

TEXAS RACING COMMISSION

MEETING

10:30 a.m.
Tuesday,
May 19, 2020

VIA TELEPHONE AND WEB LINK

COMMISSIONERS PRESENT:

JOHN T. STEEN III, Chair
RONALD F. EDERER, Vice-Chair
TIM KLEINSCHMIDT
CONNIE McNABB, D.V.M.
STEVEN P. MACH
MARGARET MARTIN
MICHAEL "MIKE" MOORE
ROBERT C. PATE
ARVEL "A.J." WAIGHT, JR.

ON THE RECORD REPORTING
(512) 450-0342

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P R O C E E D I N G S

1
2 CHAIRMAN STEEN: We'll go ahead and get
3 started. Good morning. I'd like to call today's meeting
4 of the Texas Racing Commission to order. The time is now
5 10:30.

6 Before we begin, I want to thank everyone for
7 their cooperation and patience. For the first virtual
8 meeting of the Texas Racing Commission, it will be
9 extremely important for everyone to keep your device on
10 mute until you are called upon and put your device back on
11 mute afterwards.

12 If you have not previously submitted your
13 intention to comment on any particular item, you will be
14 given the opportunity at the appropriate time. If you
15 would like to comment, I encourage you to email Robert
16 Elrod to request to comment and be specific on which
17 agenda item you'd like to comment on. His email address
18 is info@TxRC.Texas.gov. Again, that's info@TxRC.Texas.gov.

19 Please be specific about which agenda item you would like
20 to comment on.

21 Robert, I'd like to ask you to call the roll at
22 this time, please.

23 MR. ELROD: Commissioner Martin?

24 COMMISSIONER MARTIN: Present.

25 MR. ELROD: Commissioner Mach?

1 COMMISSIONER MACH: Present.

2 MR. ELROD: Commissioner McNabb?

3 COMMISSIONER McNABB: Present.

4 MR. ELROD: Commissioner Kleinschmidt?

5 COMMISSIONER KLEINSCHMIDT: Here.

6 MR. ELROD: Commissioner Moore? Commissioner

7 Mike Moore?

8 (No response.)

9 MR. ELROD: Commissioner Pate?

10 COMMISSIONER PATE: Here.

11 MR. ELROD: Commissioner Waight?

12 COMMISSIONER WAIGHT: Here.

13 MR. ELROD: Commissioner Ederer? I know you're

14 here, Commissioner Ederer.

15 COMMISSIONER EDERER: I'm here.

16 MR. ELROD: Commissioner Steen?

17 CHAIRMAN STEEN: Here.

18 Do we have a quorum?

19 MR. ELROD: Yes, we do.

20 CHAIRMAN STEEN: Great. We'll move on to item

21 II. Public comment. Robert, has anyone signed up for

22 public comment?

23 MR. ELROD: They have not.

24 CHAIRMAN STEEN: Okay. So the first item of

25 business today is item III.A. Election of the vice chair.

1 Devon, will you please present on this item?

2 MS. BIJANSKY: Yes, sir.

3 Commissioners, the Racing Act provides for the
4 election of a vice chair every two years at the first
5 meeting of each even-numbered year. This was deferred
6 from the January meeting, and then, of course, our March
7 meeting was canceled. Any of you are eligible to serve
8 and it's a very simple majority vote process.

9 CHAIRMAN STEEN: So I'd entertain any
10 nominations of commissioners to serve as vice chair.

11 COMMISSIONER MARTIN: Chairman, it's
12 Commissioner Martin. I'd like to nominate Commissioner
13 Ederer, Ron Ederer.

14 COMMISSIONER MACH: This is Commissioner Mach.
15 I'll second that nomination.

16 CHAIRMAN STEEN: Okay. With a second,
17 Commissioner Ederer has been nominated to serve as vice
18 chair. Is there any further discussion?

19 (No response.)

20 CHAIRMAN STEEN: If not, I'll take that up for
21 a vote. All in favor please signify by saying aye.

22 (A chorus of ayes.)

23 CHAIRMAN STEEN: Any opposed?

24 (No response.)

25 CHAIRMAN STEEN: Congratulations, Vice Chair

1 Ederer.

2 COMMISSIONER EDERER: Thank you. I needed the
3 pay raise.

4 (General laughter.)

5 CHAIRMAN STEEN: The next is agenda item
6 III.B.1. Finance report.

7 Gerald Dube, could you please give us the
8 update?

9 MR. DUBE: Good morning, Chairman Steen and
10 commissioners. My name is Gerald Dube. I'm director of
11 Administration for the Texas Racing Commission.

12 On pages 6 through 11 of your agenda packet are
13 the agency's fiscal year 2020 operating budget documents
14 with revenue collection and expenditures reported through
15 the end of April. With approximately 66.6 percent of the
16 year completed, the agency collected approximately \$3.3
17 million, or 64.9 percent of projected revenue.

18 We expended \$2.7 million, or 59.9 percent of
19 budgeted agency operating expenditures. Of the \$2.7
20 million in expenditures, approximately \$2.06 million are
21 appropriated expenditures, and \$651,908 are unappropriated
22 expenses, such as the agency's share of retirement health
23 care costs, employee insurance costs, and FICA costs.

24 With the racetracks shut down recently,
25 simulcast taxes haven't been coming in since mid-March, so

1 agency revenue is down, however, the new rule provides for
2 an automatic supplemental fee, based on a formula in rule,
3 if simulcast tax revenue falls short of what was expected.

4 This provision in the rule will generate the revenue
5 difference from March to May and that will be due on July
6 1st.

7 Simulcast tax revenues collected at the end of
8 each month are deposited to the Racing Commission account
9 on the 10th of the following month. So for example, if
10 simulcasting resumes this month, the agency would receive
11 this month's simulcast tax on June 10th, but if
12 simulcasting doesn't resume until June, the agency doesn't
13 receive any simulcast tax until July 10th.

14 Overall savings since the COVID-19 disaster
15 began in mid-March for the agency are estimated at
16 \$131,056 due to unfilled staff vacancies, reduced travel
17 and other operating cost reductions.

18 That is all I have unless there are questions.

19 CHAIRMAN STEEN: Commissioners, do you have any
20 questions of Gerry?

21 (No response.)

22 CHAIRMAN STEEN: If not, I just want to say,
23 Gerry, although it looks like hopefully we're ramping up
24 here for racing and simulcasting, I would like to continue
25 to urge the staff to look for opportunities to be

1 efficient around costs in this difficult time for
2 everyone, and thank you for the savings thus far this
3 year.

4 MR. DUBE: Yes, we will. I think our executive
5 director, Chuck Trout, and all of the staff are very keen
6 to pay attention to costs right now.

7 Thank you. That's all I have.

8 CHAIRMAN STEEN: Commissioners, if no other
9 questions, I'll move on to the next item which is agenda
10 item III.B.2. Wagering statistics report.

11 Curley Trahan, would you please give us the
12 report?

13 MR. TRAHAN: Yes, sir. Thank you, Mr.
14 Chairman. Good morning, commissioners. For the record, I
15 am Curley Trahan, the director for parimutuels for the
16 agency.

17 In your meeting materials, on pages 12 through
18 14 is the comparison report on wagering statistics for
19 calendar year period of January through April. The report
20 is a comparison of 2020 handle figures against those for
21 the same period of 2019.

22 The report shows the total wagering activities
23 at the greyhound racetracks decreased by 38.31 percent in
24 2020, equating to just over \$5.76 million in handle.
25 Total wagering activities also declined at horse

1 racetracks by 16.38 percent for the period of 2020 as
2 compared to 2019. This decrease represents approximately
3 \$20.32 million in handle.

4 Overall, the report illustrates that total
5 wagers placed in Texas decreased by approximately \$34.58
6 million, representing a 39.25 percent decline, while total
7 wagers placed on Texas races showed an increase of
8 approximately \$6.10 million, or 10.72 percent.

9 This concludes my report and I would be happy
10 to answer any questions.

11 CHAIRMAN STEEN: Thanks, Curley.

12 Commissioners, do you have any questions?

13 COMMISSIONER EDERER: I have some comments.

14 This is Ron Ederer.

15 Curley, as I understand, wagers in Texas, all
16 wagers placed in Texas is \$49 million. Is that correct?

17 MR. TRAHAN: Total wagers placed in Texas is
18 \$53 million.

19 COMMISSIONER EDERER: I don't have that number.

20 MR. TRAHAN: It's on the very first page.

21 COMMISSIONER EDERER: I'm looking at page 14.

22 MR. TRAHAN: 14 is the handle figures
23 specifically for the horse racetracks.

24 COMMISSIONER EDERER: Correct. That's what I'm
25 referring to.

1 MR. TRAHAN: Okay. I apologize. The total
2 wagers in Texas for horse racing is \$45 million.

3 COMMISSIONER EDERER: Now, I notice that the
4 days, if you look at '19 and you look at '20, there's a
5 considerable drop in days. Is that correct?

6 MR. TRAHAN: Yes, sir. For 2019 Lone Star Park
7 had already started their meet so there's seven days of
8 live racing in April last year for Lone Star Park, while
9 there's zero this year. And also, Sam Houston had to cut
10 their Thoroughbred meet short, so their days this year
11 were 38 compared to 41 last year.

12 COMMISSIONER EDERER: I understand, Curley,
13 what I'm just trying to say is that it doesn't look as
14 bleak as it appears to me. Total wagers \$124 million,
15 whereas compared to this year is \$103 million, but a
16 considerable drop in days. And as far as total wagers
17 placed, we're actually up 12 percent.

18 MR. TRAHAN: The total wagers placed on Texas
19 races, that includes live and export. So Sam Houston had
20 a really good start to their Thoroughbred meet. Their
21 handle increased by an average of 50 percent per day, so
22 that is what is the cause for the increase in that
23 category.

24 COMMISSIONER EDERER: So if we can get the
25 country back healthy, it appears to me that horse racing

1 will be healthy.

2 MR. TRAHAN: If you can get the wagers back
3 to the tracks.

4 COMMISSIONER EDERER: All right. Thank you.
5 Well, the main thing is I just wanted to bring to your
6 attention that we are up actually 12 percent in total
7 wagers placed in Texas races.

8 MR. TRAHAN: Correct. And that is due to
9 export. Correct.

10 COMMISSIONER EDERER: Thank you.

11 MR. TRAHAN: You're welcome.

12 CHAIRMAN STEEN: Commissioners, any other
13 questions of Curley?

14 (No response.)

15 CHAIRMAN STEEN: Thank you, Curley.

16 MR. TRAHAN: Thank you, sir.

17 CHAIRMAN STEEN: The next item is agenda item
18 III.B.3. Enforcement report.

19 Jim Blodgett, will you please present this
20 report?

21 MR. BLODGETT: Yes, sir. Good morning,
22 commissioners. The enforcement report this morning is
23 found on page 15 in your materials packet.

24 Enforcement data contained within the report
25 was compiled from the Sam Houston Race Park Thoroughbred

1 meet. As indicated in this report, trainer infractions
2 largely related to safety issues identified within the
3 barn and contraband and drug violations make up the
4 largest single categories of issues handled during the
5 meet.

6 Commissioners, there are several enforcement
7 cases that remain pending from this meet that are not
8 included within the statistics due to the fact that they
9 have not been fully adjudicated.

10 I'd be happy to answer any questions that you
11 might have.

12 CHAIRMAN STEEN: Commissioners, do you have any
13 questions of Jim?

14 (No response.)

15 CHAIRMAN STEEN: Jim, I have one question.
16 This looks like specifically a lot more instances here
17 than we usually see at a meet. Is that how you see it,
18 and can you attribute that to anything?

19 MR. BLODGETT: Yes, sir, Mr. Chairman. This
20 Thoroughbred meet typically does not reflect the numbers
21 in the trainer infractions and typically in the human drug
22 violations. I guess if we had to make an educated guess
23 on why those numbers are up, is due to the fact we have
24 three time the horses, three times the individuals at that
25 Thoroughbred meet than they did in the past. But drugs

1 seem to be a continuing issue at all of our racetracks.

2 CHAIRMAN STEEN: Thank you, Jim.

3 Any other questions, commissioners?

4 (No response.)

5 CHAIRMAN STEEN: Thanks, Jim.

6 The next item is agenda item III.C. Recognition
7 of the Texas Horsemen's Partnership.

8 Chuck, will you please give us the report?

9 MR. TROUT: Yes, sir.

10 Good morning, commissioners. I'm Chuck Trout,
11 the executive director of the Texas Racing Commission.

12 The rules of racing require the agency to
13 recognize for two-year terms one organization to represent
14 horse owners and trainers in negotiation issues related to
15 racing and simulcasting at Texas racetracks. For the past
16 several years, the recognized horsemen's organization has
17 been the Texas Horsemen's Partnership.

18 Once again, the THP has been the only
19 organization to apply for this recognition. By rule, if
20 there is only one organization applying to be the
21 representative, the executive director shall issue a
22 letter of recognition to that organization. On page 16 of
23 your materials you'll find a letter from me to the Texas
24 Horsemen's Partnership recognizing that organization as
25 the horsemen's representative.

1 Are there any questions, sir?

2 CHAIRMAN STEEN: Commissioners, do you have any
3 questions of Chuck?

4 COMMISSIONER KLEINSCHMIDT: I do. This is Tim
5 Kleinschmidt.

6 Chuck, do we need to ratify that -- or maybe
7 Devon too -- or is it good enough statutorily due to your
8 authority?

9 MR. TROUT: No, sir. According to the rules,
10 unless there's more than one organization that applies,
11 the commissioners do not need to be involved in the
12 selection.

13 COMMISSIONER KLEINSCHMIDT: Okay. Thank you.

14 CHAIRMAN STEEN: Commissioners, are there any
15 further questions of Chuck?

16 (No response.)

17 CHAIRMAN STEEN: Thank you, Chuck.

18 We'll move on to the next item which is agenda
19 item IV.A., Discussion and possible action to adopt
20 amendments to the rules.

21 Devon, will you please present this item?

22 MS. BIJANSKY: Yes, Mr. Chairman.

23 At the January meeting you voted to propose
24 amendments to three rules. The first, regarding the rule
25 on occupational licenses, deletes a provision on the

1 expiration of training facility licenses. Training
2 facility licenses aren't occupational licenses, so this
3 provision doesn't belong in this section. The rule about
4 training facility licenses already establishes an
5 expiration date for them.

6 We received no comments regarding these
7 proposed amendments and they're before you today for final
8 action to adopt.

9 CHAIRMAN STEEN: Thank you, Devon.

10 Robert, is anyone signed up to speak on this
11 item?

12 MR. ELROD: No, sir.

13 CHAIRMAN STEEN: If there's anyone that would
14 like to speak on this item, please speak at this point.

15 (No response.)

16 CHAIRMAN STEEN: Commissioners, do you have any
17 questions?

18 (No response.)

19 CHAIRMAN STEEN: If there's no further
20 discussion, I'll entertain a motion to adopt the
21 amendments to Section 311.1, Occupational licenses.

22 COMMISSIONER EDERER: Ron Ederer moves to
23 adopt.

24 COMMISSIONER PATE: Second.

25 CHAIRMAN STEEN: Motion made by Commissioner

1 Ederer, seconded by Commissioner Pate.

2 Any further discussion?

3 (No response.)

4 CHAIRMAN STEEN: Okay. All those in favor
5 please signify by saying aye.

6 (A chorus of ayes.)

7 CHAIRMAN STEEN: Any opposed?

8 (No response.)

9 CHAIRMAN STEEN: The motion carries.

10 Devon, will you please present item IV.A.2?

11 MS. BIJANSKY: Yes, sir.

12 Before I do, I received a message from
13 Commissioner Moore that he is on the call but may be
14 having a microphone issue.

15 Commissioner Moore, are you there?

16 (No response.)

17 MS. BIJANSKY: I'm assuming you heard me but
18 we're not hearing you. Could you call in by phone for the
19 audio portion and let us know when you're on?

20 In the meantime, I'll move on.

21 Next is amendments to Section 313.409, Jockey
22 Mount Fees. This was a request by the Jockeys Guild to
23 increase the minimum mount fees by \$5 to \$10, depending on
24 the race and the placing in the race, and we received no
25 comments on these proposed amendments.

1 CHAIRMAN STEEN: Thank you, Devon.

2 Robert, is anyone signed up to speak on these
3 items?

4 MR. ELROD: No, sir.

5 CHAIRMAN STEEN: If anyone would like to make a
6 comment on the item, please do so now.

7 (No response.)

8 CHAIRMAN STEEN: Commissioners, do you have any
9 questions?

10 (No response.)

11 COMMISSIONER MACH: Mr. Chairman.

12 CHAIRMAN STEEN: Go ahead, Commissioner Mach.

13 COMMISSIONER MACH: Move approval.

14 COMMISSIONER PATE: Second.

15 CHAIRMAN STEEN: Motion made by Commissioner
16 Mach to adopt amendments to Section 313.409, Jockey Mount
17 Fees, seconded by Commissioner Pate.

18 Any further discussion?

19 (No response.)

20 CHAIRMAN STEEN: We'll take this up for a vote.

21 All those in favor please signify by saying aye.

22 (A chorus of ayes.)

23 CHAIRMAN STEEN: Any opposed?

24 (No response.)

25 CHAIRMAN STEEN: The motion carries.

1 Devon, will you please present item IV.A.3?

2 MS. BIJANSKY: Yes, sir.

3 Commissioner Moore, are you on? We still don't
4 have his audio. Okay.

5 I'll go on. Next is 309.206, Rails. These
6 amendments were requested by Lone Star Park. The current
7 rule provides that rails must be between 38 and 42 inches
8 high.

9 RCI's model rule currently provides for the
10 rail to be up to 50 inches above the ground, which they've
11 identified as a safer height. Lone Star Park requested
12 this change so they could replace their rail with a higher
13 one.

14 And again, we received no comments in response
15 to the proposal of these amendments.

16 CHAIRMAN STEEN: Thank you, Devon.

17 Robert, is anyone signed up to speak on this
18 item?

19 MR. ELROD: No, sir.

20 CHAIRMAN STEEN: If there's anyone that would
21 like to speak, please do so now.

22 (No response.)

23 CHAIRMAN STEEN: Commissioners, if you have no
24 questions and there's no further discussion, I'll
25 entertain a motion to adopt the amendments to Section

1 309.206, Rails.

2 COMMISSIONER McNABB: So moved.

3 COMMISSIONER MACH: Second.

4 CHAIRMAN STEEN: Motion made by Commissioner
5 McNabb, seconded by Commissioner Mach.

6 Any further discussion?

7 (No response.)

8 CHAIRMAN STEEN: Okay. All those in favor
9 please signify by saying aye.

10 (A chorus of ayes.)

11 CHAIRMAN STEEN: Any opposed?

12 (No response.)

13 CHAIRMAN STEEN: That motion carries.

14 The next item is agenda item IV.B. Discussion
15 and possible action to proposed rule amendments.

16 Devon, will you please present this item? And
17 Devon, can we take all of these together, which would be
18 IV.B.1-4?

19 MS. BIJANSKY: Yes, sir.

20 These are rule amendments related to the horse
21 industry escrow account and they were discussed in the
22 Horse Industry Escrow Account Committee back in February.

23 First is 303.301. This would add a new
24 definition to the term "event". As you know, the statute
25 creating this account provides for at least 30 percent of

1 the funds to be available for breed registries for funding
2 for events that further the horse industry. This would
3 define that term as defined occasions or activities such
4 as a competition or other public gatherings. And this has
5 come up because of proposals that don't include
6 discernible event, like a publication or an incentive for
7 registering horses unrelated to any actual event.

8 Section 303.321 would add a requirement that
9 breed registries requesting funding from the account do so
10 using forms approved by the executive director. These are
11 the forms the breed registry proposals for this meeting
12 are on in your materials.

13 And they consist of a two-page general
14 information form with the breed registries contact
15 information, and then a second project narrative form with
16 all the details of the proposal. So for example, if a
17 breed registry has four proposed events, they would submit
18 four project narrative forms with one general information
19 form.

20 An additional issue that has just come up, and
21 I think will be discussed further when we get to the breed
22 registry proposals, is the concept of a public purpose
23 which is required by the Texas Constitution for any
24 private use of public funds. And so you may want to add a
25 new section (b) that says something like events funded

1 from the account must serve the public purpose of
2 increasing the development, expansion, or diversification
3 of the economy, employment, growth of enterprise, or
4 tourism in the state.

5 Next, amendments to 303.322 would require the
6 use of funds from the account to comply with the Uniform
7 Grant Management Standards or the Texas Grant Management
8 Standards. The Comptroller currently publishes the
9 Uniform Grant Management Standards. I understand they're
10 in the process of revising them and the name is expected
11 to change so this covers those bases.

12 Additionally -- this isn't in your materials --
13 given the cancellation of events recently due to COVID-19,
14 this has just come under our radar as a possible issue, so
15 it also proposes adding language to subsection (a) of this
16 rule so that it would read, "a breed registry may use
17 horse industry escrow account funds only for events that
18 further the horse industry.

19 "The Commission may require a breed registry to
20 repay funds if the breed registry fails to expend the
21 funds in accordance with Section 2028.024 of the Act and
22 this section" -- that's existing language and this is the
23 new part -- "on the earlier of 45 days after the
24 cancellation of any previously approved and funded event
25 or 12 months from the date it receives the funds. All

1 funds expended with respect to any canceled event or event
2 which does not otherwise occur shall be accounted for and
3 such accounting shall accompany the return of the balance
4 of such related canceled event funds."

5 Last, amendments to 303.325 which clarify the
6 quarterly reporting requirements, stating that each
7 quarterly report must address events completed in the
8 previous calendar quarter and must be accompanied by
9 documentation of all expenditures for those events.

10 And so these four proposals are before you
11 today for proposal.

12 CHAIRMAN STEEN: Thank you, Devon.

13 Commissioner Kleinschmidt or Commissioner Pate,
14 who have been on the committee regarding these rules, do
15 you guys have any comments to make?

16 COMMISSIONER KLEINSCHMIDT: Sure do. It's Tim
17 Kleinschmidt.

18 First off, I want to thank Commissioner Pate
19 for all of his input. He spent a lot of time on this, and
20 also the Commission staff. And I really want to commend
21 the industry for the input we had in our committee meeting
22 and the input that we've received from them. Everybody
23 involved, industry and staff, Commissioner Pate, have all
24 made this task of making these recommendations a lot
25 easier, and I will say that the recommendations that we

1 have I do support.

2 And I'd like to give Commissioner Pate an
3 opportunity to say anything he might want to say.

4 COMMISSIONER PATE: Thank you, Commissioner.

5 I, too, want to join, particularly the efforts
6 of General Counsel Devon has really been significant in
7 getting this moved forward. As y'all know, we were given
8 no funds by the legislature in order to manage this money
9 and we had the job, the considerable task of moving it
10 forward.

11 Additionally, Commissioner Kleinschmidt,
12 through the generosity of Agricultural Commissioner
13 Miller, allowed us the use of the time of some of the
14 staff at the Ag Department for this and their grants
15 counsel to discuss the ways in which these contracts
16 should be written with respect to each grant that's made
17 so that it complies with Texas law. And so there really
18 has been great effort.

19 With respect to these rules that Devon just
20 introduced to the Commission, these rule changes, these
21 are really meant to facilitate and adopt the standards
22 that are in the grant contract that is now a form being
23 used by the Commission, and you'll see that form in the
24 papers as we go through some of these applications that
25 are before the Commission today.

1 But again, thank y'all all for your help.

2 COMMISSIONER KLEINSCHMIDT: Okay. This is Tim
3 Kleinschmidt again.

4 In general, I would like to point out that
5 essentially the legislature handed the Racing Commission a
6 grant situation. It took us a little while, I think, to
7 snap on the fact that the Commission had been handed a new
8 grant system to put into effect. And I will point out
9 here, for all those concerned, that the legislature didn't
10 see fit to increase the staff or the funding to take care
11 of any of this.

12 The Commission didn't receive any additional
13 FTEs to work on this project, and essentially, the
14 Commission is having to administer the distribution of \$25
15 million. Of course, a large part of that goes to the
16 purses but this \$7-1/2 million activity fund has to be
17 actively administered.

18 What Devon was pointing out is once we got into
19 this process, well, it became very obvious that we were
20 going to have to follow the state requirements, the
21 statutory requirements for a grant system. And therefore,
22 it became necessary for us to start looking at being more
23 specific on some of the definitions, like the definition
24 of event, and we had to pay particular attention to the
25 public purpose of these funds.

1 And so our Texas Constitution definitely
2 requires us to make sure that these funds, that these
3 taxpayer funds are spent for a public purpose. And we've
4 approached all this and all the way down to the Uniform
5 Grant System rules need to be applied.

6 All of that means that we as a Commission are
7 responsible -- with the help of the Commission staff,
8 we're responsible for seeing as to how these funds are
9 allocated and papering up that process so that it can be
10 readily audited in the future, as well as the follow-up on
11 the use of the funds which could be audited in the future.

12 So what we've arrived at here -- and with
13 mostly a lot of help from the Commission staff, Racing
14 Commission staff, is that this process is designed to meet
15 statutory needs, our Texas Constitutional needs, as well
16 as the audit needs that we would expect could be applied
17 to the process in the future. Not the least of which is
18 that in the future, of course, these processes will be run
19 through the Sunset process also. So what we've got here
20 is a grant system that's been designed to meet all of
21 those particular needs.

22 That's all.

23 CHAIRMAN STEEN: Thank you, Commissioners
24 Kleinschmidt and Pate. Also, thank you to Devon for all
25 her hard work on these items and to the industry and staff

1 in general on helping us through this, as Commission
2 Kleinschmidt said, we have no additional FTEs allocated
3 towards this so we really had to use the resources of the
4 staff and leaned on Commissioners Pate and Kleinschmidt
5 heavily for this.

6 Robert, is anyone else signed up to speak on
7 this item?

8 MR. ELROD: Yes, we have a few. The first one
9 is going to be Mary Ruyle with TTA.

10 CHAIRMAN STEEN: Hi, Mary. Go ahead, please.

11 MR. ELROD: Mary, can you unmute yourself?

12 MS. RUYLE: Sorry about that. New technology
13 for me.

14 I have a couple of comments on the rule
15 proposal and the first one deals with an event which you
16 have listed as a planned occasion or activity such as a
17 competition or other public gathering. I do not feel this
18 is not quite as good as it could be. I would love to see
19 the word "initiative" included in there because a lot of
20 this definition seems to me to be particularly limiting.

21 And I do have a letter before me, it was
22 written by Senator Lois Kolkhorst to Chuck's attention
23 back in September of last year. Excerpts from that are:
24 "It was intended that these incentive funds will be paid
25 to owners and breeders in Texas in a manner to strengthen

1 the Texas racing industry and invigorate the Texas
2 breeding industry." This has particularly to do with a
3 couple of our funding requests.

4 Further in the letter it says, "It was not the
5 legislative intent that House Bill 2463 to narrowly define
6 those activities, but rather allow broad discretion to the
7 Texas breed registries, defined in the Act, to determine
8 the best application of this incentive fund to foster a
9 strong racing industry that would in turn allow the
10 preservation of a historic Texas institution."

11 And I feel that the word "event" unfortunately
12 was that used by the legislature in the bill, but clearly
13 Kolkhorst is encouraging the Commission to broaden that
14 definition.

15 CHAIRMAN STEEN: Thank you, Mary.

16 Commissioners, do you have any questions of
17 Mary?

18 COMMISSIONER KLEINSCHMIDT: I've got simply
19 probably a comment, and I'm not sure that we have the
20 authority to broaden that. I mean, the plain language of
21 an event, an event specifies some type of an activity that
22 would occur. And I'm not sure we've got the ability to
23 broadly go out there and redefine the word "event" to
24 include things that would not include some type of an
25 activity.

1 And for instance, also conceptually, I'm
2 looking -- there's \$25 million of which the largest part
3 went to purse increases. And so for instance, to take
4 part of the \$7-1/2 million to do purse increases seems to
5 be duplicating the expenditure of monies that would not
6 include an event or an activity.

7 I mean, the legislature could simply have left
8 the \$7-1/2 million as part of the purse increases if
9 that's where they intended for that to go. That's what my
10 concern is.

11 MS. RUYLE: My only comment on that, Mr.
12 Kleinschmidt, is that as far as TTA is concerned, anything
13 that was added to purses was for special event days at the
14 racetracks, such as the race day on March 21st in Houston
15 that had to be canceled. There was one regular race that
16 day, there were seven stakes races, so it was a particular
17 day. Does that make any sense?

18 COMMISSIONER KLEINSCHMIDT: Yeah. I'm just
19 trying to see how -- to me I'm having a hard time mentally
20 seeing what would be a passive action of just increasing a
21 purse or something like that or winnings as being an
22 event, as being an activity, you know.

23 And one thing -- let me make something real
24 clear, all of you. You know, rarely do these things get
25 put into statute perfectly the first time, and if there

1 needs to be -- you know, if industry needs to have a
2 broader aspect or look at this, I do encourage industry to
3 go forth in the next session to facilitate that, you know,
4 whatever is needed.

5 These things, they aren't permanent. They can
6 be fixed by a bill and statutory action in the future, if
7 need be. And so I guess I would be asking Devon probably
8 at this point in time -- and it might not be fair, off the
9 cuff -- but what our ability to interpret what appears to
10 be a fairly plain term, i.e., the word "event".

11 MS. BIJANSKY: Commissioner, I agree with your
12 assessment that you have the ability to interpret the term
13 broadly, as the letter from Senator Kolchorst suggested,
14 but you are still constrained by the language of the bill.

15 So a broad interpretation of what kinds of events would
16 qualify but not things that are not events.

17 I think we do see differently on the use of
18 purse funds. You know, that's a philosophical issue that
19 you or the Commission as a whole may not find the best use
20 of the \$7-1/2 million, but it would be within what the
21 statute allows because it is money being spent in
22 connection with an event. So in principle, though, yes,
23 event is a constraint that you are limited by.

24 COMMISSIONER KLEINSCHMIDT: Okay. Thank you.

25 MS. RUYLE: Would you be amenable to a

1 suggestion to allow the word "initiative" for a
2 clarification such as a breeding season or other
3 initiative that would further the horse industry?

4 MS. BIJANSKY: Who are you asking?

5 MS. RUYLE: Anyone that would like to respond.

6 COMMISSIONER WAIGHT: Mr. Chairman, this is
7 A.J. Waight. I have a question.

8 CHAIRMAN STEEN: Go ahead, Commissioner Waight.

9 COMMISSIONER WAIGHT: These additional monies,
10 the \$25 million, is that to be distributed among the races
11 that are held or the races to be held?

12 MS. BIJANSKY: Commissioner, I'm not sure I
13 understand. Go ahead.

14 COMMISSIONER WAIGHT: If a race is not held
15 because of coronavirus or anything else, the monies that
16 were originally allocated for that race, are they going to
17 be withheld or are they going to be redistributed to the
18 remaining races?

19 MS. BIJANSKY: Those funds would still be
20 available for future races. If we're talking about the 70
21 percent for purses, those would still be available for
22 future races. With regard to the 30 percent for breed
23 registry events, those would still be available for future
24 events.

25 COMMISSIONER PATE: Commissioner Waight, this

1 is Robert Pate. I think, Devon, there is a different way
2 in which the funds are handled that go the track.

3 MS. BIJANSKY: Correct.

4 COMMISSIONER PATE: [Audio cuts out], so 70
5 percent [audio cuts out]. The 70 percent, I think by
6 [audio cuts out].

7 MS. BIJANSKY: I'm sorry, Commissioner Pate,
8 we're having trouble hearing you.

9 COMMISSIONER PATE: Those are not funds that
10 were having to be monitored through this grant system that
11 we're going to have to have for the registry, but [audio
12 cuts out] Commissioner Kleinschmidt that the definition of
13 [audio cuts out] event, I think, needs to be -- it's a
14 fairly obvious word and it needs to be [audio cuts out].

15 MR. ELROD: Commissioner Pate, I don't believe
16 anyone can hear you.

17 SPEAKER: I think there is someone who is
18 unmuted that's disturbing the communication.

19 COMMISSIONER PATE: -- interpreted that way.
20 [audio cuts out] person later in the meeting. With Devon,
21 I've read all 49 of the applications that we're going to
22 be talking about today and there's [audio cuts out].
23 We've tried to consistently apply the analysis of what we
24 understand the rules to be, and some are subject to
25 recommendation for approval. Anyway, we'll get to those

1 later [audio cuts out] and it's something we've discussed
2 at our [audio cuts out] before the shutdown, just for
3 y'all's information [audio cuts out].

4 CHAIRMAN STEEN: Commissioner Pate, we only
5 caught about half of what you were saying there, I
6 believe, unless some other people heard different. I
7 apologize, but I think we're having difficulty with your
8 connection.

9 COMMISSIONER PATE: I'm sorry. I apologize. I
10 don't remember what I said now. But the one thing I tried
11 to explain was that the way in which the 70 percent funds
12 are used are by statute handled differently than the funds
13 that we're talking about today, the 30 percent funds.

14 We're required -- under the analysis that we've
15 done, the 30 percent funds become a grant system and
16 that's what we're talking about right here. The 70
17 percent dollars are delivered a different way and
18 accounted for a different way. We don't have, as I
19 understand it, a direct supervisory function for the
20 disbursement for those funds.

21 And then the other thing that I said was in
22 reading all these applications -- and I went through all
23 49 of them with general counsel -- we tried to
24 consistently apply the rules, as we understood them,
25 across the board to these applications, and we'll be

1 talking about that later. Some, in our view, complied and
2 some didn't, and some require some policy discussions.

3 And I think that Devon, in a few minutes, is
4 going to be talking about several policy issues that we
5 probably should discuss before we actually pass on looking
6 at the various applications. And those policy issues are
7 important, one of which was the term "event" but there are
8 others also.

9 I hope you heard that.

10 CHAIRMAN STEEN: I did hear that. Thank you,
11 Commissioner Pate.

12 I guess I would ask the question of Devon, and
13 with trying to be responsive to Mary as well, today if we
14 were to move forward with these amendments, this is just
15 for publication and not adoption and subject to potential
16 further refinement. Is that correct, Devon?

17 MS. BIJANSKY: That's correct, Mr. Chairman.

18 CHAIRMAN STEEN: Thank you.

19 MS. RUYLE: Commissioner Steen.

20 CHAIRMAN STEEN: Go ahead, Mary.

21 MS. RUYLE: I have a question related to that.

22 Does that mean that you will be operating and making
23 decisions today without a definition in place?

24 CHAIRMAN STEEN: Devon, can you respond to
25 that?

1 MS. BIJANSKY: Sure. You're correct that there
2 is not a definition in the rules so the commissioners will
3 be acting based on common understanding and their view on
4 what is or is not an event.

5 MS. RUYLE: Thank you.

6 CHAIRMAN STEEN: Mary, did you have any further
7 comments?

8 MS. RUYLE: No, Chairman, I don't. Thank you
9 very much.

10 CHAIRMAN STEEN: Thank you.

11 Robert, is anyone else signed up to speak on
12 this item?

13 MR. ELROD: Yes. The next one is going to be
14 Pancho Villarreal with the Paint Horse Breeders
15 Association. Are you there, Pancho?

16 MR. VILLARREAL: I'm here.

17 CHAIRMAN STEEN: Hi, Pancho. Go ahead. Thank
18 you.

19 MR. VILLARREAL: Thanks for putting this
20 together, everyone.

21 With regards to "event" and what Mary was just
22 talking about, addressing what Commissioner Kleinschmidt
23 said with regards to the 70 and the 30 and having trouble
24 understanding how 30 percent can go to purses, the way
25 that we're looking at it is when it goes to purses as a

1 breed we don't really have an opportunity to direct it to
2 a certain stakes race or an event. With regards to the
3 Paints and the way we understood it, one of the biggest
4 events that a breed can have is the stakes program it has
5 in its state.

6 That's what attracts breeders to the state. So
7 what we understood it to be is, they put the 30 percent
8 into the hands of the breed organization. And if we want
9 to create a stakes event, a stakes program, then we would
10 be the ones that would be able to steer it in the right
11 direction and would be the breed organization that would
12 be in a better position to do that.

13 With regard to the Texas Paint Horse Breeders
14 Association, it's even more complicated. We get such a
15 small amount of money that if we don't have an opportunity
16 to use part of the 30 percent into the stakes races, then
17 we're not going to have any day racing and we'll be forced
18 to pick between the two.

19 But I think the 30 percent, the breed
20 organizations have the opportunity to make that decision
21 of what stakes program they want that money to go into and
22 I think that is what we're trying to do. That being said,
23 we're not going to put all the money into a stakes
24 program, and you'll see from our applications that we're
25 trying to spread it out into as many different things as

1 possible.

2 I guess the one thing, Mary, that I would like
3 some direction on is your word "initiative" -- if I could
4 have some explanation of what specific initiative you're
5 talking about.

6 MS. RUYLE: Pancho, I'm thinking of several
7 things. One of those would be, as always, a breeding
8 season, although our request is determined by achieving
9 certain events within that breeding season.

10 Also, a program such as a 4H program that
11 operates on a yearly basis -- is there any restriction on
12 that being an event? I mean, there are events during the
13 year but the programs that we're funding are just
14 continual -- and participation in those programs. So
15 that's the kind of thing that I'm looking for.

16 Also, equine therapy. I guess the events, I'm
17 assuming, would be when a person partakes of that therapy
18 or participates in it, but those that seem to fit, in my
19 mind, better with an initiative than a particular event.

20 MR. VILLARREAL: Those all sound like events to
21 me, but unfortunately, I'm not the one that makes those
22 decisions.

23 Devon, can you help us at all, with --
24 everything that she's saying with the Commission sounds
25 like an event to me. And I think, like when we do our

1 breeders awards, it's a year-end breeders award. But it's
2 really based on a year-long competition within our breed
3 to qualify for that year-end award. So even though it's a
4 year-end award, it's the -- every single race throughout
5 the year that goes into the calculation to determine that
6 year-end award is the event.

7 With regards to your 4-H stuff, I would think
8 that everything that's done throughout the year are those
9 events and the awards come in at the end, so I don't know.

10 I guess it comes down to the Commission and how broad
11 they're going to interpret the word "event". I don't
12 think it has to be a specific race or a barrel race, it
13 can be just a gathering of people that furthers the five
14 elements or factors that are in the law of what we're
15 supposed to try to do.

16 And anytime you have anybody with horses,
17 that's a new customer. Like right now, being with a lot
18 of barrel horse people that feel like they can't run a
19 race horse, we're trying to use the barrel races as a way
20 to capture these people and bring them into the racing
21 industry.

22 And it is the barrel horse people, the 4-H
23 people, all the people you're talking about, Mary, they
24 all spend, you know, money and tax dollars. So a lot of
25 this \$25 million comes from non-racing people, and so I

1 think everything you're doing is exactly what is met by
2 the 30 percent.

3 That's all I have.

4 CHAIRMAN STEEN: Thank you, Pancho.

5 Commissioners, do you have any questions of
6 Pancho?

7 COMMISSIONER McNABB: Chairman, I do.

8 And to the working group, is the legislative
9 intent to bring people out to be spending money on gas,
10 trucks, trailers, restaurants, hotels, is that -- is the
11 legislative intent around the economic impact of people
12 going and doing things, as opposed to more of the baseline
13 capacity building? I'm hoping that that's the nature of
14 what your research was.

15 COMMISSIONER PATE: Commissioner McNabb, you
16 will see, I think, when we get to the discussion on these
17 policies, I've actually learned what we will be discussing
18 and that is how the anticipated impact on the horse
19 industry should be considered when considering these
20 applications.

21 CHAIRMAN STEEN: Robert, is anyone else signed
22 up to speak on this item?

23 MS. BIJANSKY: Robert, you're muted.

24 CHAIRMAN STEEN: I think he may be on mute.

25 MR. ELROD: Sorry about that. I'm an idiot.

1 Jeff Hooper and Cory Johnson are in support of TTA on
2 items B.2. and 3. I think they're available for comment
3 if you wanted them but they don't specifically need to.
4 And then I've got Val Clark with TQHA to speak on B.2. and
5 B.3.

6 CHAIRMAN STEEN: Val, if you're there, please
7 go ahead.

8 MS. CLARK: Can you hear me?

9 CHAIRMAN STEEN: Yes.

10 MS. CLARK: Okay, cool.

11 I don't have a whole lot to add on that. I
12 think our concern, again, is it is crafted too narrowly,
13 right, and then excludes some of those things that Pancho
14 was talking about, because we do want to further the horse
15 industry which is the intent of the bill. And so
16 including some of those breeding incentive programs, you
17 know, does, of course, further the horse industry in that.

18 And that does require year-end events to go to in order
19 for year-end awards and increasing those ATB awards.

20 CHAIRMAN STEEN: Thank you, Val.

21 Commissioners, do you have any questions for
22 Val?

23 COMMISSIONER KLEINSCHMIDT: This is Tim
24 Kleinschmidt.

25 I'll just say I'm convinced that the purse

1 increases added to the activities along with the event,
2 that that's viable here, so nobody has to convince me any
3 further.

4 MS. BIJANSKY: Commissioners, I'd just like to
5 add, I see a difference between a breeder award that's
6 based on races -- whether it's from the tour races or from
7 a season of racing, you can claim the races as an event on
8 which those awards are based. Versus a proposal that asks
9 for funding just for having bred a horse or just for even
10 registering horses that have already been born. That's
11 where I'm not sure that there's an event.

12 And so ultimately, it's your decision whether
13 you specifically include that in the definition or you
14 don't include that in the definition, but interpret that
15 as falling within the definition or not. But that's the
16 distinction that I see between those two categories of
17 activities.

18 CHAIRMAN STEEN: Thanks, Devon.

19 Robert, are there others on the list?

20 MR. ELROD: The last one we have is Rob
21 Werstler with TQHA, wanting to comment on B.2 and B.3.

22 CHAIRMAN STEEN: Go ahead, Rob. Rob, if you're
23 there, you are muted.

24 MR. WERSTLER: I'm here, I'm trying to get the
25 camera on.

1 I didn't have anything to add to Val's, I just
2 signed up just in case there were some questions for me.
3 But I just support what Val said, and support really what
4 Devon just said.

5 As far as the breeding, I was concerned that we
6 weren't going to be allowed to add some of the 30 percent
7 to the races for owner/breeder and stallion awards
8 because, in effect, if we haven't, we've just made
9 Oklahoma-bred and Louisiana-bred horses more valuable
10 because they can run for large purses at home and their
11 breeder incentives -- ours pale in comparison. So they
12 can run for enormous purses at home and then they can now
13 come to Texas and run for big purses as well.

14 So we need to get a lot of that money back to
15 the people that own, breed, race accredited Texas-breds in
16 Texas, and I think it's even more important now with the
17 crisis we're going through.

18 CHAIRMAN STEEN: Thank you, Rob.

19 Commissioners, any questions of Rob Werstler?

20 (No response.)

21 CHAIRMAN STEEN: Robert, I think you said
22 there's no one further signed up to speak?

23 MR. ELROD: That's correct.

24 MS. BIJANSKY: Mr. Chairman

25 CHAIRMAN STEEN: Is there anyone else that

1 would like -- go ahead, Devon.

2 MS. BIJANSKY: I'm sorry, Mr. Chairman.

3 I just wanted to note that I did receive a
4 message from Commissioner Moore that he's on the phone
5 now.

6 Commissioner Moore? Commissioner Moore, are
7 you muted? Commissioner Moore?

8 (No response.)

9 MS. BIJANSKY: Well, I got a message that he
10 was on the phone, so I think that he is logged in all
11 possible ways. I'm not sure why we're not able to hear
12 him.

13 MR. VILLAREAL: The screen that I'm looking
14 at -- sorry to interrupt -- shows Michael Moore is muted.

15 MS. BIJANSKY: Commissioner Moore, can you
16 unmute?

17 MR. ELROD: There he is. He's unmuted.

18 MS. BIJANSKY: We can't hear you, Commissioner
19 Moore.

20 CHAIRMAN STEEN: Okay. Commissioner Moore, if
21 you're able at any time just go ahead and test to see if
22 you're there whenever you're able to so we can log you in
23 as here.

24 MR. TROUT: Mr. Chairman, this is Chuck.

25 CHAIRMAN STEEN: Go ahead, Chuck.

1 MR. TROUT: I want to make sure those people
2 that are using their telephone, they can mute and unmute
3 themselves by hitting *6, if they didn't know that.

4 CHAIRMAN STEEN: Thanks, Chuck.

5 COMMISSIONER MOORE: Chuck, can you hear me
6 now?

7 MR. TROUT: Yes, sir.

8 COMMISSIONER MOORE: This is Mike Moore. Thank
9 you for that. With *6, I'm on the phone and on the
10 computer but I don't know what's going on with the
11 computer.

12 MR. ELROD: Commissioner Moore, if you wouldn't
13 mind, go ahead and mute the computer.

14 COMMISSIONER MOORE: Should be muted.

15 CHAIRMAN STEEN: Thank you and welcome,
16 Commissioner Moore.

17 Is there any further discussion on the item by
18 the commissioners?

19 MS. RUYLE: Commissioner Steen, I just received
20 a message from Jeff Hooper that he has one comment he
21 would like to make.

22 CHAIRMAN STEEN: Sure.

23 Mr. Hooper, if you're on, go ahead. Mr.
24 Hooper, we're not hearing you so you may be muted. If
25 you're on the phone, please hit *6. Mr. Hooper, we're

1 still not able to hear you.

2 MR. HOOPER: Can you hear me now?

3 CHAIRMAN STEEN: Yes. Go ahead, please. Thank
4 you.

5 MR. HOOPER: Thank you. I apologize.

6 Just in support of what Mary said and from the
7 Texas Thoroughbred Association's point of view, the goals
8 of the program they've developed are to put these funds to
9 their highest and best use to provide the greatest
10 positive economic impact. And I think we just wouldn't
11 want to see a somewhat self-limiting definition of event
12 put in place here that compromises that opportunity.

13 So obviously we all want to stay within, you
14 know, whatever the legal parameters are, but we wouldn't
15 want to draw this so narrowly that we compromise the
16 ability to spend these legislative funds in a way that
17 provides the most possible impact in a positive way back
18 to the state.

19 CHAIRMAN STEEN: Thank you, Mr. Hooper.

20 MR. HOOPER: Thank you.

21 CHAIRMAN STEEN: Commissioners Kleinschmidt and
22 Pate, I don't know -- and I think we'll be talking about
23 this further later. I know we'll have a chance
24 potentially for further refinements, and then I will say
25 for everyone's benefit that to the extent we don't get

1 through the proposals -- all the proposals meeting the
2 criteria on the next item, we plan to have another
3 Commission meeting in short order to try to take the rest
4 of them up to the extent that we aren't able to pass them
5 today given any of these clarifications that are needed.

6 Commissioners Pate or Kleinschmidt, do you want
7 to make a comment on -- it seems like the rule definition
8 seems to be the area where people are most interested in
9 looking at it further. Is that something -- if we were to
10 propose these rules, is that an area that you guys feel
11 you have exhausted or that we can take another look at
12 prior to actual adoption of these rules and definitions?

13 COMMISSIONER KLEINSCHMIDT: This is
14 Kleinschmidt.

15 I think just sort of to lay at where I think
16 we're at, you know, our committee was really for the
17 money proposal, you know, factor, and we're, of course,
18 prepared to go forward with those recommendations today.
19 And I think that the definitions and the need for
20 clarifications, you know, came up during that process and
21 we're probably certainly not wanting to usurp the position
22 of Chairman Ederer and the Rules Committee in going
23 forward with whatever might be necessary to go forward and
24 clarify definitions and rules.

25 And so, Devon, if I'm understanding correctly,

1 I mean, we simply could proceed to the allocation of the
2 funds based on the proposals on what we currently have for
3 rules and our own understanding, the common understanding
4 of the word "event" and that the potential changes -- or
5 you know, the potential offerings or new wordings or
6 purpose definitions as to the qualifications for the use
7 of the funds, that's not necessary to go forward and fund
8 the proposals that we're looking at currently on the
9 board, or some of them. Is that correct?

10 MS. BIJANSKY: That's correct, Commissioner.

11 COMMISSIONER KLEINSCHMIDT: Okay, okay. So we
12 have an opportunity then to revisit any need, you know, on
13 the definition of the word "event", a fulfillment of
14 whatever public purpose statement we might need to give
15 the breed registries a better direction on how these funds
16 could be spent and for what types of things. You know --
17 for instance, what types of activities these could be
18 spent on in relation to administrative expenses.

19 So from that standpoint it seems to be more of
20 a rule review as opposed to Chairman Pate and I making a
21 recommendation as to the funding of the proposals before
22 the Board.

23 CHAIRMAN STEEN: That makes sense. Thanks,
24 Commissioner Kleinschmidt. I guess what I would recommend
25 is possibly with Commissioner Ederer, to the extent that

1 he needs your help, given how close you guys have been to
2 the process here, that perhaps we adopt the proposed
3 amendments today for review and then we try to continue to
4 refine that either through Vice Chair Ederer's rules
5 group, and potentially with the assistance of
6 Commissioners Pate and Kleinschmidt with their knowledge
7 of the items.

8 MS. BIJANSKY: Mr. Chairman, just for
9 clarification. You mean propose these four sets of
10 amendments today?

11 CHAIRMAN STEEN: Yes. To make the proposal and
12 then to the extent Rules and/or some combination of Rules
13 and the committee of these funds to get together to take a
14 closer look at the -- it seems like the definition of
15 "event" is the focus.

16 MS. BIJANSKY: Thank you.

17 COMMISSIONER MACH: Mr. Chairman, since all
18 that can be handled once the rule is posted for comment, I
19 would propose that we publish these amendments for the
20 *Texas Register* for public comment.

21 COMMISSIONER PATE: I'd second that motion.

22 CHAIRMAN STEEN: There's a motion made --

23 MS. BIJANSKY: Can I just get -- I'm sorry. Go
24 ahead.

25 CHAIRMAN STEEN: No. Go ahead, Devon.

1 MS. BIJANSKY: Just a clarification on whether
2 the motion includes the two oral modifications that I
3 mentioned or just as written in the materials.

4 COMMISSIONER MACH: As written in the
5 materials, subject, of course, to our ability to amend
6 those before final adoption.

7 CHAIRMAN STEEN: Devon, could you repeat the
8 two oral additions that you're proposing?

9 MS. BIJANSKY: Yes, sir. The first would add a
10 new subsection (b) to Section 303.321 and it would say
11 something to the effect of: "Events funded from the
12 account must serve the public purpose of increasing the
13 development, expansion or diversification of the economy,
14 employment, growth of enterprise or tourism of the state."

15 The second would modify the language of
16 303.322(a) to read: "A breed registry may use horse
17 industry escrow account funds only for events that further
18 the horse industry. The Commission may require a breed
19 registry to repay funds if the breed registry fails to
20 expend the funds in accordance with Section 2028.024 of
21 the Act" -- and then this is the new language -- "on the
22 earlier of 45 days after the cancellation of any
23 previously approved and funded event or 12 months of the
24 date it received the funds. All funds expended with
25 respect to any canceled event or event which does not

1 otherwise occur shall be accounted for and such accounting
2 shall accompany the return of the balance of such related
3 canceled event funds."

4 COMMISSIONER MACH: Mr. Chairman, I would
5 accept those verbal amendments to my motion.

6 COMMISSIONER PATE: And I second the motion.

7 CHAIRMAN STEEN: Thank you. Motion made by
8 Commissioner Mach, seconded by Commissioner Pate.

9 Any further discussion?

10 (No response.)

11 CHAIRMAN STEEN: I'll ask one more time if
12 there's anyone else who would like to comment on the item
13 before we take it up for a vote.

14 (No response.)

15 CHAIRMAN STEEN: Okay. We'll take this up for
16 a vote. All in favor please signify by saying aye.

17 (A chorus of ayes.)

18 CHAIRMAN STEEN: Any opposed?

19 (No response.)

20 CHAIRMAN STEEN: The motion carries.

21 Okay. The next item is agenda item V.

22 Discussion and possible action to allocate funds in the
23 horse industry escrow account to state horse breed
24 registries under 16 TAC Chapter 303, Subchapter G.

25 Devon, will you please present this item?

1 MS. BIJANSKY: Yes, sir.

2 Your materials include 48 requests for funding
3 from the breed registries. I've worked with breed
4 registry staff to refine these proposals and I think many
5 clearly meet all of the requirements for funding -- some
6 may not, and there are others on which policy decisions
7 are needed to guide decision-making on them. With your
8 permission, I'd like to address those issues first one by
9 one and get some direction for staff and for breed
10 registries as to what the Commission deems appropriate or
11 not.

12 The first issue we've touched on a bit already
13 is event. You just proposed a definition and for the
14 purpose of some of these proposals which you may be voting
15 on in a few minutes, some direction as to -- and maybe
16 it's just a matter of actually taking a vote -- but any
17 direction as to what constitutes an event and what doesn't
18 would be helpful both for staff and for the breed
19 registries.

20 COMMISSIONER KLEINSCHMIDT: This is
21 Kleinschmidt again, Chairman.

22 CHAIRMAN STEEN: Go ahead, Commissioner
23 Kleinschmidt.

24 COMMISSIONER KLEINSCHMIDT: I think the
25 proposal will move forward most smoothly if we do for this

1 purpose, at least for this round of funding, I still see
2 the word "event" as requiring some type of an activity.
3 It's just not a passive funding process.

4 In other words, if you're holding a race,
5 you're holding a barrel race, you're holding some event
6 that's an activity, and if you've got [audio feedback] or
7 increasing a purse or prize, I now agree with what Devon
8 stated earlier that that's still part of an activity. But
9 just a passive let's move money to support a registration
10 process or something that's already being done that's not
11 truly a distinct activity, I just don't see that as an
12 event right now that I feel comfortable moving forward to
13 to fund.

14 COMMISSIONER PATE: And let me also comment on
15 that. The statute is not really written as a direct
16 subsidy to the breed organizations, it is for events
17 sponsored by these organizations, and so I think we have
18 to be careful. Some of the applications that we looked at
19 appear to be really kind of subsidies of existing programs
20 and so forth, and so I would echo what Commissioner
21 Kleinschmidt just said.

22 CHAIRMAN STEEN: Thank you.

23 COMMISSIONER KLEINSCHMIDT: Mr. Chairman.

24 CHAIRMAN STEEN: Devon.

25 MS. BIJANSKY: Yes, sir.

1 CHAIRMAN STEEN: Go ahead, Commissioner
2 Kleinschmidt.

3 COMMISSIONER KLEINSCHMIDT: Well, that being
4 said, I mean, we're prepared to go forward and recommend
5 approval of a large part of these proposals, and of
6 course, give the registries plenty of time to make any
7 changes or amendments that they may need to be. We're not
8 proposing to take away any funding that they've got.

9 They would certainly have the opportunity to
10 make new proposals if they're not currently funding or due
11 to the action we may take here later. I just wanted to
12 make that clear.

13 CHAIRMAN STEEN: Thanks, Commissioner
14 Kleinschmidt, and I agree with your philosophy of taking
15 up the items we have today under the proposed rules that
16 we have as guidelines. And then as I mentioned earlier,
17 in short order we can help to refine those proposals
18 and/or definitions and move forward with another batch of
19 the proposals.

20 And of course, our intent is not to withhold
21 those funds. We'd like to get them to the industry and
22 know the industry is best equipped to know where those can
23 be the most impactful.

24 Devon, did you have other issues that you were
25 looking for guidance on?

1 MS. BIJANSKY: Yes, I have several. Before we
2 move on, I don't know if there's a vote to be taken on the
3 event issue or if you just want to give individual
4 feedback and then we'll move on.

5 COMMISSIONER PATE: I think it would be useful
6 for the breeds to hear how many of these we've actually
7 approved and how narrow the universe is of the ones that,
8 in our judgment, need some work.

9 MS. BIJANSKY: You and I have talked about
10 those numbers. Really a lot of it hinges on the next
11 item, so if you want to go ahead and move on to that one,
12 I think after that we might have a better sense of
13 specific numbers that we might be able to give.

14 The next item is the economic impact on the
15 horse industry. The rules and the application ask what
16 the breed registries expect the economic impact on the
17 horse industry to be, and this is important because the
18 Texas Constitution requires public funds used for a
19 private purpose to have a specific public benefit within a
20 few specific categories that are outlined. And so it's
21 important that the agency verifies that there will
22 actually be that sort of benefit if they approve and
23 provide funding for certain events.

24 There's been a wide variety of responses in the
25 proposals that we've received. For example, I pulled each

1 breed registry's response to this question from their
2 first proposal this round and I'll just read them to you.

3 First is we anticipate at least 25 Paint horses
4 to participate, which would generate approximately
5 \$108,000 more in direct expenditures subject to eligible
6 Texas taxes. And the next is that the event brings the
7 largest number of Arabian owners and enthusiasts together
8 of any event in Texas. Racing interest will be expanded,
9 new owners of race horses -- and expand breeding in Texas.

10 Next is Texas horsemen will be supported by the
11 track offering the seven stakes that had to be canceled on
12 March 21st, providing additional earning opportunities for
13 horsemen. These races carry a purse of \$75,000 each.
14 Additionally, this meet will provide opportunities to
15 attract more horsemen and horses to the state with little
16 to no racing opportunities across the U.S.

17 And last, the anticipated goal of this project
18 on the horse industry is twofold: one, increase the
19 number of cutting horses bred within the State of Texas;
20 and two, increase the interest of cutting horse owners to
21 continue to show their horses as they advance in years.
22 With a conservative average of \$6,500 to \$20,000 to breed
23 a cutting horse, incentive programs like this one are
24 vital to encouraging owners to continue to breed and show
25 cutting horses.

1 So that's a pretty wide range from fairly
2 specific to not so specific, and again, we're looking for
3 direction as to what is sufficient and what isn't with
4 regard to the economic impact requirement. And really,
5 it's a matter of the comfort level of the Commission with
6 varying levels of specificity in that language.

7 COMMISSIONER PATE: Devon, why don't you go
8 through all of the four or five areas that we need to
9 discuss and kind of talk about it all at the same time,
10 and I can help with that.

11 MS. BIJANSKY: Okay.

12 MR. ELROD: Devon, can I interrupt for a
13 second?

14 Can we ask everyone, except for the
15 commissioners and staff, if you wouldn't mind turning off
16 the cameras. We're having an issue with bandwidth.
17 That's all I needed.

18 MS. BIJANSKY: The next issue is operating
19 expenses. The rules allow for up to 5 percent of the
20 funds allocated for an event to be used for the breed
21 registry's operating expenses. This was intended to cover
22 additional administrative expenses a breed registry might
23 incur because of an event, but some of the proposals
24 include, for instance, amounts toward the salaries of
25 breed registry staff that the registry would be paying

1 regardless of the event.

2 In some cases the full 5 percent is requested
3 even though the breed registry isn't proposing to put on
4 its own event but rather is just proposing to add prize
5 money for an existing event. And so we're looking to the
6 Commission for direction as to whether these requests are
7 appropriate or how you believe that the administrative
8 expenses or operating expenses can be used within what's
9 appropriate for these requests.

10 The next is social activities. The rules
11 include a prohibition on social activities which disallows
12 cost of entertainment, amusement, social activities and
13 incidental costs relating thereto, including tickets to
14 shows or sports events, meals, alcoholic beverages,
15 lodging, rental, transportation, tips and gratuities. The
16 rules don't prohibit the purchase of food outright, just
17 when it's incidental to a social activity.

18 So the question here is, when is a cost such as
19 food incidental to an allowable event and when it is
20 incidental to an unallowable social event, or does the
21 Commission think that funding from the account should
22 never be used to pay for food. We've got a couple of
23 requests in this batch that have a food component, and I
24 can go over the specifics of those if that would be
25 helpful.

1 The next category is events the breed registry
2 paid for itself in previous years. We've found some
3 proposals where the breed registry put on the same event
4 in previous years at their own expense and this year
5 they're asking for the funds to pay some of the same
6 expenses that they incurred in previous years. So we're
7 seeking direction from the Commission on whether these
8 sorts of expenses should be payable from the fund.

9 And the last issue is donations to nonprofits.
10 We're currently asking for the nonprofit's IRS 990 form.
11 We're wanting feedback from the Commission on whether
12 merely providing the form is sufficient or whether there
13 needs to be something else done with that information
14 before a decision can be made on those proposals.

15 I'm happy to answer any questions about those
16 categories and I would welcome any feedback that you can
17 offer.

18 COMMISSIONER McNABB: For the group regarding
19 the 990s, the 990 is the baseline report as to what the
20 money that goes into a nonprofit does. But what I would
21 offer to the Commission so that we do some due diligence,
22 many nonprofits have a very low ratio of money that goes
23 to administrative and a high percentage into the mission.

24 There's many others -- and I think you'd be
25 surprised at some of the famous ones -- spend a tremendous

1 amount of money on administrative and a very small percent
2 on the mission. The 990s gives us the essential entry
3 point information so then we can go to some of the
4 industry standards in the nonprofit world, such as
5 GuideStar -- and that's like the Better Business Bureau
6 for nonprofits. We can see if indeed this money is going
7 to go into a nonprofit, what's the likelihood that it is
8 going into a mission that would be consistent with
9 legislative intent rather than just being a slush fund for
10 administrative costs and/or the staff.

11 COMMISSIONER PATE: Commissioner McNabb, what
12 you would see with a number of these applications is
13 they're well known organizations, for example, various 4-H
14 Clubs and that kind of thing, but part of the problem that
15 we had was the simply incomplete nature of the application
16 when that information is requested. And so I can't
17 think -- and perhaps Devon can think of one, but I can't
18 think of one nonprofit that was something that we've never
19 heard of before. There might have been some horse
20 organization or something, but anyway.

21 COMMISSIONER McNABB: And I have no doubt that
22 there are good ones listed, but just if we're establishing
23 a process that's going to go on for years, I want to give
24 the Commission the opportunity that we've got a tool for
25 due diligence. Because in the nonprofit world, for all

1 the good that's done, there's also a lot that are pretty
2 much money laundering. I'm not saying that that applies
3 to current, just, you know, we're establishing a
4 procedure.

5 COMMISSIONER PATE: Well, and as an adjunct to
6 that problem is under our constitution and under the state
7 grant program, there is a reporting requirement. And so
8 the breed registry is going to have to comply with our
9 reporting requirements, but if they're really delegating
10 the entire program to the nonprofit organization, so when
11 they do that we need to put our eyes wide open that what's
12 happening is the breed is really just contributing money
13 to whatever the event is of the nonprofit, but they'll
14 still need to report back to the Commission and back to
15 the State of Texas on the use of those monies.

16 Chairman Steen, I think that in hearing these
17 concerns that we have -- and maybe Commissioner
18 Kleinschmidt has a different view -- but I really think
19 that if we got into a couple of these applications, it
20 would allow the Commission to really have a better depth
21 of feel on what we're talking about and how these vary.
22 And my hope would be as we go through and approve these
23 that all the breeds start kind of realizing what the
24 better practice is in terms of how to communicate to the
25 Commission what they want the money for, how they're going

1 to spend it, and the review would then become much easier,
2 hopefully.

3 COMMISSIONER KLEINSCHMIDT: This is
4 Kleinschmidt. I agree.

5 I would make the comment that I think we need
6 to have the long term in view here too. You know, for
7 instance, on things as simple as paying for food at an
8 event, I know the industry may not realize this but those
9 of us that work with agencies realize that when you pay
10 for food any time -- and this is just an example -- it's
11 one of those things that's so subjective that it may -- in
12 other words, we as agencies, we simply do not spend agency
13 funds for food. It's just one of those sort of almost
14 forbidden things.

15 It requires very special circumstances for us
16 to purchase food for an event. And so I'm worried that if
17 we were to approve an expenditure of these event funds for
18 purchasing food that that could jeopardize the long-term
19 viability of this funding, so to speak. And so that's
20 just an example.

21 Another example would be on the 5 percent
22 administrative fees. If those are not tied to, for
23 instance, increased cost of an event due to planning or
24 funding or operating or managing an event, that's not in
25 the ordinary course of business for a breed registry, that

1 -- I'm worried that if it just looks like they're just
2 paying their overhead with those administrative expenses
3 that aren't tied to a specific event or necessary for a
4 specific event, again, I'm worried that we jeopardize the
5 long term viability of this funding. And I just wanted to
6 mention those.

7 For instance, you know, I see the
8 administrative fees as being intended to cover increased
9 costs of planning, funding, operating or managing an event
10 that really is not in the ordinary course of business of a
11 breed registry. You know, the increased staff time, the
12 increased accounting expenses, special event insurance to
13 cover an event, event travel expenses, things similar to
14 that that wouldn't be part of their normal overhead for
15 just operating their registry. I see those as what I
16 would see as acceptable administration expenses to pass
17 through with these event expenses.

18 COMMISSIONER PATE: Well, and a good example of
19 that is on a number of purse supplements some of the
20 breeds wanted to tack on the 5 percent fee when really
21 there's nothing to do except there's a check delivered for
22 a supplement. I mean, there's really no administrative
23 costs involved.

24 And at least the review that I did, along with
25 Devon, it was our judgment that those are inappropriate

1 when it's just a pure purse supplement, just by that as
2 example.

3 COMMISSIONER KLEINSCHMIDT: This is
4 Kleinschmidt. I agree if we would go ahead and look at
5 some of those and have Devon potentially explain the
6 differences that we're discussing here that it might
7 really help the board to see what we're talking about.

8 COMMISSIONER PATE: We could go through the
9 Paints and all the ones that we've recommended approval of
10 that applied and I think that's good examples to hold up,
11 it seems to me, to compare others to.

12 MS. BIJANSKY: Yes, sir, I agree.

13 Robert, if you want to scroll down to the Paint
14 proposals. The first is the Barrel Racing Association of
15 Texas Barrel Race Number 2.

16 Keep going, Robert. And for everyone logged in
17 online, you can use the plus sign on the right of your
18 screen to make the picture bigger.

19 So this is an event where it's an existing
20 event where they're simply asking for \$3,500 for
21 additional prizes, and a little farther down they explain
22 how it's being allocated. Can you scroll, Robert?

23 It's \$2,500 for one particular prize and then
24 \$1,000 divided \$500, \$300, \$200. And they're not asking
25 for any administrative costs, they don't need any money to

1 actually put on the event because it's either something
2 that they're already -- actually it's a third-party event.

3 So they're simply asking for \$3,500 for
4 additional prize money, and I believe their explanation of
5 the economic impact was the one that I read a few minutes
6 ago relating to 25 horses and bringing in a number of
7 additional money to the state. I guess I'd be looking for
8 perceptions from the Commission on this item.

9 On the whole, the Paints -- as Commissioner
10 Pate mentioned, the Paints' proposals were very easy to
11 work with. They're asking for money for particular prizes
12 generally and nothing else, and it's just very easy to see
13 how that's getting directly out to the industry.

14 COMMISSIONER PATE: And correct me if I'm
15 wrong, Devon. I think all of the Paints' proposals in our
16 analysis there is a recommendation of approval. Is that
17 correct?

18 MS. BIJANSKY: Yes, sir.

19 COMMISSIONER PATE: There are like 15 of them,
20 or something like that.

21 MS. BIJANSKY: I believe that's correct, yes.

22 COMMISSIONER KLEINSCHMIDT: Devon, this is
23 Kleinschmidt. It may be helpful to go through the rest of
24 those so that the observers get a feel for the types of
25 event funding that we recommended as acceptable or to

1 propose, you know, for acceptance.

2 MS. BIJANSKY: Sure. Could I actually call on
3 Pancho Villarreal to summarize them? He obviously has a
4 better understanding of them than I do. I think he can
5 give information without all the scrolling and reading,
6 and then we can discuss what it was about those proposals
7 that we believe makes them qualify.

8 MR. VILLARREAL: Not a problem. Thanks,
9 everybody, for everything that we're doing for the
10 industry, and I want to thank Karen and Mike really for
11 helping put this together for TPHBA.

12 We have, I believe, eight barrel races.
13 They're all the same, \$3,500 added. It's an existing
14 barrel race and at these events we're going to anywhere
15 from 200 to 300 participants.

16 Our goal with the Paints is to bring Paints to
17 these events to be able to identify them, track them and
18 to market all of racing to everyone. Very simple. So
19 you'll have a major event that has a major size prize.

20 If you're a Paint and you're Texas-bred there's
21 going to be a side prize you can be up for. All have a
22 \$50 entry fee themselves, so that's the first direct
23 economic impact. They all have trainers. They're all
24 staying in hotels.

25 They're all doing that, so the numbers that we

1 used are the same types of numbers that we used at the
2 World Show where we got other grant moneys that we get and
3 we have to go back and show an economic impact. There
4 will be surveys and there will be ways to track it.

5 The \$2,500 is a 4D format which means it goes
6 out to a broad -- it's not just one payment of \$2,500.
7 It's added to a pot and then that pot -- I don't know if
8 you're familiar with barrel racing. What they do is the
9 fastest horses will be in the 1D, the second group will be
10 2D, the third group 3Ds, and the slowest one 4D.

11 So you can have one of the slowest horses in
12 the event, but you'll have a chance to get part of the
13 money through the 4D format. And that's why barrel racing
14 is so popular is because you can have the professionals
15 and the backyard people competing at the same event,
16 knowing that the backyard people probably are going to be
17 more in the 3D-4D versus the professionals in the 1D-2D.
18 And we're trying to get into as many areas as possible and
19 that's why it's only \$3,500 and have a small amount.

20 Now, the thousand dollars is to incentivize
21 Texas-bred horses. That way the people that are coming to
22 these events say, hey, you know what, I can get extra
23 money if my horse is just Texas-bred so that will open
24 their eyes.

25 Barrel racing is one of the most natural second

1 careers for race horses and that's one of the most natural
2 audiences that we need to try and attract to our events.
3 What we have been trying to do is to try and have these
4 barrel races in areas that are close to the tracks so
5 maybe we can have a day at the races as well.

6 I maybe spoke too much, but in a nutshell that
7 covers eight of them.

8 If we look at item number 2 which is the
9 Gillespie County Fair, we have a futurity and a maturity.

10 The futurity is for two-year-olds and the maturity for
11 three and up.

12 On that -- and I need some clarification here
13 because I noticed in the application, it's supposed to be
14 \$5,000 for two-year-olds and \$5,000 for three and up, but
15 if we look at the payouts at the bottom, it grouped them
16 all together just for two-year-olds. In fact, what we
17 want is at the futurity and the maturity at Gillespie
18 we're going to have \$5,000 for two-year-olds, pay \$2,500,
19 \$1,500 and \$1,000 to the top three Texas-bred horses.
20 Again, this is just another way that when people are
21 coming to race at the tracks to understand that it's
22 important that if you have a Texas-bred horse, you can
23 actually get more money.

24 Here at the bottom it says \$10,000 and only
25 references futurity trials and final. In fact, it's going

1 to be futurity and the maturity, so, Devon, whatever we
2 need to do to clear this up. There's going to be \$5,000
3 for the futurity, \$5,000 for the maturity; a total of
4 \$5,000 for the top horse, \$2,500, \$2,500; a total of
5 \$3,000, \$1,500, \$1,500 for two-year-olds and three and up;
6 and a total of \$2,000, \$1,000 for the two-year-olds and
7 \$1,000 for the three-year-olds. So that's the only thing
8 that I saw, and I think that needs to be addressed and
9 corrected.

10 The next one is the Colors of the Alamo
11 Futurity. Due to the small amount of money that we have,
12 we would have to use our 70 percent to bump up our stakes
13 race, and then we would be left with no day racing. So
14 traditionally, the Paints, we've had to either pick, do we
15 want a futurity or do we want two day races. And what we
16 picked is we picked a futurity because it's easier to
17 track the horses.

18 What we've done is we've taken this \$25,000 and
19 we're tacking it on to the existing \$10,000 so we can have
20 a \$35,000 added futurity so we can for the first time have
21 trials. We've only had just normally one handicap
22 overnight day race.

23 By having trials, we'll be able to attract more
24 than ten horses to the State of Texas, and they'll be here
25 for more than just one race. We'll have, hopefully,

1 anywhere from 25 to 35 horses coming to Texas that
2 wouldn't normally come to Texas and the ten fastest ones
3 will qualify for the final.

4 So that one is pretty straightforward as far as
5 what that is. We're trying to increase the stakes race
6 and this is an important event for us because we'll be
7 able to bring more horses to Texas.

8 The next one --

9 CHAIRMAN STEEN: Pancho?

10 MR. VILLARREAL: Yes.

11 CHAIRMAN STEEN: Let me interrupt you there for
12 a second, and I appreciate you going through each one of
13 those. I would think, unless any other commissioners have
14 issues, I think all of your proposals met the
15 qualifications of the committee, and I'd encourage
16 everyone to take a look at those as a potential model.

17 What I think -- and Commissioners Kleinschmidt
18 and Pate, and Devon, maybe since we've all had access to
19 each of the proposals and looked at them from the
20 commissioners' standpoint, I think maybe an efficient use
21 of time is potentially to go through the ones that we
22 didn't think met the qualifications because I think the
23 vast majority did from the committee's perspective. And
24 so maybe we focus on the few that we didn't, from the
25 committee's perspective, think met the threshold, and then

1 we can hopefully take up the votes, subject to Commission
2 discussion, on the ones that did meet it.

3 And then if we need to have further discussions
4 on the ones that didn't meet the committee guidance around
5 those, I think that would be helpful to kind of push those
6 and trying to push to re-take them up on the next meeting
7 which we'll plan to have here shortly.

8 Does that work for Commissioners Kleinschmidt
9 and Pate and for Devon?

10 COMMISSIONER KLEINSCHMIDT: Yes, it does for
11 Kleinschmidt.

12 COMMISSIONER PATE: Yes. Thank you.

13 MS. BIJANSKY: Mr. Chairman, are you suggesting
14 that we look at the ones that we believe do not qualify,
15 or the ones that are kind of middle ground where we have
16 questions?

17 CHAIRMAN STEEN: So let's go to -- well, let's
18 go to the do not qualify, if you don't mind, if those can
19 go quickly, and then move to the middle ground. And I'm
20 not sure how many you have in each category there.

21 COMMISSIONER PATE: The denied, there's about
22 six of those. Right? Go ahead, Devon.

23 MS. BIJANSKY: Sure. I think there are five.
24 The first is the Texas 4-H Horse Project. It's item 8 on
25 page 32 of the supplement, I believe. And this would

1 delegate approval of events to a third party, which
2 doesn't seem consistent with the agency's duty to retain
3 control over the funds to ensure the public purpose is
4 accomplished and the public's investment is protected.

5 CHAIRMAN STEEN: Why don't you just continue
6 through those, Devon?

7 MS. BIJANSKY: The next is the TTA's item 12 on
8 page 49 of the supplement, and this would create -- or
9 fund an equine industry online resource directory which is
10 a publication, and I didn't see that there was any event
11 involved there.

12 The next is their item 13 on supplement page
13 54. This is for the American Racehorse Stallion Register.
14 It says a Texas advertiser incentive, and again, that's a
15 publication, not an event.

16 And then item 15 on page 62 of the supplement,
17 and this would provide an incentive for breeding horses
18 and registering them, not tied to any actual event.

19 And then the last item is the TQHA's ATB
20 enrollment incentive on page 75 of the supplement, and
21 this is an incentive for registering horses with no event
22 connected to it.

23 CHAIRMAN STEEN: And, Commissioners
24 Kleinschmidt and Pate, did you guys want to comment at all
25 on those?

1 COMMISSIONER KLEINSCHMIDT: Yes. And I just
2 want everybody to understand -- this is Kleinschmidt --
3 that again, we're not -- we need to do something to move
4 forward and we are going to be looked at in the future.
5 We're going to have to show the state and whatever audit
6 groups -- and for the audience, the industry that's out
7 there, the groups that can audit the Racing Commission are
8 virtually -- they're not infinite in number, but believe
9 me, it's everybody from the Legislative Budget Board to
10 the State Auditor's Office, to Sunset down the road, to
11 any internal auditor that would be hired.

12 And so we really have to deal with these funds
13 in a manner where we can show how they were allocated and
14 how they were spent and that they were spent for a public
15 purpose, going back to the public purpose and the plain
16 word, at least the word "event" that we've got right now.

17 And what Commissioner Pate and I, in looking at -- this
18 is a recommendation we made with the information we have
19 currently.

20 And I want to stress that the registries are
21 more than welcome to submit alternate, you know, projects
22 or new information that would more clearly define
23 something. But we've got to have a way to move forward
24 efficiently right now, so this is what we recommended.

25 COMMISSIONER PATE: Mr. Chairman, I will join

1 in that recommendation. These breeds, they can re-file
2 that they can move forward, but I think what we need to do
3 is take some action. They can then go back and look at
4 it. They can consult with Devon and they can reprocess.

5 This is not a -- they're not forbidden from
6 filing again but we're trying to clean out this backlog.
7 And also, meet the requirement of these breeds that they
8 need some information today so they can plan those events
9 over the rest of the year, and that's why we tried to
10 review all 48 or 49 of these applications for this
11 meeting.

12 And so with that said, you know, I would move
13 that we deny the following requests for funding from the
14 horse industry escrow account, those being the ones that
15 Devon just listed: the Texas Thoroughbred Association,
16 Texas 4-H Horse Project county grant program; the equine
17 industry online resource directory; the American Racehorse
18 Stallion Register; the new broodmare recruitment event;
19 and the Texas Quarter Horse Association ATB enrollment.

20 COMMISSIONER KLEINSCHMIDT: And this is
21 Kleinschmidt. I would second that motion.

22 MS. RUYLE: This is Mary Ruyle. May I ask a
23 question, please?

24 CHAIRMAN STEEN: Sure. Mary, I'm going to --
25 okay, go ahead, Mary.

1 MS. RUYLE: My question was, you referred to
2 our application for 4-H. There are actually three
3 incentives in there. Are you referring to all of them or
4 to a particular one?

5 MS. BIJANSKY: And I apologize, that was my
6 error. It was the Texas 4-H Horse Project county grant
7 program, your item number 8.

8 MS. RUYLE: Thank you.

9 MR. GRAHAM: Chairman, this is Tyler Graham. I
10 have a quick question.

11 CHAIRMAN STEEN: Sure. Go ahead, Tyler.

12 MR. GRAHAM: I just want somebody to clarify so
13 we know going forward that it's the Commission's opinion
14 that breeding a mare is not an event.

15 CHAIRMAN STEEN: My opinion of that is that we
16 should take a further look at that between now and the
17 next time we take up a batch of these items, unless
18 Commissioners Pate, Kleinschmidt or any other
19 commissioners have a comment there.

20 COMMISSIONER KLEINSCHMIDT: One general comment
21 that might help there -- this is Kleinschmidt -- when you
22 have a specific breeding event, that benefits a particular
23 individual or a particular company. Okay?

24 We really are more -- we really have to look at
25 more of a public purpose, something that benefits industry

1 or the economy or both the State of Texas and the industry
2 as a whole. When you break it down to some action that
3 actually benefits just an individual or a specific
4 company, we're actually prohibited by the Texas
5 Constitution from spending public monies to benefit any
6 specific individual or business.

7 MR. GRAHAM: Well, all of this money, at the
8 end of the day, is going to benefit a specific individual
9 business, but I just wanted that clarification.

10 CHAIRMAN STEEN: Are there any other -- Robert,
11 is anyone else signed up to speak on this item before we
12 begin to take actions?

13 MR. ELROD: Yes. Some of them have already
14 spoken. Mary with TTA, did you have any more comments?

15 MS. RUYLE: Only if it would make any
16 difference in your decision, or if I can state some more
17 information at this point, or if you prefer that we wait
18 until the opportunity to resubmit.

19 CHAIRMAN STEEN: My recommendation, Mary, would
20 be that we quickly take these up in a couple of weeks
21 rather than try to sort through that in this forum.

22 MS. RUYLE: Okay. Thank you.

23 CHAIRMAN STEEN: Robert, do you have anyone
24 else signed up?

25 MR. ELROD: Yes. Val Clark with TQHA.

1 MS. CLARK: Well, since we're going to wait,
2 we'll just wait for resubmission as well, thank you, and
3 recommendation from you all. Thank you.

4 CHAIRMAN STEEN: Thank you, Val.

5 MR. ELROD: Does that apply to Rob as well?

6 MR. WERSTLER: Yes, sir.

7 MR. ELROD: Okay. We have Pancho. Did you
8 have anything further?

9 MR. VILLARREAL: I'm good. Unless I'm needed
10 to answer any questions, I'm fine right now.

11 MR. ELROD: We have David White with the Texas
12 4-H Youth Development Foundation. Are you there?

13 MR. WHITE: Yes. I'm here as a resource. I
14 have no further comments.

15 MR. ELROD: Jeff Hooper?

16 MR. HOOPER: No comment.

17 MR. ELROD: Corey Johnson?

18 (No response.)

19 MR. ELROD: That's all we have, Mr. Chairman.

20 CHAIRMAN STEEN: Thanks, Robert.

21 Anyone else that wasn't able to get in touch
22 with Robert that would like to speak on this item at this
23 point?

24 (No response.)

25 CHAIRMAN STEEN: Devon, before we proceed with

1 the motion, you mentioned that there were some on the list
2 here that were -- let me just get clarification. Was
3 there a recommendation from the committee to approve the
4 rest of the events, or were there still others in question
5 beyond the ones that we've highlighted here as denied?

6 Devon, you may be on mute.

7 MS. BIJANSKY: Thank you.

8 There wasn't any formal action by the committee
9 or any sort of vote by the committee, but my
10 recommendation would shake out roughly, I think it was
11 about 20 or 25 that could be approved if you were
12 comfortable with the level of detail that they gave on
13 economic impact, those five that should be denied, and
14 then I think that leaves about 15 that are kind of middle
15 ground.

16 COMMISSIONER PATE: Mr. Chairman, I'd make just
17 a suggestion. We can take a vote on the recommended
18 denials and we can also move to approve a host of these,
19 and then the difference are the ones that really -- the
20 denials and the difference are really the ones that are
21 going to need more attention. We're going to be down to
22 about 20 applications at that point in time, as opposed
23 to -- or less, as opposed to the pile we have right now.

24 CHAIRMAN STEEN: Okay. Well, let's go ahead
25 with the motion if there's no further discussion on the

1 denials. Can I get a motion on those items?

2 COMMISSIONER PATE: I made that motion, and it
3 was seconded by Commissioner Kleinschmidt.

4 COMMISSIONER KLEINSCHMIDT: Correct.

5 CHAIRMAN STEEN: Motion made by Commissioner
6 Pate, seconded by Kleinschmidt.

7 Devon, do you need any clarification on the
8 motion?

9 MS. BIJANSKY: No, sir.

10 CHAIRMAN STEEN: If there's no further
11 discussion, we'll take the motion up for a vote. All
12 those in favor please signify by saying aye.

13 (A chorus of ayes.)

14 CHAIRMAN STEEN: Any opposed?

15 (No response.)

16 CHAIRMAN STEEN: That motion carries.

17 COMMISSIONER PATE: If you'd like, I can make a
18 motion with respect to the ones that we approved.

19 CHAIRMAN STEEN: Please go ahead, Commissioner
20 Pate.

21
22 COMMISSIONER PATE: I move that we approve the
23 allocation of funds from the horse industry escrow account
24 for the following events as proposed in the materials
25 provided, that IRS Form 990s were provided to the agency

1 for all donations to 501(c)(3) organizations, and provided
2 that any unspent funds are returned to the agency, as
3 follows: Texas Paint Horse Breeders Association, Barrel
4 Racing Association of Texas, Barrel Race Number 2, item 1,
5 page 34 of the main packet; the 22nd Running of the GCFA
6 Paint Horse Stakes, item 2, page 38; the 13th Running of
7 the Colors of the Alamo Futurity Stakes, item 3, page 42;
8 the ATB incentive Colors of the Alamo Futurity Stakes,
9 item 4, page 46; the Cowgirl Celebration, item 5, page 50;
10 the Paint Horse -- correction -- the Paint Barrel Racing
11 Incentive Program, PBRIP, Barrel Race Cowgirl Celebration,
12 item 6, page 55;

13 The Texas Paint Horse Breeders Association
14 celebration and awards, item 7, page 59; the 14th Running
15 of the Lone Star Paint and Appaloosa Futurity Stakes, item
16 8, page 63; the ATB incentive Lone Star Paint and
17 Appaloosa Futurity Stakes, item 9, page 67; the Central
18 Texas Barrel Racing Association Finals, item 10, page 71;
19 the Barrel Racing Association of Texas #3 October Race,
20 number 11, page 75; the Spooktacular Barrel Race, item 12
21 page 79; the Wild Nations Fall Kickoff Barrel Race, item
22 13, page 83; the Barrel Racing Association of Texas
23 Christmas Classic, item 14, page 87; the CBT Barrel Racing
24 Productions Christmas Cash Barrel Race, item 15, page 91;

25 With the Texas Arabian Breeders Association,

1 the Region 9 Arabian Horse Show, page 97 of the main
2 packet; the Arabian Stakes Night at Retama Park, page 101;
3 the Texas-Bred Awards, Retama Park, page 105; the Texas-
4 Bred Awards, Lone Star Park, page 117;

5 And the Texas Thoroughbred Association, TTA,
6 modification from previously approved 2020 Thoroughbred
7 Meet at Lone Star Park, item 1, supplement page 3; the
8 2020 Mixed Meet at Retama Park, item 2, supplement page 7;
9 the 2020 Mixed Meet at Gillespie County Fair Grounds, item
10 3, supplement 11; the ATB leader bonus for success in open
11 company races in Texas in 2020, item 4, supplement page
12 15; the consignor incentive for Texas yearling and horses
13 of race age sale, item 5, supplement page 20; the 2020
14 Retired Racehorse Project Thoroughbred Makeover, item 6,
15 supplement page 24;

16 The Texas 4-H Equine Ambassador Program, item
17 7, supplement page 28; the Texas 4-H Home for Horses
18 Program, item 9, supplement page 36; the Right Horse
19 Initiative, item 10, supplement page 41; Equine Therapy,
20 item 11, supplement page 45; and the ATB Breeder Awards
21 for ATB horses racing out of state in 2020, item 14,
22 supplement page 58; and with the Texas Quarter Horse
23 Association, National Cutting Horse Association Summer
24 Cutting Spectacular, supplement page 70.

25 That ends my motion.

1 CHAIRMAN STEEN: Thanks for taking that on,
2 Commissioner Pate.

3 COMMISSIONER KLEINSCHMIDT: This is
4 Kleinschmidt. I second.

5 CHAIRMAN STEEN: Motion made by Commissioner
6 Pate and Commissioner Kleinschmidt on the approval of
7 those items.

8 Is there any further discussion from the
9 Commission, or Devon, do you have any further
10 clarifications needed?

11 MS. BIJANSKY: I do not, no.

12 CHAIRMAN STEEN: Is there anyone else that
13 wishes to speak on that item at this time?

14 (No response.)

15 CHAIRMAN STEEN: If not, I'll take the motion
16 up for --

17 MS. CLARK: This is Val Clark.

18 CHAIRMAN STEEN: Go ahead, Val.

19 MS. CLARK: Val Clark, Texas Quarter Horse.

20 So am I understanding that only the National
21 Cutting Horse Association application was approved for
22 Texas Quarter Horse?

23 MS. BIJANSKY: That's what's included in the
24 motion. Yes.

25 MS. CLARK: So no other applications for the

1 Texas Quarter Horse have been approved?

2 MS. BIJANSKY: Well, it's just a motion at this
3 point but none of the others are included in the motion.

4 MS. CLARK: I see. So the National Cutting
5 Horse -- just so this goes on record -- was approved in
6 January, it was canceled due to COVID in January, and I
7 was asked to reapply, and what they did was reapply and
8 changed the name, so that was approved.

9 MS. BIJANSKY: As we discussed, the original
10 approved event was canceled. This is, from what I
11 understand, a similar event but a distinct event taking
12 place later in the year.

13 The executive director can approve date changes
14 but not the transfer of funds to a different event, so I
15 asked that you resubmit it. And that's what you've done
16 and that's what's included in this motion.

17 MS. CLARK: What about the other events, and
18 when is the next meeting for those? I think where I have
19 a problem is I'm not sure what you're needing on those
20 events, roping, barrel racing in November, et cetera, et
21 cetera, what the amendments need to be made and when those
22 need to be approved, because as we've stated over and
23 over, the longer we leave it in the year, the more they
24 become moot because we can't plan them.

25 MS. BIJANSKY: Well, I've addressed some of the

1 issues that gave me pause, so I think the commissioners
2 can probably speak better to why those other events aren't
3 included in this motion.

4 MS. CLARK: We need to know those in order to
5 make it right. Thank you.

6 COMMISSIONER PATE: The one thing that I recall
7 with most of the Texas Quarter Horse Association
8 applications was the inclusion of a substantial amount of
9 administrative costs in connection with every event that
10 appeared to be not expenses directly related to the event
11 but appeared to be overhead of the association. And so
12 that's that 5 percent and that's that policy issue that we
13 discussed.

14 And my understanding is that after the review
15 that Devon and I did and Commissioner Kleinschmidt, that
16 Devon has talked to all the breeds, explained everything.

17 We had a number of the ones that are recommended for
18 approval are resubmittals of prior submissions where they
19 went back and fixed things that we objected to that were,
20 we felt, inappropriate, and they made the adjustments and
21 we feel like that that's what we believe the statute
22 intends, and that's why they're on the list to be approved
23 because they went to that effort to meet those objections.

24 MS. CLARK: I'm sorry. I thought that we had
25 done that as well, and if there needs to be an amendment

1 on the admin for 5 percent, that's how we understood
2 indirect and direct costs, and based on in the rule that
3 you actually have with the name of -- I lost the rule
4 right in front of me -- to following those on indirect and
5 direct costs. If those need amending, we can amend those.

6 I thought, Devon, when you and I were going
7 back that I fixed everything that you needed.

8 So today I just want to go on record again,
9 Texas Quarter Horse in January did not have much of a
10 hearing due to time in January when you all were having a
11 discussion on breed money in January and we were only
12 approved for \$179,000 in January. A hundred thousand of
13 that was the NCHA which you just now re-approved.

14 So to date, Texas Quarter Horse doesn't have
15 any events approved, and so again, my concern is for those
16 barrel racers, for that roping, for that cow horse that
17 are actually events that are furthering the future of
18 Texas horse economy.

19 Devon, you did not bring any of those to me.
20 You did not bring me roping, you did not bring me cow
21 horse, you did not bring me the event in November. So
22 those are the ones that I have concern over.

23 I understand the ones that you did and I
24 brought back to you and gave you as much information as
25 you needed. So I want to go on record on that and what

1 you guys need changed or amended, and when will that next
2 time be?

3 COMMISSIONER PATE: Mr. Chairman, we are aware
4 that the Quarter Horse Association -- that the
5 applications fell short. I mean, we fully understand this
6 and I can understand Ms. Clark being very concerned about
7 it.

8 I would recommend, if at all possible, whatever
9 within the minimum notice requirement under law that we
10 schedule another telephonic hearing and give her the
11 opportunity to get her applications, get back with Devon,
12 and whatever the communication issue is, get it resolved
13 as soon as you can to get the applications in a form that
14 is consistent in the way in which the others are
15 recommended to be approved at this time.

16 MS. CLARK: So there's even like Stock Horse of
17 Texas, in there there's no admin, there's nothing in
18 there. That's where I'm lost.

19 COMMISSIONER PATE: I don't have yours in front
20 of me but there were other reasons for other applications,
21 but again, I'm relying on the communication between you
22 and Devon and we'll just go from there.

23 MS. BIJANSKY: And I don't have individual
24 proposals in front of me either, but I am looking at an
25 email that I sent you on May 7th that has about ten bullet

1 items, and we did go back and forth and you did make some
2 changes, but one item in particular, I said, "I had
3 concerns about many of the administrative cost items
4 especially when the proposal is primarily supplemental
5 prize money, ATB money, et cetera, for an existing or
6 third party event.

7 "Significant amounts of administrative expenses
8 are likely to be met with skepticism from the Commission,
9 and any amounts toward costs the TQHA is obligated to
10 spend regardless, salaries, et cetera, are not proper to
11 be paid from the account." And I don't believe any
12 changes were made to those expenses, at least not with
13 regard to most of the proposals.

14 MS. CLARK: Well, that is one proposal. There
15 are several proposals that don't have admin. Again, Stock
16 Horse does not, roping does not. I think roping is
17 minimal. They need people to work that back gate. That
18 does not go to TQHA. Stock Horse of Texas does not go to
19 TQHA.

20 So that's where my concern is. I understand
21 where you've got a problem on that. I understood the rule
22 very, very differently, and I missed one ad hoc meeting
23 where you guys talked about not using direct and indirect
24 funds.

25 So this is not the platform to, you know,

1 discuss this and try to hash this out, but we need
2 direction. I mean, I am absolutely lost. Again, I'm
3 understanding what you're saying about admin. We, again,
4 misunderstood what the rule was stating when it says we
5 can go for indirect and direct costs.

6 But the other one Stock Horse of Texas, roping,
7 barrels, where did those die?

8 CHAIRMAN STEEN: And, Val, just for your
9 benefit, I think we're definitely going to plan to have
10 another meeting the week after next, and so hopefully that
11 would give you enough time and we can go through those,
12 and you can with the committee one by one, with Devon and
13 the committee to go ahead and figure out what needs to be
14 changed. Is that timeline okay?

15 MS. CLARK: Well, on the November barrel race,
16 today was their -- actually, the 15th was their latest
17 deadline, because, again, planning. You have to plan for
18 a full day like this. Does it go on a Thursday night,
19 does it go on a Saturday?

20 So if we have to take this into June, that
21 event is moot, totally right there. Cow Horse, roping,
22 they're in August. We've got to have that advertising.
23 If there is admin in it, take it out. That admin was
24 going to them, not to us.

25 In that racing one, in ATB awards -- Devon, I

1 do remember you mentioning that -- again, we understand
2 the rule differently. So if you can approve it with taking
3 out that admin, that would be great. Because right now,
4 do you guys understand that Texas Quarter Horse has not
5 received any of this money except for \$179,000.

6 CHAIRMAN STEEN: So, Val, I guess what I hear
7 you saying --

8 MS. CLARK: We had grant help writing these, so
9 we're going under direction of a grant-writer that
10 actually has experience on these, because obviously I
11 don't.

12 CHAIRMAN STEEN: I'd just say if -- I guess
13 what -- my recommendation would be we take up the ones
14 that we have for approval here and then we move on. To
15 the extent you have items that cannot wait for two weeks
16 for approval, then we can listen to those in this format.

17 To the extent they can wait two weeks, then I
18 would encourage that we do it, you know, through the
19 committee process rather than sort of ad hoc, but I'll
20 defer to you if there's something that can't wait two
21 weeks.

22 MS. CLARK: There are some events that cannot
23 wait, and I need direction from this Commission on what
24 they need for approval, what I need to tell them to get it
25 approved.

1 CHAIRMAN STEEN: Okay. I guess let's go ahead
2 and take up the item up for the motion that we have here
3 for approval. If there's no further discussion, we'll
4 take Commissioner Pate's item for a vote. All those in
5 favor please signify by saying aye.

6 (A chorus of ayes.)

7 CHAIRMAN STEEN: Any opposed?

8 (No response.)

9 CHAIRMAN STEEN: That motion carries.

10 Devon, I assume, or Commissioner Pate or
11 Kleinschmidt, that this falls in the categories of items
12 that we didn't have enough clarification on, and so I
13 don't know if we want to begin with those as a general or
14 if we want to take up Val's items, the ones that she is
15 absolutely requiring approval today.

16 COMMISSIONER PATE: You know, one of the
17 problems we had, Mr. Chairman, was that we asked the
18 breeds to help give us a priority. The Quarter Horse
19 Association gave everything a top priority, so that we're
20 talking about hearing all of her applications, I think.
21 So I don't know, however you want to proceed is fine with
22 me.

23 CHAIRMAN STEEN: Val, could you please give the
24 items that you need absolute approval on today?

25 MS. CLARK: Well, Judge Pate is correct, I did

1 not give priority, again, just because we only had so few
2 approved in January, and all these are so time-sensitive
3 on that, without knowing when the next approval process is
4 going to be. So is there going to be a meeting for
5 approval in two weeks?

6 CHAIRMAN STEEN: Yes.

7 MS. CLARK: Okay. That helps me. Thank you.

8 So what I would need -- and I'm guessing that
9 there needs to be amendments to these -- is let me start
10 with the show ones, I need the SRCHA Pre-Futurity which is
11 August.

12 MS. BIJANSKY: What page is that?

13 MS. CLARK: I don't have -- because I'm on
14 camera, I don't have the web up.

15 MS. BIJANSKY: You can actually pull up -- you
16 can pull up our website and we'll still see you even when
17 you can't see the GoToMeeting screen.

18 COMMISSIONER PATE: I'm trying to find it here.

19 MS. CLARK: I'm sorry to belabor the meeting on
20 everybody else's behalf. You know what, I can just scroll
21 through and just ask them that way. Can we do that?
22 Would that be a little bit quicker?

23 COMMISSIONER PATE: Mr. Chairman, we could also
24 just consider the rest of the agenda and let her get that
25 organized and then come back to it at the end.

1 CHAIRMAN STEEN: That's fine. Val, if that
2 works for you, if you need to get organized on which items
3 you absolutely need approval on. And I don't know if you
4 can at least -- we could come back to those, if that works
5 for you.

6 And if you don't mind in some way communicating
7 with Devon so potentially if you could highlight the
8 items, then she could highlight what the issues were with
9 those items. For instance, if it was operating expenses,
10 perhaps we could proceed with approval without the
11 operating expense portion. Does that work for you, Val?

12 MS. CLARK: Yeah, and I do have those
13 priorities, I just don't have Devon's page numbers, that's
14 all. I just don't have that screen up. So either/or,
15 whatever works best for the Commission.

16 CHAIRMAN STEEN: Devon, what would work best
17 for you?

18 MS. BIJANSKY: Yeah, if she could find page
19 numbers and then we can come back to this item once she's
20 ready. I think that will be most efficient.

21 MR. ELROD: If I know the name of the event, I
22 can pull it up.

23 MS. CLARK: Okay. Well, you guys want to go?
24 The SRCHA Pre-Futurity.

25 MR. ELROD: S-C --

1 MS. CLARK: SRCHA, that's Southwest Reined Cow
2 Horse Association.

3 MR. ELROD: Well, now that's not working at
4 all.

5 MS. CLARK: I'm scrolling through your page
6 numbers.

7 CHAIRMAN STEEN: Can I recommend, Val, that --
8 why don't you go ahead and send Devon an email with the
9 items, and then while we're working through the other
10 items, she can kind of track them and then we can sort of
11 take what they are and then whatever the issues were seen
12 by the committee and come back to that?

13 Does that work for everybody?

14 MS. CLARK: Yes. I said whatever works best
15 for y'all.

16 CHAIRMAN STEEN: Okay. Is there anyone else
17 with a situation like Val's where non-approval today --
18 and I'd please ask you, just given the time that we're
19 already taking here, unless it's absolutely needed before
20 two weeks from now, that we just defer that to the
21 meeting, the next meeting.

22 MS. RUYLE: Chairman Steen, may I ask one
23 question, please?

24 CHAIRMAN STEEN: Sure. Go ahead, Mary.

25 MS. RUYLE: Is there a particular issue that I

1 can be working to address on the Texas 4-H county program?

2 CHAIRMAN STEEN: I think, again, I'd defer to
3 the committee and to Devon on the reason that they're
4 having an issue with the proposal. I don't think we need
5 to -- unless Commissioner Pate or Devon or Commissioner
6 Kleinschmidt --

7 COMMISSIONER PATE: I think it would be easier
8 to take that up at the next meeting. It's part of a
9 single application. It has to do with the control over
10 the funds and delegation to a third party. I mean, each
11 one of these is going to take some discussion. That's
12 just the way it is.

13 MS. RUYLE: Thank you.

14 MR. WILSON: This is Ed Wilson. I have two
15 proposed events that were not approved and I don't know
16 what the issue is. Can we go ahead and address those?

17 CHAIRMAN STEEN: Ed, do you need those -- are
18 those time-sensitive to have those approved at this
19 meeting, or could they potentially wait for two weeks from
20 now?

21 MR. WILSON: We'll wait if you need to.

22 CHAIRMAN STEEN: I would appreciate that. I
23 understand you want to get the money as soon as possible,
24 but in the interest of time, I think it would be better to
25 get a committee meeting together in between this meeting

1 and the next to kind of flesh out those issues, if
2 Commissioners Kleinschmidt and Pate are available to do
3 that.

4 MR. WILSON: That would be fine.

5 COMMISSIONER KLEINSCHMIDT: And I'm available
6 just about any day.

7 COMMISSIONER PATE: I presently have a lot of
8 free time.

9 (General laughter.)

10 CHAIRMAN STEEN: Okay. Assuming Devon and Val
11 haven't figured out exactly how to proceed yet, I'm going
12 to go ahead and move to the next item. Please, somebody
13 remind me to come back here if I don't.

14 The next item is VI.A. which is proceedings on
15 racetracks. We wanted to use this opportunity to get an
16 update from each of the class 1 tracks as to the status of
17 the meets and the current situation. I guess I'd start --
18 I don't know, Dwight, if you're on, Berube, just to kind
19 of give a summary of Sam Houston. And then I'd move to
20 have Lone Star pick up on their current situation.

21 MR. BERUBE: Yes, I am here. Thank you, Mr.
22 Chairman. Good afternoon, commissioners and staff.

23 I'll try to be brief for the sake of time. Sam
24 Houston had several goals for its 2020 Live Thoroughbred
25 meet, with nearly double purses compared to last year.

1 Those goals were to fill the barn area, to fill ten races
2 per card, which we haven't been able to do in years, to
3 have larger field sizes, and to increase our handle. The
4 results were a full barn area.

5 We had 2,400 stall applications this year
6 compared to 1,400 the prior year. If I recall correctly,
7 every card except one had ten races unless an Arabian race
8 didn't fill. Field sizes were up 6 percent over last
9 year, and all source handle was up 39 percent comparing
10 the first two days of this year's meet to the 32 days of
11 last year's meet.

12 Now, if I added in the extra days that we ran
13 this year compared to last year, we were actually up 49
14 percent in handle to last year. But then on March the
15 12th, the Harris County judge, who recommended that large
16 gatherings of 250 people or more close due to coronavirus,
17 we immediately shut down our simulcast operations.

18 We continued racing without spectators for six
19 more racing days, which was done more for the sake of the
20 horsemen than Sam Houston Race Park economics, but
21 mounting concerns and further restrictions related to the
22 spread of coronavirus led us to decide that we would end
23 our meet four days early with Texas Champions Day being
24 our final day on March 21st. And as fate would have it, a
25 transformer blew in the middle of the second race that

1 night, taking out a large section of the track lights that
2 forced us to cancel the remainder of that card. We then
3 canceled our entire 2020 Quarter Horse season due to the
4 coronavirus.

5 I'm open for any questions you might have.

6 CHAIRMAN STEEN: Commissioners, any questions
7 for Dwight? If not, then I'd move -- I think I saw Scott
8 Wells on from Lone Star Park with an update there.

9 MR. WELLS: Yes, Commissioner Steen. And thank
10 you to all the commissioners and staff for adapting to
11 these special times. I doubt I'm the only one, in fact, I
12 suspect maybe everyone has during this pandemic kind of
13 reassessed their priorities and looked back over their
14 experiences to see if they had ever experienced anything
15 remotely like this.

16 I grew up in a racing family and I've been in
17 racetrack management for 30 years this September, and of
18 course, I've never seen anything like it. But it made me
19 hearken back to one of the original pieces of advice when
20 I assumed a leadership position in the racing industry
21 once before, and that was from a very wise fellow who told
22 me that, you know, this whole sport is a three-legged
23 stool.

24 While people have different views at some
25 times, you have to have the horsemen, the racetracks and

1 the regulators all functioning properly to make that stool
2 support itself, and we're certainly at a crossroads now.
3 Yesterday after receiving the good news from the
4 Governor's Office, Lone Star Park sent the following
5 letter to the Commission.

6 "Dear Mr. Trout, Chairman Steen, Commissioners,
7 During the delays to the scheduled April 16th opening of
8 Lone Star Park, we have been in constant communication
9 with the leadership of the Texas Thoroughbred Association
10 and have all agreed that the opening of Lone Star Park for
11 spectator-free racing, in compliance with the orders of
12 governmental officials, absolutely as soon as possible is
13 essential to the well-being of the Texas horse racing
14 industry.

15 "Toward that end, we respectfully request that
16 the Texas Racing Commission and its staff collaborate with
17 us to facilitate the very prompt resumption of live racing
18 at the earliest date possible, which could be as early as
19 May 22nd. Lone Star Park management is eager to do our
20 part to expedite the all important task of resuming live
21 racing.

22 "As you're aware, tracks in Florida, Oklahoma,
23 Arkansas, Nebraska, West Virginia, and California have
24 already been conducting spectator-free live racing with
25 exceptionally good safety results, and more tracks are

1 resuming racing almost daily. Our Remington Park
2 operation in Oklahoma is a shining example of our ability
3 to work within the well-established safety protocols
4 prescribed by the CDC. Working with a very limited number
5 of track employees, as well as the required commission
6 officials, we have strictly enforced the safety protocols
7 and have had complete cooperation from our participating
8 horsemen while conducting the nation's most successful
9 Quarter Horse race meet.

10 "Extraordinary times require extraordinary
11 actions and because of the urgency and timeliness of the
12 Texas industry situation, we urge you to assist us and all
13 the industry stakeholders in expediting in every way
14 possible the resumption of live racing. Failing to do so
15 before the end of May will likely cause the departure of
16 many stables to the greener pastures of tracks in other
17 states, thus harming the Texas horse racing industry."

18 And again, I want to refer back to the three-
19 legged stool. The horsemen have been exceptional and we
20 have met very, very frequently in trying to hammer out the
21 best way to do this, and fortunately, we think the path is
22 clear for us now to move forward.

23 I had a good conversation with Devon and Chuck
24 yesterday evening which I found encouraging due to their
25 positive attitude. And with that, I will be here to

1 answer any questions you may have.

2 CHAIRMAN STEEN: Commissioners, any questions
3 of Scott? And I'd ask Chuck also, Chuck Trout, to comment
4 on the Racing Commission's efforts to get back to live
5 racing as soon as possible in a safe manner.

6 Chuck, why don't you go ahead.

7 MR. TROUT: Yes, sir.

8 I've met with all of the department heads and
9 we're assessing what each department is going to have to
10 do in order to begin racing on Friday. Our biggest issue
11 is going to be licensing. We have not -- we're way behind
12 on licensing because licensing offices have been closed.

13 Lone Star Park tells us that they have 140
14 essential employees that need to be licensed and then
15 you've got all of the trainers and grooms and jockeys that
16 are going to have to be licensed. That's going to be
17 quite a task.

18 Now, I've asked licensing to send all of our
19 available licensing personnel to Lone Star Park and also
20 we're going to put additional investigators to help
21 licensing out. We're also going to ask that people try to
22 use the mail, fax and the portal licensing -- that would
23 help us out -- rather than going to the office itself
24 because we're going to have to maintain that distancing.
25 We feel that we can only accommodate four or five

1 licensees in the office at a time in order to keep the
2 separation we need.

3 Lone Star Park says that they can provide
4 security guards to do the fingerprinting for us, so let's
5 see, we're also going to have them to be checking the
6 temperature of people coming in. This can be a problem.
7 Evidently, according to Lone Star security, on a hot day
8 with people in un-air conditioned cars and out in the heat
9 sometimes, I guess, they're showing that they have a
10 higher temperature than they really do.

11 And if we can only accommodate four or five
12 people in the office at a time, there are going to be long
13 lines of people outdoors, so we're going to have licensing
14 applications outside the building and have people pick
15 them up, take them someplace else and fill them out.
16 Exactly how we're going to funnel these people in and get
17 them all licensed, we haven't quite figured that out yet
18 but we are going to work as hard as we can to meet that
19 deadline.

20 Be aware that all of our other offices are
21 going to try to work using telephone, so if licensees and
22 track employees need to communicate with our stewards or
23 our investigators or our veterinarians, we want to do that
24 by telephone to the maximum extent possible. These are
25 procedures we put in place at Sam Houston Race Park before

1 it closed down. We believe that we've got a good
2 procedure for the test barn. These will be the same
3 procedures that were used at Houston. In fact, we've got
4 the same crew working there.

5 One question we do have for the track is going
6 to be the test technicians that collect the urine, those
7 are track employees, and so there's some question as to
8 whether or not they're going to be able to provide those
9 on time but we should know that here in the next day or
10 two.

11 I think we can do this. It's going to be
12 difficult. I think we would have been better off if we
13 had started -- if the first race day was a week from this
14 Friday, but we will try to make this work and try to have
15 everyone in place and ready to go for Friday.

16 Now, one of the things that we may want to look
17 at is that after the overnight is done -- and I'm assuming
18 they're going to take entries tomorrow -- that when it
19 comes to licensing we'd like to look at the LSP staff,
20 owners, trainers, grooms and jockeys that are in the races
21 this weekend are the ones that we want to give priority to
22 as far as licensing. And anyone that is not essential for
23 racing this weekend, maybe hold off until next week to get
24 licensed.

25 And that's all I have, sir.

1 CHAIRMAN STEEN: Thanks, Chuck.

2 MR. WELLS: That was really reflective of the
3 can-do attitude that we'll need to make this work.

4 CHAIRMAN STEEN: Thank you, Scott.

5 Commissioners, do you have any more questions
6 of Scott or Chuck regarding the upcoming meet at Lone Star
7 Park?

8 And I want to say thank you to everyone for --
9 I know it's very short notice that we got the
10 authorization here, and please operate safely but
11 expeditiously in getting us up and running as soon as
12 possible.

13 I don't now if anyone else had any more
14 comments in that regard.

15 COMMISSIONER MOORE: This is Mike. Can y'all
16 hear me? I'm on the phone.

17 CHAIRMAN STEEN: Commissioner Moore, we're
18 getting a lot of echo so you probably have -- you're
19 probably on the phone and on your computer. If you can
20 mute the computer, I think it would be helpful.

21 COMMISSIONER MOORE: Is this better?

22 CHAIRMAN STEEN: Yes.

23 COMMISSIONER MOORE: Okay. That sounded really
24 encouraging. It sounds like for all intents and purposes
25 we're going to be racing Friday, or on the 22nd, so

1 anything we can do, please let us know.

2 MR. WELLS: Well, let me just say -- this is
3 Scott Wells again. Let me just say that the necessity for
4 flexibility -- and Chuck and Devon and I discussed this
5 yesterday -- we will know a lot more after the first two
6 weekends of racing. And you know, we have been approved
7 by your Commission for 44 race dates. We don't know until
8 we take a look at some reality checks, as the whole
9 landscape is changing, we don't know if 44 days is going
10 to be achievable.

11 But what has worked in the past in other
12 locations where it worked is that when the commission can
13 give staff leadership the authority to approve some of
14 these unforeseen or changing circumstances -- for
15 instance, even something as basic as our number of days --
16 we'll know more. And we're willing to meet with staff at
17 any time they want to regarding future plans, and of
18 course, our hope is that very soon we can nail down the
19 complete plans for the full meeting.

20 But that flexibility and the ability to work
21 directly with staff on minor issues or semi-minor issues
22 that come up will be really important in achieving this
23 goal.

24 CHAIRMAN STEEN: And Chuck, question for you.
25 Will the Austin office be open for licensing processing?

1 MR. TROUT: Yes, sir. We've been open all
2 along as far as licensing people. We have licensing
3 clerks that are actually licensing people from their
4 homes. We've issued laptops to them and they've been
5 working from home, but yes, we've been continuing to
6 license.

7 One of the problems we have, though, is the
8 portal, that is, where you go online and license, is a big
9 deal for most regulatory agencies in the State of Texas.
10 I think the largest is, I think, about 90 percent of their
11 licensees get licensed online. In contrast to that, only
12 about 10 percent of our licensees use online licensing
13 facility, so we do the vast majority of our licensing in
14 offices. So it would actually help us out if people were
15 to get licensed online.

16 Now, there are some people who cannot get
17 licensed. For example, grooms or anybody else who has a
18 license that costs \$25, they're not eligible to get
19 licensed online. But all of our owners, trainers and
20 jockeys can get licensed online, and that would help if
21 they were able to do that because then we can push that
22 burden away from the licensing clerks at Lone Star Park
23 and to the one at, say, Sam Houston Race Park and to the
24 ones that work here in the headquarters.

25 MS. BIJANSKY: Chuck, just to clarify. We're

1 not accepting the public at the office. Correct?

2 MR. TROUT: That's correct. But you can fax
3 your application in to the Austin office and we will
4 process it.

5 CHAIRMAN STEEN: Thank you, Chuck.

6 If there's nothing further on Lone Star, I
7 think I see Chris McErlean on, potentially to talk about
8 the Retama situation.

9 MR. McERLEAN: Thank you, Chairman Steen,
10 members of the Commission, and staff. My name is Chris
11 McErlean. I'm the corporate vice president of racing for
12 Penn National Gaming, which has interest in both Retama
13 Park and at Sam Houston.

14 We, like everyone else, have been dealing with
15 the COVID-19 situation and trying to make the best of it.

16 Angela Cooper, our general manager at the property, has
17 been doing yeoman's work in getting things together down
18 there. We are scheduled right now for a meet starting on
19 July 3rd, however, we have had significant internal
20 discussions in regards to the viability for that meet, and
21 obviously [audio cuts out] circumstances which are
22 changing on almost a daily basis.

23 Prior to this, I think the Commission is aware
24 and most individuals are aware, this meet is a financially
25 precarious meet. And given the current circumstances,

1 that has made that an even greater challenge, compounded
2 with our overall company situation where we have
3 properties throughout the country, 41 of which are all
4 closed. A couple are starting to reopen but we have some
5 significant financial challenges overall as a company that
6 have to make us look at how we evaluate our overall
7 portfolio.

8 With that said, we understand the timing, we
9 understand the issues with everyone involved in terms of
10 the meet, and we are asking the Commission, as Scott had
11 mentioned, to allow flexibility in terms of coming back.
12 If decisions have to be made or adjustments have to be
13 made regarding the meet, that the Commission be able to
14 act on that in a timely manner. And we're hopeful to have
15 a final decision as to what we can or can't do regarding
16 this race meet in the very near future.

17 CHAIRMAN STEEN: Thanks, Chris.

18 Commissioners, do you have any more questions
19 regarding this?

20 COMMISSIONER McNABB: My only comment,
21 especially to Lone Star Park, if the racing secretary and
22 anyone else in the office can put out the word to the
23 owners and trainers and anyone who can go online and
24 really make that portal link available and let folks know
25 that that's a lot easier than coming and standing in line

1 and it will help get racing underway. They've got the
2 folks that are right there on the front line so that would
3 be a big help if they'd push that portal.

4 MR. WELLS: We will certainly do that.

5 MR. ELROD: Chairman, this is Robert.

6 One issue with the portal, though, is if they
7 have a horse racing within the next 72 hours they're
8 better off going in the office. If they've got several
9 days, the online option is great, but it does take a
10 little time to make it to us.

11 CHAIRMAN STEEN: Thank you.

12 If there's nothing else on that item, I'll move
13 to the next item.

14 MR. ELROD: We do have Val Clark and Rob
15 Werstler had signed up to comment on this issue. I don't
16 know if they still want to.

17 CHAIRMAN STEEN: I apologize, Val and Rob.

18 MR. WERSTLER: If I can go first. I just would
19 like to ask Chris, so at this time they plan to open their
20 summer Quarter Horse meet on July 3rd, was wondering the
21 timeline for opening the stable area.

22 MR. McERLEAN: To be clear, we still have not
23 made any decision in regards to the meet being able to be
24 conducted.

25 MR. WERSTLER: And why is that, because of the

1 restrictions in place currently?

2 MR. McERLEAN: We have concerns regarding the
3 financial viability for the race meet and are evaluating
4 all possible scenarios.

5 MR. WERSTLER: Well, I can tell you I'm on the
6 phone half the day with Quarter Horsemen worried about
7 whether or not we're going to have a meet. We have
8 several programs during that meet, races that we're
9 currently taking payments for. We have a yearling sale in
10 San Antonio that is in conjunction with that meet. So we
11 need to know something sooner rather than later.

12 Especially one thing we need to keep in mind,
13 Quarter Horses right now are having trouble finding a
14 place to work, get gate approvals. We haven't run since
15 last year at Lone Star so workouts are going to be a real
16 issue. So we need that stable area open by June 1st at
17 the latest for -- if we start running on July 3rd, because
18 a lot of those horses are going to have to have works as
19 well as gate approvals.

20 CHAIRMAN STEEN: Thanks, Rob.

21 Let's be sure to come back to this in our
22 meeting in a couple of weeks. Hopefully we can get
23 something resolved prior to that time, but let's make sure
24 to address it again when we meet in a few weeks.

25 MS. ROUNTREE: Chairman Steen, this is Marsha

1 Rountree, and I would like to make a comment, if possible,
2 on this subject before we move on.

3 CHAIRMAN STEEN: Go ahead, Marsha.

4 MS. ROUNTREE: I would just like to point out
5 to the commissioners that Sam Houston Race Park canceled
6 their Quarter Horse meet which would still be ongoing
7 right now, so the Quarter Horses, as Rob has said, have
8 not had any place to race since Lone Star Park last
9 November. Now, Penn National Gaming owns interest in Sam
10 Houston Race Park and Retama Park, and at this time Retama
11 Park has closed their training center.

12 All of the horses that were on the grounds have
13 been asked to move on, and as Rob pointed out, there is no
14 place to get official works anywhere in the State of Texas
15 other than Lone Star Park at this time. We have been
16 trying for weeks and weeks and weeks to work with Penn
17 Gaming and Retama Park to get an assurance that they will
18 run the meet.

19 So this is a very critical issue, and it's not
20 something that we need to keep kicking the can down the
21 road. I understand that Mr. McErlean is working with Penn
22 Gaming to try to come to a resolution on whether or not
23 they feel that they can financially afford to run this
24 meet.

25 But I'm asking each one of you, as

1 commissioners, the regulatory body for this industry to
2 take a look at this and understand that we now have a
3 Quarter Horse meet canceled at Sam Houston Race Park and
4 now we have the meet canceled at Retama Park. And you all
5 approved this, you all allocated these dates.

6 These racetracks came to you last year,
7 requested these dates and you approved them, and now they
8 are saying that they are not financially viable to run
9 these dates. So I think this is something that you all
10 need to consider and take it up or allow discussion and
11 thought before you, you know, convene a meeting in a
12 couple of weeks, Mr. Chairman.

13 It's just critical that Retama Park be expected
14 to run their meet this summer beginning on July 3rd like
15 they were supposed to. So that's all I have to say other
16 than just the horsemen in this state are devastated by the
17 announcements of these cancellations of these meets and
18 we're looking to our commissioners, our regulatory body,
19 to uphold the allocation of race dates that you've given
20 to these racetracks.

21 Thank you.

22 CHAIRMAN STEEN: Thank you, Marsha.

23 Is there any further discussion or comments on
24 this item?

25 (No response.)

1 CHAIRMAN STEEN: If not, I'll move to the next
2 item which is agenda item VI.B. Discussion and possible
3 action to designate an application period for race dates.

4 MR. HOOPER: Chairman Steen, pardon me.

5 CHAIRMAN STEEN: Yes.

6 MR. HOOPER: Pardon me, I'm sorry. If it's not
7 too late, could I just ask a clarifying question on the
8 last topic?

9 CHAIRMAN STEEN: Go ahead, Mr. Hooper.

10 MR. HOOPER: Thank you. I know that Scott
11 Wells, on behalf of Lone Star, asked for some flexibility
12 in working with staff, and I would assume -- I think it's
13 been done previously -- that that would be inclusive of
14 race dates so that if they need to, in the best interest
15 of the industry, rework their race dates within the
16 realistic parameters of what their currently approved meet
17 is, if they could work with Chuck directly to do that?

18 CHAIRMAN STEEN: I think we're taking that up
19 in this next item, the ability to work through any issues
20 in that regard.

21 MR. HOOPER: Okay. Thank you. Just wanted to
22 make clear. Thank you.

23 CHAIRMAN STEEN: Thank you.

24 Devon, do you want to present -- or Robert, is
25 anyone signed up to speak here?

1 MR. ELROD: No, sir.

2 CHAIRMAN STEEN: And I think, Devon, do you
3 just want to cover what this is?

4 MS. BIJANSKY: Item VI.B. is just an
5 opportunity in the event that any tracks wanted to request
6 dates -- I don't know that that's going to be an issue
7 today but a few days back when we posted this we wanted to
8 leave that option open in case it was an issue for
9 anybody.

10 CHAIRMAN STEEN: So this is intended to give
11 flexibility, such as what Mr. Hooper was commenting on, to
12 anyone that needs it from a track perspective. So that's
13 why I think we have this on here. We're not sure that
14 it's needed but we have it on to increase potential
15 flexibility around race dates.

16 MS. BIJANSKY: Right.

17 CHAIRMAN STEEN: Commissioners, do you --

18 MS. BIJANSKY: I'm sorry.

19 CHAIRMAN STEEN: Go ahead, Devon.

20 MS. BIJANSKY: Chuck does have the ability to
21 approve minor to kind of medium-size changes. He can
22 approve adding dates within two weeks of the end of the
23 currently scheduled meet.

24 So in the event that Lone Star wants to add,
25 you know, a handful of race days at the end of their meet,

1 he would be able to approve that. He can approve changes,
2 you know, from Thursday to Friday. So there is some
3 flexibility already built into the rules. This was in
4 case a bigger change were needed.

5 CHAIRMAN STEEN: Thank you, Devon.

6 Commissioners, if there's no further discussion
7 on this item, I'd entertain a motion to designate an
8 application period for race dates.

9 COMMISSIONER MACH: So moved.

10 CHAIRMAN STEEN: Motion made by Commissioner
11 Mach.

12 COMMISSIONER MARTIN: Second.

13 MS. BIJANSKY: Mr. Chairman, you would need to
14 indicate dates, both how long, you know, when the
15 application period would end, and also the dates during
16 which -- the dates that are open to be applied for.

17 CHAIRMAN STEEN: Can you help give us some
18 guidance on if we wanted to do that for now, and I
19 wouldn't mind opening it up fairly wide, even through next
20 year, if need be, just to give people any flexibility that
21 they might need. Can you help us with what that would be,
22 especially to capture any potential changes that would
23 happen in the near term?

24 MS. BIJANSKY: Yes. You could open an
25 application period that goes from now through August of

1 2021 or December of 2021. There's a minimum period of 30
2 days that it would need to be open, so if anyone needed
3 their application to be acted on quickly, it could be 30
4 days, you know, starting tomorrow going through -- or
5 starting today going through a month from now, or you
6 could leave it open longer to allow more time for
7 decisions to be made.

8 CHAIRMAN STEEN: Commissioner Mach?

9 COMMISSIONER MACH: I would accept her
10 recommendation as an amendment to my motion.

11 MS. BIJANSKY: And what's the timeline?

12 COMMISSIONER MACH: In terms of the ending
13 date, the August or December?

14 MS. BIJANSKY: When the application period
15 closes.

16 COMMISSIONER MACH: I don't really have a
17 preference on that. I would suggest leaving the --
18 closing the deadline earlier rather than later, I mean,
19 August as opposed to December of 2021, but I don't have an
20 optimal time frame for how long it should remain open.
21 I'd invite other input on that one.

22 MS. BIJANSKY: I think it would typically be
23 open for longer or it wouldn't open until a little further
24 down the road so that all the parties can get together and
25 come to agreements. But in this case it really is

1 designed sort of for a different purpose to respond to
2 something that nobody really anticipated. So I'm not sure
3 if any of the stakeholders might have an opinion as to
4 what serves their needs the best.

5 CHAIRMAN STEEN: I think, Devon, for now,
6 whatever provides maximum flexibility, and I don't know
7 that we're all clear on the rules around this, so can you
8 make a proposal for now through August as far as what
9 would provide maximum flexibility.

10 MS. BIJANSKY: Well, I don't think there's a
11 straight answer to that because for someone needing a
12 decision made quickly, meaning race dates approved
13 quickly, having one end 30 days from now would give them
14 the maximum flexibility, but for someone needing more time
15 to make decisions and talk with the other parties, a
16 longer time frame is needed.

17 CHAIRMAN STEEN: So I would recommend we go
18 with the 30 days, if that's all right with you,
19 Commissioner Mach, in case we need to move quickly, and we
20 can always amend that as needed.

21 COMMISSIONER MACH: That would be 30 days from
22 today? That's opening today and for 30 days?

23 CHAIRMAN STEEN: Yes.

24 COMMISSIONER MACH: Do we think that we'll have
25 enough clarity on how business will be operating going

1 forward that 30 days is a sufficient amount of time? I
2 mean, will they be able to get a handle on the realistic
3 use of those dates within the next 30 days, or is it going
4 to take longer for them to understand the implications of
5 the current state of affairs and COVID-19?

6 CHAIRMAN STEEN: I think we could address this
7 again in two weeks.

8 COMMISSIONER PATE: When we meet in two weeks.

9 CHAIRMAN STEEN: So I guess I would still stick
10 with the 30 days and then if we need to adjust it, Devon,
11 tell me if we can't adjust it in two weeks.

12 MS. BIJANSKY: No, that would be fine.

13 COMMISSIONER MACH: I accept the 30 days.

14 CHAIRMAN STEEN: Okay. If there's no further
15 discussion, the motion was by Mach and Martin. We'll take
16 that up for a vote. All those in favor please signify by
17 saying aye.

18 (A chorus of ayes.)

19 CHAIRMAN STEEN: Any opposed?

20 (No response.)

21 CHAIRMAN STEEN: Robert, I don't know if I got
22 to you for looking at this for public comment, but was
23 there anyone signed up? Apologies.

24 MR. ELROD: No, sir, not for that one.

25 CHAIRMAN STEEN: Okay. Then that motion

1 carries.

2 The next item we have is item VI.C. Discussion
3 and possible action on ownership and management of Gulf
4 Coast Racing.

5 Devon, will you please present this item?

6 MS. BIJANSKY: Yes, sir.

7 Section 2025.106 of the Racing Act requires
8 that the Commission review the ownership and management of
9 active racetrack licenses every five years, so we've
10 conducted that process for Gulf Coast Racing, and a
11 summary of the review is in your materials beginning on
12 page 128.

13 We reviewed the association's management,
14 concession and tote contracts, their security plans,
15 inspection reports for the last five years, and the
16 results of those inspections or investigations. We found
17 nothing of concern in any of those areas.

18 They have had a number of inspection issues
19 over the last five years but each time they've been timely
20 resolved by the association. We also look into the
21 backgrounds of various people involved with each
22 association at a certain level, and we've identified no
23 information of concern about any of them.

24 So at this point the rules require you to
25 schedule the next ownership and management review for Gulf

1 Coast Racing for 2024, and you may wish to take some other
2 action as well, but that's what the rules require.

3 CHAIRMAN STEEN: Thank you, Devon.

4 Robert, is anyone signed up to speak on this
5 item?

6 MR. ELROD: No. Sally Griggs is available if
7 you need her.

8 CHAIRMAN STEEN: Thank you.

9 Commissioners, do you have any questions of
10 Sally?

11 (No response.)

12 CHAIRMAN STEEN: If there's no further
13 discussion, I'll entertain a motion to schedule Gulf Coast
14 Racing's next ownership management review for 2024.

15 COMMISSIONER MACH: So moved.

16 COMMISSIONER McNABB: Second.

17 CHAIRMAN STEEN: Motion made by Commissioner
18 Mach, seconded by Commissioner McNabb.

19 Any further discussion?

20 (No response.)

21 CHAIRMAN STEEN: We'll take this up for a vote.

22 All those in favor please signify by saying aye.

23 (A chorus of ayes.)

24 CHAIRMAN STEEN: Any opposed?

25 (No response.)

1 CHAIRMAN STEEN: That motion carries.

2 The next item is agenda item VI.D. Discussion
3 and possible action on applications by inactive racetrack
4 holders for license renewal.

5 Devon, could you please present the item?

6 MS. BIJANSKY: Yes, sir.

7 Section 2025.105 of the Act requires the
8 Commission to conduct annual reviews of the inactive
9 racetracks' licenses. At the conclusion of the review,
10 you can either renew a license as inactive, you can
11 predesignate it as active, or you can refer it to the
12 State Office of Administrative Hearings for a non-renewal
13 proceeding.

14 On page 128 of your materials there's a memo
15 that describes the criteria used in deciding whether to
16 renew a license and it summarizes the applications that
17 we've received. Of particular note is that two of the
18 licenses do have grounds for non-renewal. Both Manor
19 Downs and Laredo Downs do not currently have either
20 ownership of or a leasehold interest in the property where
21 the license is designated to be.

22 Under the rules that's a potential grounds for
23 non-renewal, but the presence of a ground for non-renewal
24 does not require a referral to non-renewal proceedings.
25 It's an option if you believe it's not in the best

1 interest of the industry or the public, or if you believe
2 that an association has failed to make good faith efforts
3 to conduct live racing. That decision is up to you after
4 consideration of all the factors.

5 CHAIRMAN STEEN: Thank you, Devon.

6 And I know we've been delayed in doing this. I
7 guess we would have a new -- we would have this come up
8 again in the very near future. I guess, you know,
9 Commissioners, I'll refer to you guys for any questions.
10 Given sort of the uncertain times that we are in right
11 now, I'm inclined to renew these and take them up in a
12 little bit different environment.

13 A lot of these owners are in a tough spot right
14 now and the Commission may be as well from a budget
15 standpoint, which these owners provide a decent portion of
16 the budget for us to stay up and running. That's my
17 inclination, commissioners. I don't know if you've got
18 questions, and I'm sure the various license holders are
19 available to speak if you'd like.

20 COMMISSIONER McNABB: I don't see any harm in
21 making sure that people have all the flexibility we can
22 offer them, especially now.

23 COMMISSIONER MACH: Mr. Chairman, I make a
24 motion to renew the licenses for these three.

25 CHAIRMAN STEEN: Motion made by Commissioner

1 Mach.

2 COMMISSIONER PATE: Second.

3 COMMISSIONER McNABB: Second.

4 CHAIRMAN STEEN: Seconded by Commissioner Pate.

5 Any further discussion?

6 (No response.)

7 CHAIRMAN STEEN: Does anybody else want to
8 speak on this item? I know some of these tracks -- if
9 there's anybody that would like to speak, go ahead.

10 Robert, no one has signed up. Is that correct?

11 MR. ELROD: No one has signed up. Tommy
12 Azopardi, I believe, is available if needed.

13 CHAIRMAN STEEN: Okay. If we don't have any
14 questions, we'll take it up for a vote. All those in
15 favor please signify by saying aye.

16 (A chorus of ayes.)

17 CHAIRMAN STEEN: Any opposed?

18 (No response.)

19 CHAIRMAN STEEN: Motion carries.

20 The next item is agenda item VI.E. Discussion
21 and possible action to approve a management change for PM
22 Texas, LLC.

23 Devon, will you please present the item?

24 MS. BIJANSKY: Yes, sir.

25 On page 134 of your materials is a request from

1 PM Texas, LLC which owns Sam Houston Race Park, Valley
2 Race Park, and Manor Downs. PM Texas is requesting to
3 replace Board Member William "BJ" Fair with Christopher B.
4 Rogers. Mr. Rogers went through a DPS background
5 investigation which revealed no information of concern, so
6 staff is recommending approving this change.

7 COMMISSIONER MACH: I move we approve staff's
8 recommendation.

9 COMMISSIONER PATE: Second.

10 CHAIRMAN STEEN: Robert, is anyone signed up to
11 speak on this?

12 MR. ELROD: No, sir.

13 CHAIRMAN STEEN: Okay. Then we have a motion
14 by Commissioner Mach, seconded by, I believe, Commissioner
15 Pate.

16 Any further discussion?

17 (No response.)

18 CHAIRMAN STEEN: Anybody else like to speak on
19 the item that wasn't signed up?

20 (No response.)

21 CHAIRMAN STEEN: Okay. We'll take this up for
22 a vote. All those in favor please signify by saying aye.

23 (A chorus of ayes.)

24 CHAIRMAN STEEN: Any opposed?

25 (No response.)

1 CHAIRMAN STEEN: Motion carries.

2 The next item is agenda item VI.F. Discussion
3 and possible action to open an application period for a
4 racetrack in Jefferson County.

5 Devon, will you please present the item?

6 MS. BIJANSKY: Yes, sir.

7 On page 135 of your materials is a request from
8 Beaumont Racing Ventures, LLC to open a 60-day application
9 period for a class 2 racetrack in Jefferson County.

10 Beaumont Racing Ventures, LLC has
11 representatives available today to speak to this request.

12 CHAIRMAN STEEN: Is the representative
13 available just to give us a brief overview of what this
14 item is regarding?

15 MR. STURGIS: Sure. This is Bob Sturgis
16 speaking, president of Beaumont Racing Ventures. Also on
17 the call is Renee Johnson who had sent in the letter
18 requesting the open application period. She's our
19 chairperson.

20 We have been working diligently for quite some
21 time with the hope that the Commission would see fit to
22 open the period for applications. We'd be in a position
23 in midsummer to file application if the opportunity
24 presents itself.

25 We are working with Jefferson County, who is

1 the current owner of Ford Park located on I-10, and have
2 been talking to them for some time since the referendum
3 passed in November by the voters of Jefferson County
4 approving a racetrack in the county. And we expect to be
5 in the position, again, by midsummer to file an
6 application when we would be in control of that site,
7 which is a 200-acre site, multi-use.

8 There's an indoor arena, an amphitheater,
9 recreational softball fields, an RV park. It's a real
10 multi-use facility, and we believe that a racetrack there
11 will be successful and act synergistically with the other
12 elements of Ford Park.

13 And we also are in the final stages of our
14 discussion regarding the financing. We think our
15 application would be in order, again, so that we could
16 file by midsummer for your consideration.

17 CHAIRMAN STEEN: Thank you, Mr. Sturgis.

18 Is anyone else, Robert, signed up to speak on
19 the item?

20 MR. ELROD: No, sir.

21 CHAIRMAN STEEN: Commissioners, do you have any
22 questions of Mr. Sturgis?

23 COMMISSIONER MACH: What is the desired date
24 for the commencement of the 60-day period?

25 MS. BIJANSKY: The rules require that the

1 announcement of an application period for a track license
2 be posted in the *Texas Register* for 30 days before the
3 application period begins, so the earliest that it could
4 start would be, I believe, June 28th, closing August 27th.

5 It could get pushed a little bit farther, but that's
6 roughly what it would be.

7 COMMISSIONER MACH: Thank you.

8 CHAIRMAN STEEN: Any further discussion?

9 MR. STURGIS: As I said, Chairman Steen --

10 CHAIRMAN STEEN: Go ahead, Mr. Sturgis.

11 MR. STURGIS: I'm sorry to interrupt, Chairman.

12 I was just saying that that timetable would suit our
13 timing perfectly if the Commission agrees to open that
14 application period.

15 CHAIRMAN STEEN: Thank you.

16 COMMISSIONER MACH: Mr. Chairman, I move that
17 we open a 60-day application period for a class 2
18 racetrack in Jefferson County.

19 COMMISSIONER MARTIN: Second.

20 CHAIRMAN STEEN: Motion made by Commissioner
21 Mach. I didn't catch, was that Commissioner Martin
22 seconding?

23 COMMISSIONER MARTIN: Yes.

24 CHAIRMAN STEEN: Second by Commissioner Martin.
25 Any further discussion?

1 (No response.)

2 CHAIRMAN STEEN: We'll take this up for a vote.

3 All those in favor please signify by saying aye.

4 (A chorus of ayes.)

5 CHAIRMAN STEEN: Any opposed?

6 (No response.)

7 CHAIRMAN STEEN: That motion carries.

8 We do not plan to seek executive session today.

9 Let's go back to -- Devon, help me out on the
10 item that we need to go back to.

11 MS. BIJANSKY: This is item V.

12 CHAIRMAN STEEN: Have you and Ms. Clark been
13 able to clarify which items are in need of urgent approval
14 and the possible issues with those items?

15 MS. BIJANSKY: She sent me a list of several
16 items and asked if that would -- if those could be
17 addressed. My understanding was that we were going to
18 address that here in the meeting, not behind the scenes. I
19 don't really have the bandwidth to do both at the same
20 time.

21 CHAIRMAN STEEN: Okay. So how many items do we
22 have?

23 MS. CLARK: This is Val. I'll help you out,
24 Devon. I appreciated your counsel on that, and I just
25 want to say how much I appreciate you guys staying around

1 to let us kind of walk through some of these, and I
2 apologize in advance for not prioritizing these.

3 It's just hard in this process when you don't
4 know when your next meeting is going to be. And these
5 events are just calling me every single day, are they
6 approved, are they approved.

7 So probably my very top priority would be the
8 SRCHA Pre-futurity which is the Southwest Reined Cow Horse
9 Association Pre-Futurity up in Fort Worth that is in
10 August. There's a Texas Roping Classic, as well, that's
11 an individual event off of that but it's going to be run
12 as a separate on a Saturday. They need to fit that into
13 the schedule, and again, that is in August.

14 The Barrel Racing Stallion incentive is in
15 November but they need to know so that they can schedule
16 their show, and again, their deadline to me was May 15th
17 on that. So those are my three top priority.

18 The SHOT, the Stock Horse of Texas Triple
19 Threat incentive and Stock Horse Ride for the Cash, they
20 also need to know just so that they can advertise their
21 shows as they get going. So those don't have -- and I
22 understand that there are some issues and I'm excited to
23 go through these with the committee and amend them as we
24 need amending and amend admin and any other things that
25 need to be. But if we could look at those today briefly

1 on what those issues are and what we can amend on those,
2 for their sake and for their planning, that would be
3 really appreciated.

4 COMMISSIONER PATE: Can you direct us to the
5 page in the materials?

6 MS. CLARK: I sure can, I did, I've got them.
7 Let's start with the Southwest Reined Pre-
8 Futurity. It's page 106.

9 COMMISSIONER PATE: Okay. The comment that I
10 would give you, having been involved in reviewing this
11 particular one, you will note that this is a straight
12 purse supplement of \$50,000. Correct?

13 MS. CLARK: Yes, broken down.

14 COMMISSIONER PATE: And then there's
15 administrative expenses put onto it. Consistent with our
16 evaluation of other applications, it just did not seem to
17 require any administrative work to write a check for
18 \$50,000. So throughout all the other applications when
19 there was simply a purse supplement, it did not seem
20 appropriate to approve administrative expenses in
21 connection therewith.

22 MS. CLARK: I understand, and if you can amend
23 that. I will actually be attending that event and
24 actually helping them on some of that cow horse planning
25 and I've actually helped them on that. So if you would

1 like to strike that.

2 COMMISSIONER PATE: Well, it's really if you
3 want to strike it. It's your application.

4 MS. CLARK: I want it approved for them.

5 COMMISSIONER PATE: You want the \$50,000?

6 MS. CLARK: Yeah. This event has a lot of
7 impact for a group that we typically don't.

8 COMMISSIONER PATE: Well, Mr. Chairman, I would
9 move that with respect to this item that, and it's a
10 \$50,000 straight purse supplement with no administrative
11 costs, that the Southwest Reined Cow Horse Pre-Futurity
12 Horse Show Texas-bred initiative be approved.

13 COMMISSIONER MACH: Second.

14 CHAIRMAN STEEN: Okay. Do we want to take
15 these up as a group?

16 COMMISSIONER PATE: Let's just do them one at a
17 time.

18 CHAIRMAN STEEN: Are there any others -- okay.

19 With that, we've got a motion by Commissioner
20 Pate, seconded by Commissioner Mach.

21 Any further discussion on that item?

22 (No response.)

23 CHAIRMAN STEEN: Devon, do we need any further
24 clarifications, or are we good?

25 MS. BIJANSKY: Good.

1 CHAIRMAN STEEN: All those in favor please
2 signify by saying aye.

3 (A chorus of ayes.)

4 CHAIRMAN STEEN: Any opposed?

5 (No response.)

6 CHAIRMAN STEEN: Motion carries.

7 Next.

8 MS. CLARK: The next one on there, which is
9 somewhat affiliated with that event, is page 120, the
10 Texas Roping Classic.

11 MS. BIJANSKY: And this one had the same issue
12 of the administrative expenses.

13 MS. CLARK: That's not going to TQHA, just FYI.
14 That would go to them. But if you want to strike that
15 and make it just straight purse money.

16 COMMISSIONER PATE: Again, I don't understand
17 how giving a \$20,000 check requires an administrative
18 expense. It's just straight purse supplement.

19 MS. BIJANSKY: Right.

20 COMMISSIONER PATE: If you will strike it, I
21 will make the same motion.

22 MS. CLARK: Okay. We will strike it. They
23 asked for some help in order to run it, that's all.

24 COMMISSIONER PATE: Mr. Chairman, I'd make a
25 motion that the Texas Quarter Horse Association's

1 Southwest Reined Cow Horse Association Texas Roping
2 Classic application for the horse industry escrow account,
3 amended for a straight \$20,000 purse supplement, be
4 approved.

5 COMMISSIONER MACH: Second.

6 CHAIRMAN STEEN: Motion made by Commissioner
7 Pate, seconded by Commissioner Mach.

8 Any further discussion?

9 (No response.)

10 CHAIRMAN STEEN: All those in favor please
11 signify by saying aye.

12 (A chorus of ayes.)

13 CHAIRMAN STEEN: Any opposed?

14 (No response.)

15 CHAIRMAN STEEN: That motion carries.

16 Go to the next one.

17 MS. CLARK: Thank you. My next one is page
18 115, Barrel Racing Stallion incentive in November.

19 COMMISSIONER PATE: What was the page number
20 again?

21 MS. CLARK: I'm sorry. Page 1-1-5.

22 COMMISSIONER PATE: One fifteen. Okay.

23 MS. BIJANSKY: And this is the same
24 administrative expenses.

25 COMMISSIONER PATE: Right. And I think the

1 view is that these are just -- these just aren't direct
2 costs arising out of the event itself.

3 MS. CLARK: Okay. I think when we do the rule
4 we have probably clearer clarification on that -- again,
5 some of that is going to them as a secretary in Waco, so
6 not directly into TQHA. Right?

7 So there's a portion that we actually have to
8 pay them in order to put that event on. But let's strike
9 that. Let's approve it, I know they are anxious to get
10 going on that.

11 COMMISSIONER PATE: All right. Mr. Chairman, I
12 have a motion. Texas Quarter Horse Association, TQHA,
13 Barrel Stallion incentive, amended to be in the total
14 amount of \$40,000, eliminating the applied for
15 administrative expenses, be approved.

16 COMMISSIONER McNABB: Second.

17 CHAIRMAN STEEN: Motion made by Commissioner
18 Pate, seconded by Commissioner McNabb.

19 Any further discussion?

20 (No response.)

21 CHAIRMAN STEEN: We'll take this up for a vote.

22 All those in favor please signify by saying aye.

23 (A chorus of ayes.)

24 CHAIRMAN STEEN: Any opposed?

25 (No response.)

1 CHAIRMAN STEEN: Motion carries.

2 MS. CLARK: Thank you. And if we have time for
3 two more, I would love to slip in the Stock Horse of Texas
4 as well, on page 93. It's their first one, Triple Threat
5 incentive. And then page 97, Stock Horse of Texas Ride
6 for Cash. I'm going to guess those are probably
7 administrative as well. Is that right?

8 COMMISSIONER PATE: I don't know, let me look.

9 MS. CLARK: And those are minimal

10 COMMISSIONER PATE: I'm sorry. Did you say 93?

11 MS. CLARK: Yes, 93 and page 97.

12 COMMISSIONER PATE: Yes. The 93, that's again
13 a \$6,000 purse supplement and a \$300 administrative fee,
14 so if you will strike that, I'll make the same motion.

15 MS. CLARK: Okay.

16 MS. BIJANSKY: I also notice that this requires
17 membership in TQHA.

18 MS. CLARK: That was taken out of -- it does
19 require membership for them, and I did take that out.
20 Devon, I did make that amendment when you had asked me to.

21 MS. BIJANSKY: Thank you.

22 COMMISSIONER PATE: All right. So, Mr.
23 Chairman, I'd move that the TQHA horse industry escrow
24 account application for the Stock Horse Association of
25 Texas Triple Threat incentive, amended to delete the

1 administrative costs, in the amount of \$6,000 be approved.

2 COMMISSIONER MACH: Second.

3 CHAIRMAN STEEN: Motion made by Commissioner
4 Pate, seconded by Commissioner Mach.

5 Any further discussion?

6 (No response.)

7 CHAIRMAN STEEN: Take it up for a vote. All
8 those in favor please signify by saying aye.

9 (A chorus of ayes.)

10 CHAIRMAN STEEN: Any opposed?

11 (No response.)

12 CHAIRMAN STEEN: That carries.

13 COMMISSIONER PATE: And then on 97 it's the
14 same thing, it's \$150 administrative cost, straight 5
15 percent, tacked on to that \$9,000, so are you eliminating
16 that also, Ms. Clark?

17 MS. CLARK: Yes, sir.

18 COMMISSIONER PATE: Okay. Mr. Chairman, I'd
19 move that the Texas Quarter Horse Association horse
20 industry escrow account application for Stock Horse
21 Association of Texas Ride for Cash in the amount of
22 \$9,000, eliminating the applied for administrative cost,
23 be approved.

24 COMMISSIONER MACH: Second.

25 CHAIRMAN STEEN: Motion made by Commissioner

1 Pate, seconded by Commissioner Mach.

2 Any further discussion?

3 (No response.)

4 CHAIRMAN STEEN: Take that up for a vote. All
5 those in favor please signify by saying aye.

6 (A chorus of ayes.)

7 CHAIRMAN STEEN: Any opposed?

8 (No response.)

9 CHAIRMAN STEEN: That motion carries.

10 COMMISSIONER PATE: Does that complete the
11 docket?

12 MS. CLARK: Yeah, unless we're on a roll and
13 I'll just keep knocking off admin if that's what it takes.
14 Let me do one more, but if you don't have time, I am cool
15 with it.

16 COMMISSIONER PATE: Let's do it in two weeks,
17 because you're going to get to some bigger money.

18 MS. CLARK: Let's do it in two weeks. Okay.

19 When -- if you don't mind me asking, when will
20 the committee meet? Because I would like, obviously, to
21 correctly amend these as needed, and so I need the
22 assistance.

23 COMMISSIONER PATE: I would be available to
24 coordinate a schedule with Devon and Tim whenever it can
25 be done. I don't know if Tim is still on or not.

1 COMMISSIONER KLEINSCHMIDT: I'm here.

2 COMMISSIONER PATE: Okay. So we can coordinate
3 a time later this week or first of next week. I'll have
4 Devon send out an email and we'll get it going.

5 MS. CLARK: Okay. Perfect. Thank you guys
6 again for doing that.

7 CHAIRMAN STEEN: Thank you.

8 MS. CLARK: Appreciate your extra time.

9 CHAIRMAN STEEN: The next item is the
10 scheduling of the next Commission meeting. I'm going to
11 throw out next Thursday at the same time, the 28th at
12 10:30. Do any commissioners have a conflict then?

13 COMMISSIONER PATE: I'm good.

14 COMMISSIONER KLEINSCHMIDT: This is
15 Kleinschmidt. I have a question.

16 CHAIRMAN STEEN: Go ahead, Commissioner
17 Kleinschmidt.

18 COMMISSIONER KLEINSCHMIDT: Devon, did we
19 properly dispose of those 15 to 20 that were on the list
20 to be approved? I'm just checking back with -- I know
21 Commissioner Pate had a motion and I had a second. I'm
22 not -- I can't remember -- sorry, I'm going to claim the
23 age card. I don't remember whether we voted on that
24 motion and second to approve those 15 to 20 that didn't
25 have any issues.

1 MS. BIJANSKY: I believe so.

2 COMMISSIONER PATE: We did.

3 COMMISSIONER KLEINSCHMIDT: Okay. I'm good
4 then.

5 COMMISSIONER PATE: Mr. Chairman, I do have one
6 matter I'd like to bring up. In light of the rest of
7 these applications, I'm going to ask the staff to consider
8 coming up with some kind of administrative rule on having
9 these applications filed outside some time period before
10 which they're going to be considered.

11 In other words, if we're going to take
12 something up at one meeting, it needs to be on file 60
13 days before or 75 days before or something, because this
14 crush of getting 49 applications is just a real burden
15 with no extra staff. And I'm just making that
16 observation, asking the staff to come up with some
17 proposal.

18 MS. BIJANSKY: I appreciate that, Commissioner.

19 I would love to do that. My concern is that might take
20 some really needed flexibility away from the breed
21 registries. I mean, I would really love nothing more but
22 I think there's probably some middle ground to be found.

23 COMMISSIONER PATE: Everything can't be an
24 emergency is my point.

25 MS. BIJANSKY: Agreed.

1 CHAIRMAN STEEN: Thank you, Commissioner Pate
2 and Devon, for all of your work on these.

3 So we're going to go ahead and set, unless I'm
4 hearing anything else, the 28th at 10:30, the next
5 meeting.

6 And with that, the time is now 1:51. With all
7 business concluded, we are now adjourned.

8 (Whereupon, at 1:51 p.m., the meeting was
9 adjourned.)

C E R T I F I C A T E

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3 MEETING OF: Texas Racing Commission
4 LOCATION: via telephone and web link
5 DATE: May 19, 2020

6 I do hereby certify that the foregoing pages,
7 numbers 1 through 139, inclusive, are the true, accurate,
8 and complete transcript prepared from the verbal recording
9 made by electronic recording by Nancy H. King before the
10 Texas Racing Commission.

11 DATE: June 1, 2020
12
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15
16

17 /s/ Nancy H. King
18 (Transcriber)
19
20

21 On the Record Reporting
22 7703 N. Lamar Blvd., #515
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25