

STRATEGIC PLAN
FOR FISCAL YEARS 2017-2021

— TEXAS —
RACING COMMISSION



Submitted June 24, 2016

Agency Strategic Plan

For the Fiscal Years 2017-2021 Period

Submitted by:
Texas Racing Commission

Commissioners	Dates of Term	Hometown
Rolando Pablos, Chairman	11/06/2015 - 2/01/2021	El Paso
Ronald F. Ederer, Vice Chair	7/17/2007 - 2/01/2019	Corpus Christi
Gary P. Aber, DVM	5/15/2012 - 2/01/2021	Simonton
Gloria Hicks	11/09/2007 - 2/01/2017	Corpus Christi
Robert Schmidt, M.D.	11/09/2007 - 2/01/2017	Ft. Worth
John T. Steen III	10/03/2011 - 2/01/2019	Houston
Margaret Martin	11/06/2015 - 2/01/2021	Boerne

Ex-Officio Members

Glenn Hegar Comptroller of Public Accounts	N/A	Austin
A. Cynthia "Cindy" Leon Chair, Public Safety Commission	N/A	Mission

June 24, 2016

Signed:



Chuck Trout, Executive Director

Approved:



Rolando Pablos, Chair

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AGENCY MISSION

THE COMMISSION

The Texas Legislature created the Texas Racing Commission in 1986 to be the state agency responsible for overseeing and regulating pari-mutuel horse and greyhound racing in Texas. The Commission functions pursuant to authority granted in the Texas Racing Act, Vernon's Texas Civil Statutes, Art. 179e.

MISSION

To enforce the Texas Racing Act and the Rules of Racing to ensure the safety, integrity and fairness of Texas pari-mutuel racing.

PHILOSOPHY

The Texas Racing Commission performs its responsibilities in strict compliance with state laws. The agency conducts its regulatory activities fairly, consistently, efficiently and courteously.

AGENCY GOALS AND ACTION PLAN

GOAL #1: RACING SAFETY

The Texas Racing Commission (TxRC) is committed to ensuring the safety of racing for all licensees, participants and attendees of all pari-mutuel racing operations in Texas. All of the action items needed to achieve this goal are in place and ongoing as of June 1, 2016; however, the Commission remains vigilant for opportunities to improve and enhance Racing Safety standards as they emerge.

ACTION ITEMS TO ACHIEVE GOAL:

1. Pre-race physical examinations
2. Pre- and post-race drug testing
3. Facility/Track inspections
4. Necropsy studies
5. Monitor and follow current research studies and conform with national industry standards
6. Education/Awareness

SUPPORTING STATEWIDE OBJECTIVES:

1. TxRC supports accountability to its fee payers through the strict adherence to well-defined and enforceable safety standards for pari-mutuel racing in Texas.
2. As TxRC is self-funded by the entities and licensees it regulates, no taxpayer funds are used to support the safety goal. The agency continually monitors its policies and procedures to maximize efficiency and cost-effectiveness.
3. Ensuring the safety of all participants is one of TxRC's core functions and the agency maintains focus on the related performance measures, while also striving to identify opportunities for improvement.
4. Achieving the safety in racing goal is essential to helping the TxRC meet its customer service objective for all of the populations it serves, including the wagering public, licensees, race animals, animal breeders and more.
5. TxRC's safety in racing goal and all of the action items developed to help achieve it are fully transparent to all Texans and are in accordance with the Texas Racing Act and/or Rules of Racing.

AGENCY GOALS AND ACTION PLAN

GOAL #2: RACING INTEGRITY

TxRC is committed to ensuring the integrity of all pari-mutuel racing operations in Texas. All of the action items needed to achieve this goal are in place and ongoing as of June 1, 2016; however, the Commission remains vigilant for opportunities to improve and enhance integrity standards as they emerge.

ACTION ITEMS TO ACHIEVE GOAL:

1. Pre-race physical examinations
2. Pre- and post-race drug testing
3. Pari-mutuel systems testing and monitoring
4. Licensing (qualifications, good standing with the state)
5. Facility/Track inspections

SUPPORTING STATEWIDE OBJECTIVES:

1. TxRC supports accountability to its fee payers through the strict adherence to well-defined and enforceable integrity standards for pari-mutuel racing in Texas.
2. As TxRC is self-funded by the entities it regulates, no taxpayer funds are used to support the integrity goal. The agency continually monitors its policies and procedures to maximize efficiency and cost-effectiveness.
3. Ensuring integrity in racing is one of TxRC's core functions and the agency maintains focus on the related performance measures, while also striving to identify opportunities for improvement.
4. Achieving the integrity in racing goal is essential to helping the TxRC meet its customer service objective for all of the populations it serves, including the wagering public, licensees, race animals, animal breeders and more.
5. TxRC's integrity in racing goal and all of the action items developed to help achieve it are fully transparent to all Texans and are in accordance with the Texas Racing Act and/or Rules of Racing.

AGENCY GOALS AND ACTION PLAN

GOAL #3: OPEN GOVERNMENT

An open government is the cornerstone of a free society. TxRC is committed to ensuring that all of its operations and activities are open and accessible to all citizens. All of the action items needed to achieve this goal are in place and ongoing as of June 1, 2016; however, the Commission remains vigilant for opportunities to improve and enhance open government standards as they emerge.

ACTION ITEMS TO ACHIEVE GOAL:

1. Public commission meetings, disciplinary hearings, ad hoc committees and working groups
2. Rulings, financial data and other relevant information posted on website or available by request
3. Timely fulfillment of Open Records requests

SUPPORTING STATEWIDE OBJECTIVES:

1. TxRC supports accountability to its fee payers through the strict adherence to well-defined and enforceable open government standards.
2. As TxRC is self-funded by the entities it regulates, no taxpayer funds are used to support the open government goal. The agency continually monitors its policies and procedures to maximize efficiency and cost-effectiveness.
3. Ensuring open government is one of TxRC's core functions and the agency maintains focus on the related performance measures, while also striving to identify opportunities for improvement.
4. Achieving the open government goal is essential to helping the TxRC meet its customer service objective for all of the populations it serves, including the wagering public, licensees, race animals, animal breeders and more.
5. TxRC's open government goal and all of the action items developed to help achieve it are fully transparent to all Texans and are in accordance with the Texas Racing Act and/or Rules of Racing, and the state's Public Information Act.

AGENCY GOALS AND ACTION PLAN

GOAL #4: FISCAL RESPONSIBILITY

TxRC emphasizes fiscal responsibility by ensuring that all expenditures fulfill regulatory requirements, enhance security, improve customer service and/or boost productivity. All of the action items needed to achieve this goal are in place and ongoing as of June 1, 2016; however, the Commission remains vigilant for opportunities to improve and enhance Fiscal Responsibility standards as they emerge.

ACTION ITEMS TO ACHIEVE GOAL:

1. Establish and monitor budget for FY2018-19 biennium to maximize efficiency
2. Review performance measures for continued usefulness and ensure accuracy of data collected and reported
3. Monitor cost effectiveness of all travel and purchases
4. Strict oversight of controls over payroll and expenditure processing
5. Pursue continuing education in Budget, Purchasing and Human Resources

SUPPORTING STATEWIDE OBJECTIVES:

1. TxRC supports accountability to its fee payers through the strict adherence to well-defined and enforceable fiscal responsibility standards.
2. As TxRC is self-funded by the entities it regulates, no taxpayer funds are used to support the fiscal responsibility goal. The agency continually monitors its policies and procedures to maximize efficiency and cost-effectiveness.
3. Fiscal responsibility is one of TxRC's core functions and the agency maintains focus on the related performance measures, while also striving to identify opportunities for improvement.
4. Achieving the fiscal responsibility goal is essential to helping the TxRC meet its customer service objective for all of the populations it serves, including the wagering public, licensees, race animals, animal breeders and more.
5. TxRC's fiscal responsibility goal and all of the action items developed to help achieve it are fully transparent to all Texans and are in accordance with the Texas Racing Act and/or Rules of Racing.

AGENCY GOALS AND ACTION PLAN

GOAL #5: CUSTOMER SERVICE

TxRC is committed to providing high quality customer service to all of its service populations. All of the action items needed to achieve this goal are in place and ongoing as of June 1, 2016; however, the Commission remains vigilant for opportunities to improve and enhance customer service standards as they emerge.

ACTION ITEMS TO ACHIEVE GOAL:

1. Streamlining licensing process with improved accessibility
2. Conducting a biannual Customer Service Survey
3. Protecting personal identifying information
4. Responding to customer complaints and concerns

SUPPORTING STATEWIDE OBJECTIVES:

1. TxRC supports accountability to its fee payers by providing high quality customer service to all of its service populations.
2. As TxRC is self-funded by the entities it regulates, no taxpayer funds are used to support the Customer Service goal. The agency continually monitors its policies and procedures to maximize efficiency and cost-effectiveness.
3. Providing high quality Customer Service is one of TxRC's core functions and the agency maintains focus on the related performance measures, while also striving to identify opportunities for improvement.
4. The Customer Service goal provides an essential service to all of the populations TxRC serves, including the wagering public, licensees, race animals, animal breeders and more.
5. TxRC's Customer Service goal and all of the action items developed to help achieve it are fully transparent to all Texans and will be in accordance with the Texas Racing Act and/or Rules of Racing.

REDUNDANCIES AND IMPEDIMENTS

Service, Statute, Rule or Regulation	How the Statute is Resulting in Inefficient or Ineffective Agency Operations	Agency Recommendation	Benefit Associated with Recommended Change
<i>Texas Racing Act, Sec. 3.09, Sec. 5.01, Sec.6.18</i>	<i>Current funding system is overly burdensome on the industry, while also allowing the industry inappropriate leverage over the agency.</i>	<i>Recommend that the agency be funded out of General Revenue.</i>	<i>Change would provide a reliable stream of revenue to the Commission to fund its regulatory activities.</i>

EXPLANATION

The Texas racing industry is one of the most highly regulated activities in the state. All persons, places and things on a racetrack are subject to search by the Commission and all contraband is subject to seizure. All licensees must undergo background checks and no person may participate in racing, other than as a patron, without a license. Race animals undergo examination by a Commission veterinarian before each race, and all animals are subject to drug testing before and/or after each race. Criminal offenses related to racing include race fixing, bribery, touting, refusing to present credentials, presenting false credentials, allowing access to bookmakers, and conducting pari-mutuel racing without a license.

While these regulations may seem onerous, they are necessary and proper for an industry in which the Legislature has charged the Commission with the strict regulation of racing and the control of pari-mutuel wagering. Racing, if conducted improperly, can be dangerous to its participants. Wagering, if conducted unscrupulously, can deprive the patrons of a fair opportunity and thereby undermine the agricultural economy that racing supports. It is the Commission's mission to ensure the safety, integrity and fairness of pari-mutuel racing.

The Texas Racing Act specifies that the Commission's funding is provided by fees from the racetracks and the occupational licensees. This funding method directly ties the viability of the Commission, and thus its ability to regulate horse and greyhound racing, to the viability of the industry and the industry's ability and willingness to continue payment of the licensing fees. If licensees refuse to pay their license fees, as two racetracks have recently done, the Commission must cover its costs by redistributing the lost fees among the remaining licensees. As this occurs, the resulting fee increases cause the remaining licensees to consider discontinuing their licenses as well. If this trend continues, it could mean that eventually a single licensee would be responsible for all costs to operate the Commission.

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As a result, the Commission has identified that the current statutory method of agency funding places an increasing burden on the industry and therein an impediment on the agency's ability to provide continuing regulation. If the Act were amended to provide direct funding to the Commission from the General Revenue Fund, with a separate requirement for the licensee to pay their fees to the state, the two revenue streams would be separated. Alternatively, if the Act were amended to redirect the tax on pari-mutuel wagering from the General Revenue Fund to the Commission's General Revenue Dedicated Account, approximately \$3 million, or about 60 percent, of the agency's operating budget could be funded from revenues that the racetracks already provide to the state. Either of these options would improve the ability of the Commission to maintain its regulatory efforts, provide more stability to the industry, and reduce any perceived conflict arising from the Commission's reliance on its licensees for funding. The Commission therefore intends to request the Legislature's assistance in addressing this issue.

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SCHEDULE A: BUDGET STRUCTURE

I. OBJECTIVES AND OUTCOME MEASURES

Goal A. Enforce Racing Regulation
{V.T.C.S. Art. 179e, § 3.02; § 3.021; § 15.03}

Goal B. Regulate Participation in Racing
{V.T.C.S. Art. 179e, § 3.02; § 3.021; § 3.16; Article 7}

Goal C. Regulate Pari-mutuel Wagering in Texas
{V.T.C.S. Art. 179e, § 11.01; § 11.011}

Goal A: Enforce Racing Regulation	
Objective 1: Regulate pari-mutuel racetracks effectively so that each racetrack inspection is 100% compliant.	
Outcome Measures	1.1.1 Percentage of racetracks with an inspection score of 100% 1.1.2 Percentage of deficiency items closed
Objective 2: Provide oversight of Texas Bred Incentive Program funds.	
Outcome Measure	1.2.1 Percentage increase in Texas Bred accredited horses 1.2.2 Percentage increase in Texas Bred accredited greyhounds
Objective 3: Reduce the rate of rulings per occupational licensee to 1:25.	
Outcome Measures	1.3.1 Average number of rulings per occupational licensee 1.3.2 Recidivism rate for those receiving disciplinary action 1.3.3 Percentage of investigations (individual) resulting in disciplinary action 1.3.4 Percentage of licensees with no recent violations
Objective 4: Reduce the percentage of race animals that sustain a catastrophic injury that results in death or euthanasia as a result of participating in pari-mutuel races to less than 0.2% for horses and 0.2% for greyhounds.	
Outcome Measures	1.4.1 Percentage of race horses that sustain a catastrophic injury leading to death or euthanasia as a result of participating in a pari-mutuel race 1.4.2 Percentage of greyhounds that sustain a catastrophic injury leading to death or euthanasia as a result of participating in a pari-mutuel race 1.4.3 Number of drug positive tests for prohibited substances or overages of therapeutic medications in horses per 1,000 samples 1.4.4 Number of drug positive tests for prohibited substances or overages of therapeutic medications in greyhounds per 1,000 samples

Goal B: Regulate Participation in Racing	
Objective 1: Maintain the efficiency of the occupational licensing process to ensure all individuals licensed are qualified.	
Outcome Measures	2.1.1 Percent of license holders meeting qualifications 2.1.2 Percent of new eligible individual licenses issued online 2.1.3 Percent of licensees who renew online
GOAL C: Regulate Pari-Mutuel Wagering	
Objective 1: Increase the pass rate for initial tote tests and compliance audits	
Outcome Measures	3.1.1 Percentage of scenarios within the totalizator (tote) tests passed on the first run 3.1.2 Percentage of compliance audits passed

II. STRATEGIES AND OUTPUT, EFFICIENCY AND EXPLANATORY MEASURES

Goal A: Enforce Racing Regulation	
Strategy 1.1.1: Provide Regulatory and Enforcement Services to Racetrack Owners.	
Output Measures	1.1.1.1 Number of complaints regarding racetrack operations closed 1.1.1.2 Number of racetrack inspections
Efficiency Measures	1.1.1.1 Average regulatory cost per racetrack
Explanatory Measures	1.1.1.1 Number of horse racetracks regulated 1.1.1.2 Number of greyhound racetracks regulated
Strategy 1.2.1: Provide oversight of Texas Bred Incentive Program funds.	
Output Measure	1.2.1.1 Number of Texas-bred awards for horses 1.2.1.2 Number of Texas-bred awards for greyhounds
Explanatory Measures	1.2.1.1 Total amount of money dedicated to Texas-Bred Incentive Programs
Strategy 1.3.1: Supervise the conduct of racing through enforcement of regulations and monitoring of races.	
Output Measures	1.3.1.1 Number of live races monitored 1.3.1.2 Number of rulings issued against occupational licensees 1.3.1.3 Number of occupational licenses suspended or revoked
Strategy 1.3.2: Monitor occupational licensee activities.	
Output Measures	1.3.2.1 Number of investigations completed 1.3.2.2 Number of complaints received against licensees

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Strategy 1.4.1: Inspect and provide emergency care.	
Output Measure	1.4.1.1 Number of horses inspected pre-race 1.4.1.2 Number of greyhounds inspected pre-race
Efficiency Measure	1.4.1.1 Average regulatory cost per animal inspected
Explanatory Measures	1.4.1.1 Number of horses that expire or must be euthanized as a result of participating in a pari-mutuel race
	1.4.1.2 Number of greyhounds that expire or must be euthanized as a result of participating in a pari-mutuel race
	1.4.1.3 Number of euthanized horses that are necropsied
Strategy 1.4.2: Administer the drug testing program.	
Output Measure	1.4.2.1 Number of horse specimens collected for testing for the presence of prohibited substances or overage of therapeutic medications 1.4.2.2 Number of greyhound specimens collected for testing for the presence of prohibited substances or overage of therapeutic medications
Goal B: Regulate the Participation in Racing	
Strategy 2.1.1: Administer the occupational licensing programs through enforcement of regulations.	
Output Measures	2.1.1.1 Number of new occupational licenses issued 2.1.1.2 Number of occupational licenses renewed
Efficiency Measure	2.1.1.1 Average regulatory cost of issuing and maintainin an occupational license
Explanatory Measure	2.1.1.1 Total number of individuals licensed
Strategy 2.1.2: Provide for the processing of occupational license, registrations, or permit fees through TexasOnline.	
Goal C: Regulate Pari-mutuel Wagering	
Strategy 3.1.1: Regulate Pari-mutuel wagering to maintain an honest racing industry.	
Output Measures	3.1.1.1 Number of live and simulcast races audited and reviewed
Efficiency Measure	3.1.1.2 Number of compliance audits completed
	3.1.1.3 Number of tote tests completed
Explanatory Measures	3.1.1.1 Average cost to audit and review a live or simulcast race
	3.1.1.1 Total pari-mutuel handle (amount wagered, in millions)
	3.1.1.2 Total take to the State Treasury from pari-mutuel wagering
	3.1.1.3 Ratio of simulcast handle to live handle

**SCHEDULE B: PERFORMANCE MEASURE
DEFINITIONS**

Goal A: Enforce Racing Regulations

Objective 1: Regulate pari-mutuel racetracks effectively so that each racetrack inspection is 100% compliant.

Outcome Measures

OC 1.1.1 PERCENTAGE OF RACETRACK INSPECTIONS WITH A SCORE OF 100%

Definition	The percentage of racetrack inspections with a score of 100%.
Purpose	To determine the effectiveness of ongoing regulatory communication between the agency and the racetracks.
Data Source	The score is derived from grading a checklist. Inspections include checking the racing surface, animal facilities, track security, patron facilities, and wagering equipment and operations for compliance with the Commission's rules. The inspection program administrator maintains the information.
Methodology	The number of racetrack inspections with a score of 100% divided by the total number of inspections, multiplied by 100, stated as a percentage.
Data Limitations	Performance will depend on factors outside the agency's control, such as regulatory responsiveness of the racetracks.
Calculation Method	Non-cumulative
New Measure	No
Target Attainment	Higher than projected

OC 1.1.2 PERCENTAGE OF DEFICIENCY ITEMS CLOSED

Definition	The percentage of items confirmed to be corrected by follow-up inspection from the list of items not in compliance during the initial racetrack inspections.
Purpose	To determine the effectiveness of regulatory communication between the agency and the racetracks after an unsatisfactory inspection.
Data Source	The inspection program administrator maintains this information.
Methodology	The number of deficiency items on inspection checklists that were corrected divided by the total number of deficiency items on inspection checklists in the report period, multiplied by 100, stated as a percentage.
Data Limitations	Performance will depend on some factors outside the agency's control, such as financial constraints on the racetrack and type of deficiency items.
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than projected

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Output Measures

OP 1.1.1.1 NUMBER OF RACETRACK OPERATION COMPLAINTS CLOSED

Definition	The number of complaints submitted by the public about race-track operations resolved during the report period. A complaint is an allegation that a specific Commission rule has been violated.
Purpose	To determine the responsiveness of the racetracks to expressed regulatory concerns.
Data Source	The investigative department maintains a log book on all complaints received.
Methodology	A physical count of all complaints regarding racetrack operations in the log book that were resolved during the report period.
Data Limitations	Performance will depend on factors outside the agency's control, such as financial constraints on the racetracks, the type of complaint received, and the willingness of the racetracks to comply with regulatory requirements.
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than projected

OP 1.1.1.2 NUMBER OF RACETRACK INSPECTIONS

Definition	The number of inspections conducted by agency staff of all racetrack premises.
Purpose	To determine the rate of inspection activity by the agency.
Data Source	Inspections include checking the racing surface, animal facilities, track security, patron facilities, and wagering equipment and operations for compliance with the Commission's rules. The inspection program administrator maintains a log of all inspections conducted.
Methodology	A physical count of all racetrack inspections conducted during the report period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than projected

Efficiency Measures

EFF 1.1.1.1 AVERAGE REGULATORY COST PER RACETRACK

Definition	The average cost to regulate racetracks.
Purpose	To determine the fiscal efficiency of regulating racetracks.
Data Source	The finance department obtains the total strategy costs through USAS.
Methodology	The total strategy costs allocated to racetracks divided by the total number of licensed racetracks. The total strategy costs are all expenditures coded to the strategy in USAS, plus a percentage of indirect cost based on FTE allocations to the related strategy. Indirect costs are central administration and information resources.
Data Limitations	None
Calculation Method	Non-cumulative
New Measure	No
Target Attainment	Lower than projected

Explanatory Measures

EX 1.1.1.1 NUMBER OF HORSE RACETRACKS REGULATED

Definition	The total number of horse racetracks regulated during the report period.
Purpose	To determine the targets of the agency's regulatory activity.
Data Source	The executive division maintains a list of licensed and regulated horse racetracks.
Methodology	A physical count of the horse racetracks regulated during the report period.
Data Limitations	Performance may depend on factors outside the agency's control, such as a racetrack's financial solvency.
Calculation Method	Cumulative
New Measure	No
Target Attainment	N/A

EX 1.1.1.2 NUMBER OF GREYHOUND RACETRACKS REGULATED

Definition	The total number of greyhound racetracks regulated during the report period.
Purpose	To determine the targets of the agency's regulatory activity.
Data Source	The executive division maintains a list of licensed and regulated greyhound racetracks.
Methodology	A physical count of the greyhound racetracks regulated during the report period.
Data Limitations	Performance may depend on factors outside the agency's control, such as a racetrack's financial solvency.
Calculation Method	Cumulative
New Measure	No
Target Attainment	N/A

Objective 2: Provide oversight of Texas Bred Incentive Program funds.

Outcome Measures

OC 1.2.1 PERCENTAGE INCREASE IN TEXAS-BRED ACCREDITED HORSES

Definition	The annual percentage change in the number of horses newly accredited by the Texas breed registries.
Purpose	To determine the effectiveness of the Texas-bred Incentive Program.
Data Source	The official breed registries for horses named in the Texas Racing Act maintain this information.
Methodology	The number of newly accredited Texas-bred horses for the report period divided by the number of newly accredited Texas-bred horses for the previous report period, multiplied by 100, stated as a percentage.
Data Limitations	Performance will depend entirely on factors outside the agency's control.
Calculation Method	Non-cumulative
New Measure	Yes
Target Attainment	Higher than projected

OC 1.2.2 PERCENTAGE INCREASE IN TEXAS-BRED ACCREDITED GREYHOUNDS

Definition	The annual percentage change in the number of greyhounds newly accredited by the greyhound breed registry.
Purpose	To determine the effectiveness of the Texas-bred Incentive Program.
Data Source	The official breed registries for greyhounds named in the Texas Racing Act maintains this information.
Methodology	The number of newly accredited Texas-bred greyhounds for the report period divided by the number of newly accredited Texas-bred greyhounds for the previous report period, multiplied by 100, stated as a percentage.
Data Limitations	Performance will depend entirely on factors outside the agency's control.
Calculation Method	Non-cumulative
New Measure	Yes
Target Attainment	Higher than projected

Output Measures

OP 1.2.1.1 NUMBER OF TEXAS-BRED AWARDS FOR HORSES

Definition	The total number of breeder awards made by the breed registries for horses during the report period.
Purpose	To determine the effectiveness of the Texas-bred Incentive Program.
Data Source	The official breed registries for horses named in the Texas Racing Act maintain this information and report it to the agency.
Methodology	A summation of all breeder awards made by all official breed registries for horses.
Data Limitations	Performance will depend entirely on factors outside the agency's control, as breeder awards are based on winning animals.
Calculation Method	Cumulative
New Measure	Yes
Target Attainment	Higher than projected

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OP 1.2.1.2 NUMBER OF TEXAS-BRED AWARDS FOR GREYHOUNDS

Definition	The total number of breeder awards made by the greyhound breed registry for greyhounds during the report period.
Purpose	To determine the extent of the Texas-bred Incentive Program.
Data Source	The official breed registry for greyhounds named in the Texas Racing Act maintains this information and reports it to the agency.
Methodology	A summation of all breeder awards made by the official greyhound breed registry.
Data Limitations	Performance will depend entirely on factors outside the agency's control, as breeder awards are based on winning animals.
Calculation Method	Cumulative
New Measure	Yes
Target Attainment	Higher than projected

Explanatory Measure

EX 1.2.1.1 TOTAL AMOUNT OF MONEY DEDICATED TO TEXAS-BRED INCENTIVE PROGRAM

Definition	The total amount of money received for the Texas-bred Incentive Program from pari-mutuel handle.
Purpose	To determine the effectiveness of the Texas-bred Incentive Program.
Data Source	The pari-mutuel and audit department maintains this information.
Methodology	A summation computer count of the total amount of money allocated to the Texas-bred Incentive Program during the report period.
Data Limitations	Performance will depend entirely on factors outside the agency's control, since revenue for the program is derived from pari-mutuel handle.
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than projected

Objective 3: Reduce the rate of rulings per occupational licensee to 1:25.

Outcome Measures

OC 1.3.1 AVERAGE NUMBER OF RULINGS PER OCCUPATIONAL LICENSEE

Definition	The average number of rulings issued against occupational licensees during the report period. A ruling is a disciplinary order issued by the stewards or judges.
Purpose	To determine the rate of compliance with the agency's rules.
Data Source	The data is maintained in the agency's database.
Methodology	The total number of rulings against occupational licensees for violations divided by the total number of occupational licensees, stated as a ratio.
Data Limitations	Performance depends on factors that are mostly outside the agency's control.
Calculation Method	Non-cumulative
New Measure	No
Target Attainment	Lower than projected

OC 1.3.2 RECIDIVISM RATE FOR THOSE RECEIVING DISCIPLINARY ACTION

Definition	The number of repeat offenders as a percentage of all offenders during the report period.
Purpose	To determine the effectiveness of disciplinary actions as a deterrent.
Data Source	The data is maintained in the agency's database.
Methodology	The number of occupational licensees with two or more rulings that involved a fine of at least \$500 or suspension of the license divided by the number of licensees against whom any ruling was issued during the report period, multiplied by 100, stated as a percentage.
Data Limitations	Performance will depend on factors outside the agency's control, such as the willingness of occupational licensees to comply with regulatory requirements.
Calculation Method	Non-cumulative
New Measure	No
Target Attainment	Lower than projected

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OC 1.3.3 PERCENTAGE OF INVESTIGATIONS (INDIVIDUAL) RESULTING IN DISCIPLINARY ACTION

Definition	Percentage of investigations of alleged rule violations by occupational licensees resulting in disciplinary action.
Purpose	To determine both the effectiveness of the investigative reports and the judicial process of the stewards' and judges' rulings.
Data Source	The data is maintained in the agency's database.
Methodology	The number of investigations that resulted in disciplinary action divided by the total number of investigations during the report period, multiplied by 100, stated as a percentage.
Data Limitations	Performance will depend on factors outside the agency's control, such as the facts derived in the investigations.
Calculation Method	Non-cumulative
New Measure	No
Target Attainment	Higher than projected

OC 1.3.4 PERCENTAGE OF LICENSEES WITH NO RECENT VIOLATIONS

Definition	The percentage of licensees with no recent violations.
Purpose	To determine the rate of compliance with the agency's law and rules.
Data Source	The data is maintained in the agency's database.
Methodology	The number of individuals currently licensed by the agency who have not committed a violation within the current year divided by the number of individuals currently licensed, multiplied by 100, stated as a percentage.
Data Limitations	Performance will depend on factors outside the agency's control, such as the willingness of occupational licensees to comply with regulatory requirements.
Calculation Method	Non-cumulative
New Measure	No
Target Attainment	Higher than projected

Output Measures

OP 1.3.1.1 NUMBER OF LIVE RACES MONITORED

Definition	The number of live races conducted at Texas pari-mutuel racetracks and monitored by the stewards and judges.
Purpose	To determine the volume of live racing regulatory work in Texas.
Data Source	The data is maintained in the agency's database.
Methodology	A summation of the live races conducted at the horse and greyhound pari-mutuel racetracks in Texas which were monitored by the stewards and judges during the reporting period.
Data Limitations	Performance will depend on factors outside the agency's control, such as the number of live race dates requested by the racetracks.
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than projected

OP 1.3.1.2 NUMBER OF RULINGS ISSUED AGAINST OCCUPATIONAL LICENSEES

Definition	A physical count of all rulings issued by the judges or stewards at the racetracks after charges are made against occupational licensees.
Purpose	To determine the compliance of the licensees with the rules and the law.
Data Source	The data is maintained in the agency's database.
Methodology	A summation of the total number of rulings issued by the stewards and judges during a reporting period.
Data Limitations	Performance will depend on factors outside the agency's control, such as the licensee's willingness to comply with regulatory requirements.
Calculation Method	Cumulative
New Measure	No
Target Attainment	Lower than projected

TEXAS RACING COMMISSION STRATEGIC PLAN FY 2017-2021

OP 1.3.1.3 NUMBER OF OCCUPATIONAL LICENSES SUSPENDED OR REVOKED

Definition	The number of occupational licenses suspended or revoked. A license can only be revoked by the Commission, but can be suspended by the stewards or judges at the racetracks.
Purpose	To determine the number of persons committing serious violations of the agency's rules.
Data Source	The data is maintained in the agency's database.
Methodology	A physical count of the number of licenses suspended or revoked for violations of the rules.
Data Limitations	Performance will depend on factors outside the agency's control, such as the licensee's willingness to comply with regulatory requirements.
Calculation Method	Cumulative
New Measure	No
Target Attainment	Lower than projected

OP 1.3.2.1 NUMBER OF INVESTIGATIONS COMPLETED

Definition	A count of all investigations of alleged rule violations by occupational licensees completed during the report period. An investigation is considered completed when the supervising investigator reviews and closes the investigation.
Purpose	To determine the rate of investigative activity.
Data Source	The data is maintained in the agency's database.
Methodology	A summation of all investigations completed during the report period.
Data Limitations	Performance will depend on factors outside the agency's control, such as the licensee's willingness to comply with regulatory requirements.
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than projected

OP 1.3.2.2 NUMBER OF COMPLAINTS RECEIVED AGAINST LICENSEES

Definition	A count of all complaints received and processed regarding licensees.
Purpose	To determine the rate of complaints.
Data Source	The data is maintained in an agency log.
Methodology	A summation of all complaints received during the quarter.
Data Limitations	Performance will depend on factors outside the agency's control, such as such as the willingness of individuals to file complaints.
Calculation Method	Cumulative
New Measure	Yes
Target Attainment	Lower than projected

Objective 4: Reduce the percentage of race animals that sustain a catastrophic injury that results in death or euthanasia as a result of participating in pari-mutuel races to less than 0.2 percent for horses and 0.2 percent for greyhounds.

Outcome Measures

OC 1.4.1 PERCENTAGE OF RACE HORSES THAT SUSTAIN A CATASTROPHIC INJURY

Definition	The percentage of race horses that sustain a catastrophic injury leading to death or euthanasia as a result of participating in pari-mutuel races.
Purpose	To monitor horse welfare by determining the rate of catastrophic injuries to horses while participating in pari-mutuel races in Texas.
Data Source	The data is maintained in the agency's database. The Commission veterinarians input data regarding horses that expire or are euthanized as a result of participating in races on the grounds of Texas pari-mutuel racetracks.
Methodology	The number of race horses that expire or are euthanized as a result of participating in a pari-mutuel race divided by the total number of starts during the report period, multiplied by 100, stated as a percentage.
Data Limitations	Performance depends on some factors outside the agency's control.
Calculation Method	Non-cumulative
New Measure	Yes
Target Attainment	Lower than projected

TEXAS RACING COMMISSION STRATEGIC PLAN FY 2017-2021

OC 1.4.2 PERCENTAGE OF GREYHOUNDS THAT SUSTAIN A CATASTROPHIC INJURY

Definition	The percentage of greyhounds that sustain a catastrophic injury leading to death or euthanasia as a result of participating in pari-mutuel races.
Purpose	To monitor greyhound welfare by determining the rate of catastrophic injuries to greyhounds while participating in pari-mutuel races in Texas.
Data Source	The data is maintained in the agency's database. The Commission veterinarians input data regarding greyhounds that expire or are euthanized as a result of participating in races on the grounds of Texas pari-mutuel racetracks.
Methodology	The number of greyhounds that expire or are euthanized as a result of participating in a pari-mutuel race divided by the total number of starts during the report period, multiplied by 100, stated as a percentage.
Data Limitations	Performance depends on some factors outside the agency's control.
Calculation Method	Non-cumulative
New Measure	Yes
Target Attainment	Lower than projected

OC 1.4.3 NUMBER OF DRUG POSITIVES FOR PROHIBITED SUBSTANCES OR OVERAGES OF THERAPEUTIC IN HORSES

Definition	The number of drug positives for prohibited substances or overages of therapeutic medications in horses per 1,000 samples.
Purpose	To monitor the number of drug positives.
Data Source	The data is maintained in the agency's database. The testing laboratory reports to the agency the number of samples that test positive for prohibited substances or overages of therapeutic medications and enters the data into the agency's database.
Methodology	The number of specimens that tested positive for prohibited substances or overages of therapeutic medications during the report period divided by the number of specimens submitted for testing during the report period, multiplied by 1,000.
Data Limitations	Performance depends on factors outside the agency's control, such as the licensee's willingness to comply with required regulations.
Calculation Method	Cumulative
New Measure	Yes
Target Attainment	Lower than projected

OC 1.4.4 NUMBER OF DRUG POSITIVES FOR PROHIBITED SUBSTANCES OR OVERAGES OF THERAPEUTIC IN GREYHOUNDS

Definition	The number of drug positives for prohibited substances or overages of therapeutic medications in greyhounds per 1,000 samples.
Purpose	To monitor the number of drug positives.
Data Source	The data is maintained in the agency's database. The testing laboratory reports to the agency the number of samples that test positive for prohibited substances or overages of therapeutic medications and enters the data into the agency's database.
Methodology	The number of specimens that tested positive for prohibited substances or overages of therapeutic medications during the report period divided by the number of specimens submitted for testing during the report period, multiplied by 1,000.
Data Limitations	Performance depends on factors outside the agency's control, such as the licensee's willingness to comply with required regulations.
Calculation Method	Cumulative
New Measure	Yes
Target Attainment	Lower than projected

Output Measures

OP 1.4.1.1 NUMBER OF HORSES INSPECTED PRE-RACE

Definition	The number of horses entered and inspected by Commission veterinarians before each pari-mutuel race.
Purpose	To determine the number of horses participating in racing.
Data Source	The data is maintained in the agency's database. Veterinarians and/or test barn technicians at the racetracks enter the information into the database.
Methodology	A summation of the total number of horses entered in all pari-mutuel races at all Texas pari-mutuel racetracks.
Data Limitations	None
Calculation Method	Cumulative
New Measure	Yes
Target Attainment	Higher than projected

TEXAS RACING COMMISSION STRATEGIC PLAN FY 2017-2021

OP 1.4.1.2 NUMBER OF GREYHOUNDS INSPECTED PRE-RACE

Definition	The number of greyhounds entered and inspected by Commission veterinarians before each pari-mutuel race.
Purpose	To determine the number of greyhounds participating in racing.
Data Source	The data is maintained in the agency's database. Commission staff enters the information into the database.
Methodology	A summation of the total number of greyhounds entered in all pari-mutuel races at all Texas pari-mutuel racetracks.
Data Limitations	None
Calculation Method	Cumulative
New Measure	Yes
Target Attainment	Higher than projected

OP 1.4.2.1 NUMBER OF HORSE SPECIMENS COLLECTED FOR DRUG TESTING

Definition	The number of horse specimens collected for testing for the presence of prohibited substances or overage of therapeutic medications.
Purpose	To assess the effectiveness of the Commission's drug testing program.
Data Source	The data is maintained in the agency's database. The stewards order urine and/or blood specimens to be collected from a certain number of race horses from each live race. Details of drug testing are entered into the database system by the veterinarians and/or the test barn technicians.
Methodology	A summation of the total number of horses from which post-race specimens are collected at the racetracks.
Data Limitations	None
Calculation Method	Cumulative
New Measure	Yes
Target Attainment	Higher than projected

OP 1.4.2.1 NUMBER OF GREYHOUND SPECIMENS COLLECTED FOR DRUG TESTING

Definition	The number of greyhound specimens collected for testing for the presence of prohibited substances or overage of therapeutic medications.
Purpose	To assess the effectiveness of the Commission's drug testing program.
Data Source	The data is maintained in the agency's database. The racing judges order urine specimens to be collected from each kennel participating in a performance. Details of drug testing are entered into the database system by the veterinarians.
Methodology	A summation of the total number of greyhounds from which post-race specimens are collected at the racetracks.
Data Limitations	None
Calculation Method	Cumulative
New Measure	Yes
Target Attainment	Higher than projected

Efficiency Measure

EFF 1.4.1.1 AVERAGE REGULATORY COST PER ANIMAL INSPECTED

Definition	The average regulatory cost per animal inspected.
Purpose	To determine the fiscal efficiency of examining every race animal before it races.
Data Source	The data is maintained in the agency's database and USAS.
Methodology	The total strategy cost divided by the total number of race animals inspected. The total strategy costs are all expenditures coded to the strategy in USAS, plus a percentage of indirect costs based on FTE allocations to the related strategy. Indirect costs are central administration and information resources.
Data Limitations	None
Calculation Method	Non-cumulative
New Measure	No
Target Attainment	Lower than projected

TEXAS RACING COMMISSION

STRATEGIC PLAN FY 2017-2021

Explanatory Measures

EX 1.4.1.1 NUMBER OF HORSES THAT EXPIRE OR MUST BE EUTHANIZED

Definition	The number of horses that expire or must be euthanized as a result of participating in a pari-mutuel race
Purpose	To monitor horse welfare by determining the rate of catastrophic injuries to horses while participating in a pari-mutuel race in Texas.
Data Source	The data is maintained in the agency's database. The Commission veterinarians input data regarding physical conditions they have observed or confirmed regarding race animals on the grounds of Texas pari-mutuel racetracks. The conditions are coded by type.
Methodology	A summation of the horses with database codes for death during the report period.
Data Limitations	Some catastrophic injuries that lead to deaths may not be apparent during or immediately after the running of a race and may not be reported.
Calculation Method	Cumulative
New Measure	Yes
Target Attainment	Lower than projected

EX 1.4.1.2 NUMBER OF GREYHOUNDS THAT EXPIRE OR MUST BE EUTHANIZED

Definition	The number of greyhounds that expire or must be euthanized as a result of participating in a pari-mutuel race
Purpose	To monitor greyhound welfare by determining the rate of catastrophic injuries to greyhounds while participating in a pari-mutuel race in Texas.
Data Source	The data is maintained in the agency's database. The Commission veterinarians input data regarding physical conditions they have observed or confirmed greyhounds on the grounds of Texas pari-mutuel racetracks. The conditions are coded by type.
Methodology	A summation of the greyhounds with database codes for death during the report period.
Data Limitations	Some catastrophic injuries that lead to deaths may not be apparent during or immediately after the running of a race and may not be reported.
Calculation Method	Cumulative
New Measure	Yes
Target Attainment	Lower than projected

EX 1.4.1.3 NUMBER OF EUTHANIZED HORSES THAT ARE NECROPSIED

Definition	The number of horses that are necropsied following euthanasia expire as a result of participating in a pari-mutuel race
Purpose	To determine if there are certain risk factors that may be used to help identify horses during pre-race exams that may be at risk for catastrophic injuries.
Data Source	The data is maintained in the agency's database. The Commission veterinarians input data regarding the catastrophic injury that required euthanasia and whether conditions allowed for submission for a necropsy.
Methodology	The total number of horses that were necropsied due to euthanasia following participation in a pari-mutuel race during the report period.
Data Limitations	Performance depends on some factors outside the agency's control.
Calculation Method	Non-cumulative
New Measure	Yes
Target Attainment	Higher than projected

GOAL B: REGULATE THE PARTICIPATION IN RACING

Objective 1: Maintain the efficiency of the occupational licensing process.

Outcome Measures

OC 2.1.1 PERCENTAGE OF LICENSE HOLDERS MEETING QUALIFICATIONS

Definition	The percentage of license holders that meet all qualifications for licensing. If a person does not meet all the qualifications for an occupational license, a ruling is issued denying the license.
Purpose	To determine the effectiveness of the Commission's licensing procedure.
Data Source	The data is maintained in the agency's database.
Methodology	The total number of applications minus the number of applications denied divided by the total number of issued licenses, multiplied by 100, stated as a percentage.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than projected

TEXAS RACING COMMISSION STRATEGIC PLAN FY 2017-2021

OC 2.1.2 PERCENTAGE OF NEW ELIGIBLE INDIVIDUAL LICENSES ISSUED ONLINE

Definition	The percentage of all new licenses issued online to individuals for whom online application was available during the reporting period.
Purpose	To track use of online license issuance technology by the licensee population.
Data Source	The data is maintained in the agency database.
Methodology	The total number of new licenses issued to individuals online divided by the total number of new licenses issued to individuals for who online application was available during the reporting period. The result is multiplied by 100 to achieve the percentage.
Data Limitations	External Factors: General market and economic conditions, statutory changes, changes in the number of those licensees with access to both the Internet and credit cards. Those factors are beyond TRC's control.
Calculation Method	Non-cumulative
New Measure	No
Target Attainment	Higher than projected

OC 2.1.3 PERCENTAGE OF LICENSEES WHO RENEW ONLINE

Definition	The percentage of the total number of licensed individuals who may renew online that did renew their license online during the reporting period.
Purpose	To track use of online license renewal technology by the licensee population.
Data Source	The data is maintained in the agency database.
Methodology	The total number of individual licenses renewed online divided by the total number of renewed licenses issued to individuals for whom online renewal was available. The result is multiplied by 100 to achieve the percentage.
Data Limitations	External Factors: General market and economic conditions, statutory changes, changes in the number of those licensees with access to both the Internet and credit cards. Those factors are beyond TRC's control.
Calculation Method	Non-cumulative
New Measure	No
Target Attainment	Higher than projected

Output Measures

OP 2.1.1.1 NUMBER OF NEW OCCUPATIONAL LICENSES ISSUED

Definition	The number of occupational licenses issued to individuals who were not licensed in the previous year.
Purpose	To determine the rate of licensing activity by the agency.
Data Source	The data is maintained in the agency's database.
Methodology	A summation of the number of licenses that were issued to individuals who were not licensed in the previous year.
Data Limitations	Performance depends on factors outside the agency's control, such as the number of applicants desiring a new occupational license.
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than projected

OP 2.1.1.2 NUMBER OF OCCUPATIONAL LICENSES RENEWED

Definition	The number of occupational licenses issued to individuals who were licensed in the previous year.
Purpose	To determine the rate of licensing activity by the agency.
Data Source	The data is maintained in the agency's database.
Methodology	A summation of the number of licenses that were issued to individuals who were licensed in the previous year.
Data Limitations	Performance depends on factors outside the agency's control, such as the number of applicants desiring to renew an occupational license.
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than projected

TEXAS RACING COMMISSION STRATEGIC PLAN FY 2017-2021

Efficiency Measure

EFF 2.1.1.1 AVERAGE REGULATORY COST PER INDIVIDUAL LICENSE ISSUED

Definition	The average cost of issuing and maintaining an occupational license.
Purpose	To determine the fiscal efficiency of issuing occupational licenses.
Data Source	The data is maintained in the agency's database and USAS.
Methodology	The total cost of the licensing strategy costs divided by the total number of licensees for the report period. The total strategy cost are all expenditures coded to the strategy in USAS, plus a percentage of indirect cost based on FTE allocations to the related strategy. Indirect cost are central administration and information resources.
Data Limitations	None
Calculation Method	Non-cumulative
New Measure	No
Target Attainment	Lower than projected

Explanatory Measure

EX 2.1.1.1 TOTAL NUMBER OF INDIVIDUALS LICENSED

Definition	The total number of individuals that hold occupational licenses.
Purpose	To determine the rate of licensing activity.
Data Source	The data is maintained in the agency's database.
Methodology	A summation of all current occupational licensees for the report period.
Data Limitations	Performance depends on factors outside the agency's control, such as the number of applicants desiring occupational licenses.
Calculation Method	Cumulative
New Measure	No
Target Attainment	N/A

GOAL C: REGULATE PARI-MUTUEL WAGERING IN TEXAS

Objective 1: Increase the pass rate for initial totalizator (tote) test and compliance audits.

Outcome Measures

OC 3.1.1 PERCENTAGE OF SCENARIOS WITHIN TOTE TESTS PASSED ON THE FIRST RUN

Definition	The percentage of scenarios within the tote tests passed on the first run. A tote test is a simulation of wagering activity to determine whether the computer equipment that records wagers, totals wagering pools, and calculates payoffs is operating in compliance with Commission and Comptroller rules.
Purpose	To determine the compliance rate of both the racetracks and the tote companies.
Data Source	The Director of Pari-Mutuels conducts or supervises the tests and maintains the results. If a scenario within the tote test is not passed on the first run, adjustments are made and further tests are run until the systems operate with 100% accuracy.
Methodology	The total number of scenarios passed on the first time divided by the total number of scenarios tested during the reporting period, multiplied by 100, stated as a percentage.
Data Limitations	Performance depends on factors outside the agency's control, such as the tote companies' willingness to comply with the required regulations.
Calculation Method	Non-cumulative
New Measure	No
Target Attainment	Higher than projected

OC 3.1.2 PERCENTAGE OF COMPLIANCE AUDITS PASSED

Definition	The number of compliance audits (pari-mutuel procedural reviews) with a pass rate of 95% or greater as a ratio of total compliance audits conducted.
Purpose	To determine the effectiveness of ongoing regulatory communication between the agency and the racetracks.
Data Source	The Director of Pari-Mutuels maintains records of all compliance audits.
Methodology	The number of compliance audits with a pass rate of 95% or greater divided by the total number of compliance audits conducted during the report period.
Data Limitations	Performance depends on factors outside the agency's control, such as the racetracks willingness to comply with the required regulations.
Calculation Method	Non-cumulative
New Measure	No
Target Attainment	Higher than projected

SCHEDULE C. HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PLAN

The Commission remains committed to the state's program that encourages purchasing from historically underutilized businesses. The Commission will make a good faith effort to utilize HUBs in the procurement process of all goods and services; whenever applicable for any dollar amount. The Commission will always strive to exceed the HUB Statewide goals whenever possible. Although not a significant purchasing power, using less than 5 percent of its operating budget for purchases, the Commission routinely exceeds its goal of 23 percent of total purchases with HUB's.

To establish procurement and contracting good faith efforts the Commission will identify, solicit, and utilize qualified HUBs in all applicable procurement opportunities. The Commission will use the Centralized Master Bidders List (CMBL) to determine the availability of HUBs. The Commission also will utilize statewide contracts generated by the Comptroller of Public Accounts and Department of Information Resources when available.

**HUB Expenditures as a Percentage of Total (HUB Eligible)
Expenditures by Procurement Category**

	SPECIAL TRADE	PROFESSIONAL SERVICES	OTHER SERVICES	COMMODITIES	TOTAL EXPENDITURES
2011		100.0%	21.9%	66.6%	34.9%
2012		100.0%	19.6%	70.5%	41.8%
2013	12.8%	100.0%	33.5%	69.4%	41.7%
2014		100.0%	26.2%	70.4%	41.7%
2015		100.0%	10.3%	59.7%	26.8%

SCHEDULE D: WORKFORCE PLAN

AGENCY OVERVIEW

The Texas Racing Commission (TxRC) regulates all aspects of pari-mutuel horse and greyhound racing through licensing, on-site monitoring and enforcement. Statute and rule require the Commission to:

- License racetracks that offer racing and the people directly involved with pari-mutuel wagering who work at the racetracks or own race animals.
- Allocate race dates, supervise the conduct of all races, monitor the health and safety of the race animals, and conduct drug tests to ensure the animals race without prohibited substances.
- Oversee all pari-mutuel wagering activity, approve simulcasts, test the totalisator systems (complex computer systems that tally and calculate pari-mutuel wagers), and ensure the proper allocation and distribution of revenue generated by pari-mutuel wagering.
- Administer the Texas-bred Incentive Program, which provides economic incentives to support a healthy and vigorous breeding industry in the state.

The General Appropriations Act authorized the agency to have 51.2 full-time equivalent positions (FTEs) in FY 2016 and FY 2017. This is down from the 52.6 authorized FTEs in FY 2014 and FY 2015. While the Racing Act requires the Commission's headquarters to be in Austin, a large number of staff members work at the operating racetracks. Many of the employees outside Austin are seasonal, working only when the racetracks conduct live racing.

TxRC's workforce features a diverse collection of professions that includes auditors, veterinarians, stewards, racing judges, investigators, licensing staff and support personnel.

TxRC maintains staffed field offices at the three operating Class 1 horse tracks. Additionally, staff is always present when any track is conducting live racing.

The agency's structure features an executive group and support staff headed by the executive director, as well as a deputy executive director responsible for regulatory and field staff.

The Commission is self-funded by the entities it regulates and is typically appropriated only GR-Dedicated funds. The agency's revenue primarily comes from fees assessed to racetracks and occupational licensees.

Excluding Texas-bred Incentive Program pass-through funds, approximately 70 percent of the agency's operating budget is used for salaries.

AGENCY MISSION AND PHILOSOPHY

The mission of the Texas Racing Commission is to enforce the Texas Racing Act and its rules to ensure the safety, integrity, and fairness of Texas pari-mutuel racing. The Texas Racing Commission performs its responsibilities in strict compliance with state laws. The agency conducts its regulatory activities fairly, consistently, efficiently, and courteously.

STRATEGIC GOALS AND OBJECTIVES

Goal A. Enforce Racing Regulation

Objective 1:	Regulate Pari-mutuel Racetracks Effectively
Strategy 1:	Provide Regulatory and Enforcement Services to Racetrack Owners
Objective 2:	Increase the Number of Texas-bred Race Animals Competing
Strategy 1:	Allocate Texas-bred Funds to Breed Registries
Objective 3:	Reduce the Rate of Rulings per Occupational Licensee
Strategy 1:	Supervise the Conduct of Racing through Enforcement and Monitoring
Strategy 2:	Monitor Occupational Licensees Activities
Objective 4:	Reduce the Percentage of Race Animals That Sustain a Catastrophic Injury
Strategy 1:	Inspect and Provide Emergency Care
Strategy 2:	Administer Drug Tests

Goal B. Regulate Participation

Objective 1:	Maintain the Efficiency of the Occupational Licensing Process
Strategy 1:	Administer the Occupational Licensing Programs through Enforcement
Strategy 2:	TexasOnline

Goal C. Regulate Pari-mutuel Wagering

Objective 1:	Increase Pass Rate for Initial Tote Test and Compliance Audits
Strategy 1:	Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry
Strategy 2:	Conduct Wagering Compliance Inspections

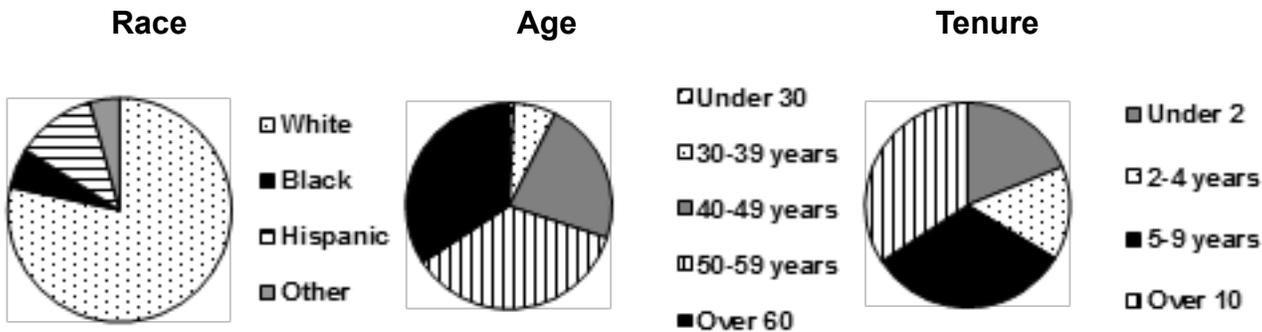
Anticipated Changes in Strategies

The agency may require changes to its goals or strategies over the next five years in order to mirror any changes to the Texas Racing Act that affect the Commission's regulatory responsibilities.

CURRENT WORKFORCE PROFILE (SUPPLY ANALYSIS)

Demographics (Fiscal Year 2015)

The Commission's workforce is 48 percent male, 52 percent female. The charts below further breakdown the Commission's workforce:



Compared to the statewide civilian figures supplied by the Texas Workforce Commission, Civil Rights Division, the Commission's workforce breaks down as follows:

		ADMINISTRATION	PROFESSIONALS	PARA-PROFESSIONALS	ADMINISTRATIVE SUPPORT
White	Agency	90.00%	86.67%	84.00%	57.89%
	State	66.78%	58.03%	35.53%	46.73%
African American	Agency	10.00%	0.00%	4.00%	10.54%
	State	10.94%	10.78%	33.57%	19.63%
Hispanic	Agency	0.00%	13.33%	4.00%	26.32%
	State	15.77%	15.59%	28.68%	29.88%
Female	Agency	50.00%	33.33%	32.00%	94.74%
	State	52.82%	55.92%	70.66%	87.08%
Male	Agency	50.00%	66.67%	68.00%	5.26%
	State	47.18%	44.08%	29.34%	12.92%

Retirement Eligibility

According to the information from the state's USPS payroll system using age and years of state service, 17 of the agency's current employees, or 34 percent, of the authorized FTEs will be eligible to retire between 2016 and 2021. During current FY 2016, the agency employs 14 'return-to-work' retirees. Almost half of the staff occupies positions that require specialized skills or professional training that cannot be supplied by the agency through on-the-job training.

Employee Turnover

Turnover is an important issue in any organization and the Commission is no exception. In 2015, the Commission had a turnover rate of 21.9 percent, up significantly from 6.5 percent in 2014. Factors contributing to the increased turnover from 2014 to 2015 included retirements and the overall uncertainty of pari-mutuel racing's future in Texas. Retaining qualified and experienced staff will be the biggest workforce challenge the Commission will face for the next five years. The following table compares the average of the Commission turnover to the state as a whole.

TURNOVER RATES

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
AGENCY	15.6%	8.3%	8.0%	6.5%	21.9%
STATEWIDE	16.7%	16.7%	17.5%	17.6%	17.5%

SOURCE: SAO Electronic Classification Analysis System (E-Class)

Critical Workforce Skills

In addition to general administrative and clerical abilities, the agency's workforce must possess the following skills for the Commission to accomplish its mission:

- Monitoring/reviewing live races for interference/misconduct
- Inspecting race animals for fitness
- Performing audits on pari-mutuel wagering activity
- Conducting racing-related investigations
- Developing and maintaining a specialized database and agency-wide computer network
- Interpreting statutes/drafting rules
- Practicing conflict resolution

FUTURE WORKFORCE PROFILE (DEMAND ANALYSIS)

Critical Functions

Assuming no change in statutory responsibilities, the Commission expects its current functions to continue in the future:

- Licensing racetracks that offer racing and the people directly involved with pari-mutuel wagering who work at the racetracks or own race animals.
- Monitoring activities by racetrack personnel and occupational licensees for compliance with regulatory requirements.
- Supervising the conduct of the races.
- Monitoring the health and safety of the race animals and collecting specimens for drug tests.
- Overseeing all pari-mutuel wagering activity and testing totalisator equipment.
- Investigating and resolving complaints about licensees.
- Auditing the operation of racetracks and official breed registries' incentive programs.

Change in Number of Employees Required to Accomplish Mission

Assuming no significant increase in wagering or live racing activity, the Commission expects no increase in the number of FTEs required to accomplish its mission beyond what has been appropriated. For each new horse racetrack that begins simulcasting and live racing, the Commission will require up to an additional five FTEs to effectively regulate the wagering and racing activities in accordance with the Texas Racing Act and the Commission's rules.

Future Workforce Skills Required

In the future, the Commission will need to accomplish more with less in an increasingly tight budgetary environment. As the racing industry matures and changes with technology, the Commission's workforce must remain keenly aware of its regulatory role. All of the critical skills listed below will continue to be needed and, as technology moves ahead, advanced competencies in these skills will need to be obtained and maintained:

- Creativity and problem solving
- Communication
- Commitment to learning
- Leadership and team-building

- Organizational awareness
- External awareness
- Flexibility
- Integrity and honesty
- Computer literacy
- Software proficiency
- Web development and maintenance expertise

GAP ANALYSIS

Anticipated Surplus/Shortage of Employees or Skills

With more than 34 percent of its workforce eligible for retirement by FY 2021 and with another 28 percent consisting of return-to-work retirees, the Commission projects a shortage in staffing and skill levels needed to meet future requirements. These shortages will be across the agency staffing in all departments. Additionally, the Commission continues to have difficulty retaining qualified veterinarians due to significant differences in agency salaries compared to those in the private sector.

