

Section 1

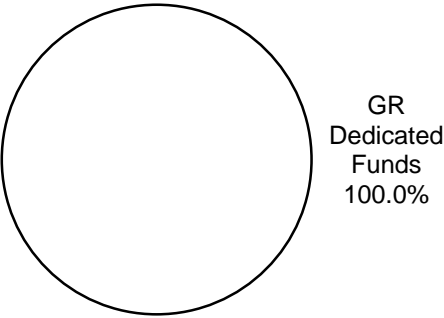
Racing Commission
Summary of Recommendations - Senate

Page VIII-52
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| Method of Financing | 2012-13 Base | 2014-15 Recommended | Biennial Change | % Change |
|------------------------|-----------------|------------------------|--------------------|-------------|
| General Revenue Funds | \$0 | \$0 | \$0 | 0.0% |
| GR Dedicated Funds | \$16,632,563 | \$17,902,087 | \$1,269,524 | 7.6% |
| Total GR-Related Funds | \$16,632,563 | \$17,902,087 | \$1,269,524 | 7.6% |
| Federal Funds | \$0 | \$0 | \$0 | 0.0% |
| Other | \$0 | \$0 | \$0 | 0.0% |
| All Funds | \$16,632,563 | \$17,902,087 | \$1,269,524 | 7.6% |

RECOMMENDED FUNDING
BY METHOD OF FINANCING

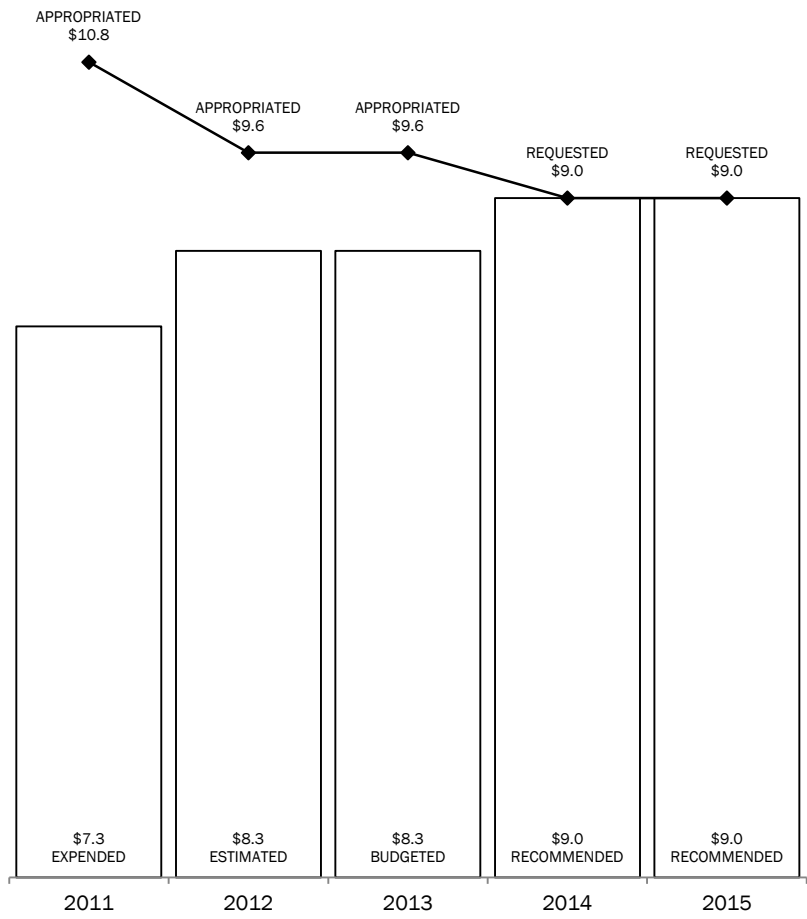


The bill pattern for this agency (2014-15 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2014-15 biennium.

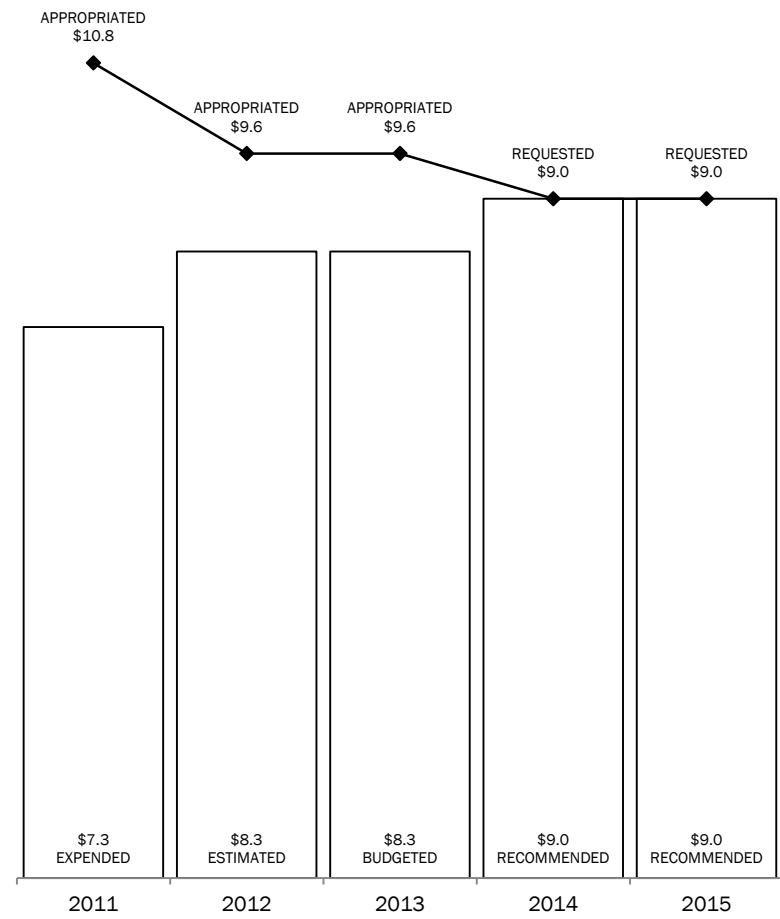
Section 1
Racing Commission
2014-2015 BIENNIUM
IN MILLIONS

TOTAL= \$17.9 MILLION

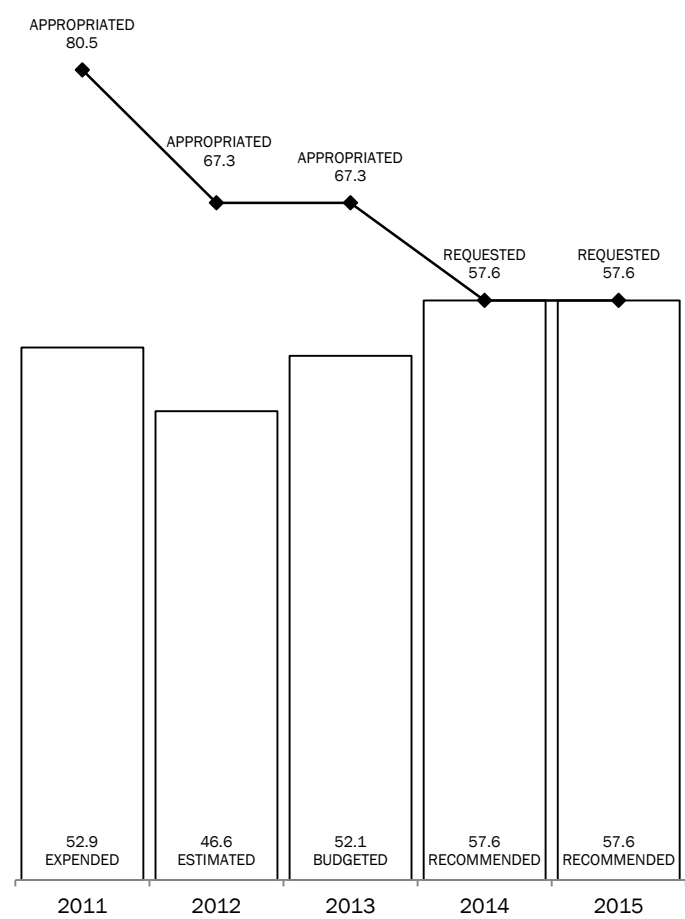
ALL FUNDS



GENERAL REVENUE-DEDICATED FUNDS



FULL-TIME-EQUIVALENT POSITIONS



Section 2

Racing Commission
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

| Strategy/Goal | 2012-13 Base | 2014-15 Recommended | Biennial Change | % Change | Comments |
|---|---------------------|------------------------|--------------------|-------------|--|
| LICENSE/REGULATE RACETRACKS A.1.1 | \$727,012 | \$801,678 | \$74,666 | 10.3% | |
| TEXAS BRED INCENTIVE PROGRAM A.2.1 | \$8,250,000 | \$8,914,074 | \$664,074 | 8.0% | |
| SUPERVISE & CONDUCT LIVE RACES A.3.1 | \$1,227,696 | \$1,383,311 | \$155,615 | 12.7% | |
| MONITOR LICENSEE ACTIVITIES A.3.2 | \$522,045 | \$646,737 | \$124,692 | 23.9% | |
| INSPECT & PROVIDE EMERGENCY CARE A.4.1 | \$574,312 | \$692,523 | \$118,211 | 20.6% | |
| ADMINISTER DRUG TESTS A.4.2 | \$568,328 | \$540,356 | (\$27,972) | (4.9%) | Recommendations decrease General Revenue-Dedicated Fund 597 by \$27,972 for Strategy A.4.2, because fewer animal athletes are competing in races, decreasing the number of drug tests administered. |
| Total, Goal A, ENFORCE RACING REGULATION | \$11,869,393 | \$12,978,679 | \$1,109,286 | 9.3% | |
| OCCUPATIONAL LICENSING PROGRAM B.1.1 | \$1,161,759 | \$1,195,174 | \$33,415 | 2.9% | |
| TEXAS.GOV B.1.2 | \$46,750 | \$45,000 | (\$1,750) | (3.7%) | Recommendations decrease General Revenue-Dedicated Fund 597 by \$1,750 for Strategy B.1.2, due to an agency anticipated reduction in Texas.gov subscription fees. |
| Total, Goal B, REGULATE PARTICIPATION | \$1,208,509 | \$1,240,174 | \$31,665 | 2.6% | |
| MONITOR WAGERING AND AUDIT C.1.1 | \$648,960 | \$732,220 | \$83,260 | 12.8% | |
| WAGERING COMPLIANCE INSPECTIONS C.1.2 | \$477,158 | \$484,484 | \$7,326 | 1.5% | |
| Total, Goal C, REGULATE PARI-MUTUEL WAGERING | \$1,126,118 | \$1,216,704 | \$90,586 | 8.0% | |
| CENTRAL ADMIN & OTHER SUPPORT SVCS D.1.1 | \$1,460,867 | \$1,460,024 | (\$843) | (0.1%) | |
| INFORMATION RESOURCES D.1.2 | \$967,676 | \$1,006,506 | \$38,830 | 4.0% | |
| Total, Goal D, INDIRECT ADMINISTRATION | \$2,428,543 | \$2,466,530 | \$37,987 | 1.6% | |
| Grand Total, All Strategies | \$16,632,563 | \$17,902,087 | \$1,269,524 | 7.6% | Recommendations increase General Revenue-Dedicated Fund 597 by \$1,271,274 over the biennium and 5.0 FTEs for contingency appropriations to allow the agency to regulate each new horse racetrack that begins operations during the biennium (see Selected Fiscal and Policy Issues #1). |

Section 3

Racing Commission Selected Fiscal and Policy Issues

1. **Contingency Appropriations: New Horse Racetrack.** Recommendations continue contingency rider appropriations of \$1,271,274 (\$635,637 each fiscal year) and an increase of 5.0 FTEs each year to allow the agency to regulate each new horse racetrack that begins operations during the biennium. The rider provides \$303,600 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 \$332,037 per year in additional appropriations for the Texas Bred Incentive Program collected by the new racetrack. Newly generated revenue will offset these appropriations. Recommendations update the strategy allocation of appropriations to reflect changes in agency travel reimbursement policies and salary allocation. The contingency appropriation and funding mechanism continues a legislative policy established by the 79th Legislature. One track, Saddlebrook Park, is expected to become active during the biennium with two live race dates in October 2014 already approved by the Racing Commission (see Rider Highlights #6).
2. **Criminal History and Background Checks.** Recommendations include a decrease in appropriation authority for criminal history and background checks by \$242,648 for the biennium (from \$634,662 in 2012-13 to \$392,014 in 2014-15) due to decreases in the number of background checks the agency anticipates it will perform. The decrease is due to the enactment of House Bill 2271, Eighty-second Legislature, 2011, which reduced the scope of the agency's licensing population by requiring the agency to license only racetrack employees who can affect pari-mutuel racing. The licensee population has also decreased due to the decline in the racing industry. Instead of increasing fees in the amount of \$1,406,114 and appropriations in the amount of \$1,209,225 (\$582,150 for Art. IX, Sec. 18.49, Contingency for HB 2271/SB 659, and \$627,075 for Rider 10, Contingent Revenue), the agency used excess appropriations for criminal history and background checks (\$242,648 for the biennium) to fund the implementation of House Bill 2271 and cover additional information technology, telecommunications, and electricity costs. Recommendations amend the Criminal History Checks and Background Checks rider to include a new reporting requirement to help monitor the agency's collection and expenditure of background check fees as well as language explicitly directing the agency to lapse any unused criminal history background check appropriation authority (see Rider Highlight #4).

Section 4

Texas Racing Commission (TRC)
Performance Review and Policy Report Highlights

| Reports & Recommendations | Report Page | Savings/ (Cost) | Gain/ (Loss) | Fund Type | Included in Introduced Bill | Action Required During Session |
|---------------------------|----------------|--------------------|-----------------|--------------|--------------------------------|--------------------------------|
|---------------------------|----------------|--------------------|-----------------|--------------|--------------------------------|--------------------------------|

NO RELATED RECOMMENDATIONS

Section 5

Racing Commission Rider Highlights

2. **(former) Limitation on Travel Reimbursement.** Recommendations delete this rider. This recommendation conforms to general recommendations regarding travel limitations.
4. **Criminal History Checks and Background Checks.** Recommendations amend this rider to decrease the appropriation authority by \$242,648 for the biennium due to agency anticipated decreases in the number of background checks it will perform. Recommendations also amend the rider to include two additional subsections. Subsection (b) requires the agency to submit a report to the LBB before May 31, 2014, detailing the amount collected and expended on criminal background checks and the amount the agency projects to spend on criminal background checks. Subsection (c) explicitly directs the agency to lapse any unused criminal background check appropriation authority (see Selected Fiscal and Policy Issues Item #2).
6. **Contingent Appropriations: 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 from the new racetracks will offset these appropriations. Recommendations update strategy allocations to reflect changes in agency travel reimbursement policies and salary allocation. The contingency appropriation and funding mechanism continues a legislative policy established by the 79th Legislature (see Selected Fiscal and Policy Issues Item #1).
9. **(former) Sunset Contingency.** Recommendations delete this rider. The agency underwent Sunset Review in the 2012-13 biennium and was continued for 6 years.
10. **(former) Contingent Revenue.** Recommendations delete this rider. The agency has not met the requirements of the rider; therefore, additional appropriations have not been released in the current biennium and were not included in the agency's 2012-13 base expenditures. The rider is no longer needed.

Section 6

Racing Commission
Items not Included in Recommendations - Senate

NONE