

**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 HUBs.

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**

	PROFESSIONAL SERVICES	OTHER SERVICES	COMMODITIES	TOTAL EXPENDITURES
2015	100.0%	10.3%	59.7%	26.8%
2016	100.0%	24.8%	41.2%	31.4%
2017	100.0%	26.9%	82.0%	34.4%
2018	100.0%	41.2%	67.3%	45.0%
2019	92.2%	59.6%	24.0%	57.0%

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.
- Administer the Horse Industry Escrow Account, which was established by the 86th Legislature to provide approximately \$25 million to the horse industry annually, with at least 30 percent to be allocated for grants to recognized breed registries for events that further the horse industry and the remainder for purse supplements.

The General Appropriations Act authorized the agency to have 46.4 full-time equivalent positions (FTEs) in FY 2018 and FY 2019. The actual FTE count in FY 2018 was 36.9, and the actual FTE count in FY 2019 was 34.6. 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 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.

TEXAS RACING COMMISSION STRATEGIC PLAN FY 2021-2025

The Commission is self-funded by the entities it regulates and is appropriated only General Revenue—dedicated funds. The agency’s revenue primarily comes from fees assessed to racetracks, occupational licensees fees and, effective Sept. 1, 2019, simulcast wagering taxes. Simulcast wagering tax revenue was added to the agency appropriation method of finance in the 86th Legislative Session.

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

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 Injured or Dismissed
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
Goal D. Indirect Administration	
Objective 1:	Indirect Administration
Strategy 1:	Central Administration and Other Support Services
Strategy 2:	Information Resources

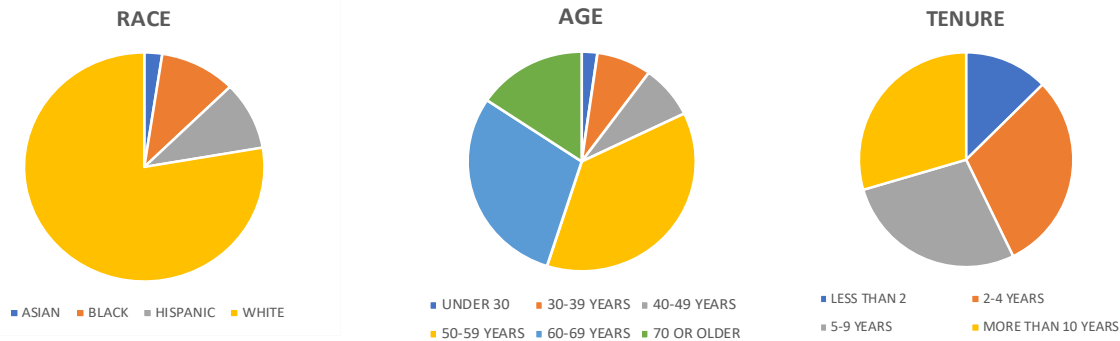
Anticipated Changes in Strategies

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 2019)

The Commission's workforce is 59 percent male, 41 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	11.62%	27.9%	27.9%	9.3%
	State	60.5%	54.1%	32.0%	41.0%
African American	Agency	2.32%	2.32%	2.32%	4.65%
	State	11.4%	11.1%	36.2%	17.7%
Hispanic	Agency	0.0%	0.0%	2.32%	9.3%
	State	15.2%	16.4%	29.8%	33.5%
Female	Agency	6.97%	9.3%	2.32%	23.25%
	State	54.2%	56.3%	71.4%	81.8%
Male	Agency	6.97%	20.93%	30.23%	0.00%
	State	45.8%	43.7%	28.6%	18.2%

Retirement Eligibility

According to the information from the state's USPS payroll system using age and years of state service, 12 of the agency's current employees, or 30 percent of FTEs, will be eligible to retire between 2020 and 2025. During current FY 2020, the agency employs 12 '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 2019, the Commission had a turnover rate of 12.3 percent, down from 27.1 percent in 2018, with a five-year average of 20.8 percent. 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 2015	FY 2016	FY 2017	FY 2018	FY 2019	AVG.
AGENCY	21.9%	31.1%	11.8%	27.1%	12.3%	20.8%
STATEWIDE	17.5%	17.6%	18.6%	19.3%	20.3%	18.7%

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
- Enforcement of the Texas Racing Act and Rules of Racing

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 approximately 30 percent of its workforce eligible for retirement by FY 2025 and with another 30 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.