: - A decrease of \$12,958 in salaries and other operating expenses; - A decrease of \$5,552 for lump sum annual leave payments to retiring employees; and - An increase of \$7,999 for travel expenses.

Racing Commission  
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
INSPECT & PROVIDE EMERGENCY CARE A.4.1	\$694,432	\$862,244	\$167,812	24.2%	Net increase of \$167,812 includes an increase of \$133,940 related to regulatory contingency rider appropriations (see below) and a net increase of \$33,872 due to the following: - A decrease of \$11,903 for lump sum annual leave payments to retiring employees; - An increase of \$26,693 reallocated from other strategies to increase salary for veterinarians; - An increase of \$10,408 for contract veterinarian services; - An increase of \$7,645 for travel expenses; and - An increase of \$1,029 in operating expenses reallocated from other strategies.
ADMINISTER DRUG TESTS A.4.2	\$468,666	\$470,576	\$1,910	0.4%	Net increase of \$1,190 includes an increase of \$40,214 related to regulatory contingency rider appropriations (see below) and a net decrease of \$38,304 due to the following: - A decrease of \$28,006 in salaries and wages related to a reduction of 0.5 FTEs maintained from the 2016-17 biennium; - A decrease of \$17,793 for lump sum annual leave payments for retiring employees; - A decrease of \$770 in other operating expenses; and - An increase of \$8,265 for travel expenses.
Total, Goal A, ENFORCE RACING REGULATION	\$10,379,305	\$11,299,690	\$920,385	8.9%	

**Racing Commission**  
**Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
OCCUPATIONAL LICENSING PROGRAM B.1.1	\$879,039	\$895,236	\$16,197	1.8%	Net increase of \$16,197 includes an increase of \$71,204 related to regulatory contingency rider appropriations (see below) and a net decrease of \$55,007 due to the following: - A decrease of \$39,726 in salaries related to a reduction of 0.5 FTEs; - A decrease of \$17,844 for lump sum annual leave payments for retiring employees; - A decrease of \$14,311 in other operating expenses; and - An increase of \$16,874 for travel expenses.
TEXAS.GOV B.1.2	\$40,370	\$38,370	(\$2,000)	(5.0%)	Decrease in pass-through Texas.gov online licensing application subscription fees due to a decrease in occupational licenses renewed.
<b>Total, Goal B, REGULATE PARTICIPATION</b>	<b>\$919,409</b>	<b>\$933,606</b>	<b>\$14,197</b>	<b>1.5%</b>	
MONITOR WAGERING AND COMPLIANCE C.1.1	\$817,565	\$837,590	\$20,025	2.4%	Net increase of \$20,025 includes an increase of \$90,000 related to regulatory contingency rider appropriations (see below) and a net decrease of \$69,975 due to the following: - A decrease of \$33,532 in salaries related to a reduction of 1.0 FTE maintained from the 2016-17 biennium; - A decrease of \$27,024 for lump sum annual leave payments for retiring employees; and - A decrease of \$9,419 for travel and other operating expenses.
<b>Total, Goal C, REGULATE PARI-MUTUEL WAGERING</b>	<b>\$817,565</b>	<b>\$837,590</b>	<b>\$20,025</b>	<b>2.4%</b>	

**Racing Commission**  
**Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
CENTRAL ADMIN & OTHER SUPPORT SVCS D.1.1	\$1,484,088	\$1,520,274	\$36,186	2.4%	Net increase of \$36,186 due to the following: - An increase of \$27,353 in salaries due to the anticipated retirement and rehiring of personnel; - An increase of \$41,976 in building lease and other related costs; - An increase of \$2,447 for travel costs; - An increase of \$8,361 in other operating expenses; and - A decrease of \$43,951 for lump sum annual leave payments for retiring employees.
INFORMATION RESOURCES D.1.2	\$1,066,402	\$1,019,022	(\$47,380)	(4.4%)	Net decrease of \$47,380 due to the following: - A decrease of \$32,514 for lump sum annual leave payments for retiring employees; - A decrease of \$42,873 for professional services; - An increase \$12,639 to biennialize salaries at the fiscal 2017 level; - An increase of \$5,100 for travel expenses; and - An increase of \$10,268 for other operating expenses.
<b>Total, Goal D, INDIRECT ADMINISTRATION</b>	<b>\$2,550,490</b>	<b>\$2,539,296</b>	<b>(\$11,194)</b>	<b>(0.4%)</b>	
<b>Grand Total, All Strategies</b>	<b>\$14,666,769</b>	<b>\$15,610,182</b>	<b>\$943,413</b>	<b>6.4%</b>	Recommendations include \$14,292,498 in regular strategy appropriations for a biennial decrease of \$374,271. The biennial decrease is offset by an increase of \$1,317,684 related to three regulatory contingency rider appropriations listed below with the corresponding strategy allocation for each rider. Each contingency rider appropriation would be offset by newly generated General Revenue-Dedicated funds.  Rider 5, Contingent Appropriation: New Horse Racetrack or Reopening Horse Racetrack and Accredited Texas Bred Program. \$1,300,854 for the biennium allocated to the following strategies:

**Racing Commission**  
**Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
					- \$668,954 in Texas Bred Incentive Program (A.2.1) - \$194,000 in Supervise & Conduct Live Races (A.3.1) - \$108,000 in Monitor Licensee Activities (A.3.2) - \$130,400 in Inspect & Provide Emergency Care (A.4.1) - \$39,500 in Administer Drug Tests (A.4.2) - \$70,000 in Occupational Licensing Program (B.1.1) - \$90,000 in Monitor Wagering and Compliance (C.1.1)
					Rider 8 (New), Contingent Appropriation: Additional Live Race Days Added beyond the Base of 186 Days Each Fiscal Year to the Horse Race Date Calendar and Accredited Texas Bred Program. \$11,552 for the biennium allocated to the following strategies:  - \$4,550 in Texas Bred Incentive Program (A.2.1) - \$2,510 in Supervise & Conduct Live Races (A.3.1) - \$826 in Monitor Licensee Activities (A.3.2) - \$2,350 in Inspect & Provide Emergency Care (A.4.1) - \$714 in Administer Drug Tests (A.4.2) - \$602 in Occupational Licensing Program (B.1.1)
					Rider 9 (New), 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. \$5,278 for the biennium allocated to the following strategies:  - \$150 in Texas Bred Incentive Program (A.2.1) - \$2,510 in Supervise & Conduct Live Races (A.3.1) - \$826 in Monitor Licensee Activities (A.3.2) - \$1,190 in Inspect & Provide Emergency Care (A.4.1) - \$602 in Occupational Licensing Program (B.1.1)

**Racing Commission**  
**Summary of Ten Percent Biennial Base Reduction Options - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
1)	Texas Bred Incentive Program	This reduction would decrease the payout of awards to the owners and breeders of Texas Bred greyhounds and horses.	\$332,500	\$332,500	0.0	\$0	5%	No
2)	Accounting Services	This reduction would decrease the agency's budget for internal auditing professional services.	\$10,000	\$10,000	0.0	\$0	0%	No
3)	Eliminate Employee Training	This reduction would eliminate the agency's budget for employee training.	\$13,550	\$13,550	0.0	\$0	0%	No
4)	ARCI Membership Dues	This reduction would eliminate the agency's budget membership dues to the Association of Racing Commissioners International (ARCI). The membership provides access to the ARCI national database that is used to monitor licensees' standing in other jurisdictions and information on current standards for racing regulation, medication policy, drug testing laboratories, totalizator systems, racetrack operations, and security.	\$34,070	\$34,070	0.0	\$0	1%	No
5)	Elimination of Staff	This reduction would decrease staffing equal to 1.0 FTE in each year of the biennium and reduce monitoring of several regulatory functions and delay payment of travel and purchase vouchers.	\$77,138	\$77,138	1.0	\$0	10%	No
6)	Reduction of Staff Work Hours	This reduction would decrease staff working hours by 25 percent, equal to 1.5 FTEs each fiscal year. The reduction would decrease regulatory oversight in all programs.	\$251,316	\$251,316	1.5	\$0	4%	No
7)	Reduction of Travel	This reduction would decrease the agency's budget for travel reimbursements, decreasing the number of racetrack inspections and reducing the number of supervisors monitoring agency staff at the racetracks.	\$11,754	\$11,754	0.0	\$0	0%	No
8)	Texas Bred Incentive Program	This reduction would decrease the payout of awards to the owners and breeders of Texas Bred greyhounds and horses.	\$332,500	\$332,500	0.0	\$0	5%	No
9)	Eliminate Accounting Services	This reduction would eliminate the agency's budget for internal auditing professional services.	\$10,000	\$10,000	0.0	\$0	0%	No

**Racing Commission**  
**Summary of Ten Percent Biennial Base Reduction Options - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
10)	Elimination of Staff	This reduction would decrease staffing equal to 1.0 FTE in each year of the biennium. The reduction would affect the monitoring of pari-mutuel wagering and response time to public inquiries and open records requests.	\$109,768	\$109,768	1.0	\$0	5%	No
11)	Reduction of Staff Work Hours	This reduction would decrease staff working hours by an additional 25 percent, equal to 1.3 FTEs in each year. The reduction would require a reduction in race date allocations.	\$225,414	\$225,414	1.3	\$0	4%	No
<b>TOTAL, 10% Reduction Options</b>			<b>\$1,408,010</b>	<b>\$1,408,010</b>	<b>4.8</b>	<b>\$0</b>		