

2017-2019 Biennial Budget Request



September 9, 2016

2017-2019 Biennial Budget Request
Washington Horse Racing Commission

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Washington Horse Racing Commission

The Washington Horse Racing Commission (WHRC) is composed of three voting members appointed by the Governor, and four non-voting ex-officio members from the legislature (two members of the Senate and two members of the House of Representatives). The commissioners select one member to be chairperson. The commission appoints an Executive Secretary, who appoints the staff necessary to carry out the assigned duties and the day-to-day operations of the WHRC.

WHRC members serve a six-year term. Current members are:

Jeff Colliton, Commissioner Chair
Robert Lopez, Commissioner
Dr. L. Everett Macomber, Commissioner

In addition to the WHRC members, four members of the Washington State Legislature serve as ex-officio members. These are non-voting members who assist in the policy-making functions of the commission. Current ex-officio members include:

Senator Joe Fain
Senator Steve Hobbs
Representative Strom Peterson
Representative Joe Schmick

Statutory Authority

Under the authority of the Racing Act, Chapter 67.16 RCW, the WHRC is the regulatory body over parimutuel horse racing. The WHRC is the sole judge of whether or not a race meet shall be licensed and the number of days the meet shall continue (RCW 67.16.050). Its duties extend to the licensing, regulation and supervision of all race meets in the state (RCW 67.16.040). In addition, the Racing Act provides that a primary responsibility of the WHRC is the encouragement of the training and development of the equine industry in the State of Washington, whether training and development results in legalized horse racing or in the recreational use of horses (RCW 67.16.101).

Rules and regulations promulgated by the WHRC are published under Title 260 WAC.

Agency Mission

The WHRC regulates pari-mutuel horse racing and supports the development of the equine industry.

Goals

1. Foster a regulatory environment that promotes the economic benefits of the equine industry.
2. Ensure that the public has confidence in the integrity of pari-mutuel horse racing.

Strategies

1. Implement procedures to make the licensing process simpler and more convenient.
 - a. Continue facilitating electronic access to the license application form.
 - b. Continue providing applicants with clear explanations and tables to enable them to accurately calculate fees for multiple licenses, including fingerprint and industrial insurance fees.
2. Increase awareness of agency responsibilities among the horse racing patrons and licensees.
 - a. Continue efforts to design and improve the agency web page to provide stakeholders, licensees and public greater access to agency services and information.
 - b. Expand the use of electronic media in the agency's rulemaking process.
 - c. Continue to provide application forms and key explanations of rules and safety procedures in Spanish to ensure non-English speaking licensees are accommodated when using our services.
 - d. Continue to support multi-agency efforts to inform the public about problem and compulsive gambling services.
 - e. Expand communications with all stakeholder groups.
3. Improve our efforts to protect the health of our equine participants.
 - a. Support equine research by continuing extended necropsy examinations at Washington Animal Disease and Diagnostic Laboratory at Washington State University and participate in the Jockey Club's national injury reporting program.

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- b. Focus funding on education and measures that reduce injuries to race horses based on scientific data.
 - c. Remind trainers about the need to keep a good history on horses' winter activities (or non-activity), especially three year olds, to help prevent humerus fractures.
 4. Continue efforts to promote participant safety by reducing injuries.
 - a. Support fair and equitable industrial insurance coverage. Continue use of daily charges for horses at the track rather than flat fees.
 - b. Continue random drug and alcohol testing those persons on horseback and continue to monitor persons issued a license with conditions related to a history of substance abuse.
 - c. Continue testing first-time exercise and pony riders with written and practical tests on their knowledge and skills.
 5. Maintain the integrity of horse racing
 - a. Continue to ensure all criminal histories are processed in a timely manner so licensing applicants can be approved or referred to the Stewards for further action. Continue the electronic submission of fingerprints which has expedited prompt return of criminal history data.
 - b. Monitor all participants for compliance with the Rules of Racing.
 6. Assist the equine industry by reinvesting available funds back into the horse racing industry.
 - a. Provide funding incentives, when feasible, to supplement purses and operating costs, and improve racing facilities at the non-profit race meets.
 - b. Continue granting the maximum daily purse subsidies of \$15,800 and grants for jockey insurance.
 7. Modernize the Rules of Racing in Title 260 WAC.
 - a. Continue to move forward toward adopting ARCI and RMTC model rules with particular emphasis on therapeutic medications.
 - b. Continue participation at the national level with ARCI and RMTC model rule development.

Performance Measures

1. Number of live racing days.
2. Number of horse races.
3. Number of horses starting.
4. Average number of horses per race at Emerald Downs. *This reflects the overall strength of the racing and breeding programs throughout the state.*
5. Annual in-state parimutuel wagering. *Purses, awards, track and state revenues are directly related to the amount of the parimutuel handle. (See Table 2)*

Table 1. Horse Racing Statistics, 2010 - 2015

Number of Race Days	2010	2011	2012	2013	2014	2015
Emerald Downs	90	82	81	75	73	70
Dayton	2					
Sun Downs	10	6	6	6	6	6
Walla Walla	5					
Waitsburg	2					
Total	109	88	87	81	79	76

Number of Races	2010	2011	2012	2013	2014	2015
Emerald Downs	772	728	690	665	641	647
Dayton	18					
Sun Downs	90	56	53	53	50	54
Walla Walla	46					
Waitsburg	18					
Total	944	784	743	718	691	701

Number of Horses Starting	2010	2011	2012	2013	2014	2015
Emerald Downs	5,430	4,898	4,391	4,427	4,022	4,438
Dayton	140					
Sun Downs	600	395	358	366	302	370
Walla Walla	303					
Waitsburg	129					
Total	6,602	5,293	4,749	4,793	4,324	4,808

Number of Horses/Race	2010	2011	2012	2013	2014	2015
Emerald Downs	7.03	6.73	6.36	6.66	6.27	6.86
Dayton	7.78					
Sun Downs	6.67	7.05	6.75	6.91	6.04	6.85
Walla Walla	6.59					
Waitsburg	7.17					
Average	6.99	6.75	6.39	6.68	6.26	6.86

State of Washington, Office of Financial Management
RPM009 Results Through Performance Management Comparison Report

Lead Agency: 185 Horse Racing Commission
Description: Number of Races

Measure: 002607 Number of Races

Approved

Submitted

The measure title, description, usage type and frequency are the same for the approved and submitted versions.

Tracking Data:

Period	End Date	Actual	Target	Estimate
1	09/30/17		700	
5	09/30/18		700	

Period	End Date	Actual	Target	Estimate
1	09/30/17		653	
5	09/30/18		653	

Hierarchy Tree:
002607 - Number of Races

002607 - Number of Races

Hierarchy Changes:

002607 - Updated

State of Washington, Office of Financial Management

RPM009 Results Through Performance Management Comparison Report

Approved
Test Notes *: Approved biennium blank.
Using default biennium for agency title.

Submitted
Update biennium blank in common history.
Using default biennium for agency titles(modifier + lead).

* These test notes only appear in Development, Alpha QA and Beta QA

<u>Parameter</u>	<u>Entered As</u>
Measure Detail ID 1	25072
Measure Detail ID 2	25121
Report Date and Time	2016 Aug 22 11:35:07

State of Washington, Office of Financial Management
RPM009 Results Through Performance Management Comparison Report

Lead Agency: 185 Horse Racing Commission
Description: Number of Horses Starting

Measure: 002608 Number of Horses Starting

Approved

Submitted

The measure title, description, usage type and frequency are the same for the approved and submitted versions.

Period	End Date	Actual	Target	Estimate
1	09/30/17		4,800	
5	09/30/18		4,800	

Period	End Date	Actual	Target	Estimate
1	09/30/17		4,900	
5	09/30/18		4,900	

Hierarchy Tree:

002608 - Number of Horses Starting

002608 - Number of Horses Starting

Hierarchy Changes:

002608 - Updated

State of Washington, Office of Financial Management
RPM009 Results Through Performance Management Comparison Report

Approved

Approved biennium blank.
 Using default biennium for agency title.

Submitted

Update biennium blank in common history.
 Using default biennium for agency titles(modifier + lead).

Test Notes *:

* These test notes only appear in Development, Alpha QA and Beta QA

<u>Parameter</u>	<u>Entered As</u>
Measure Detail ID 1	25073
Measure Detail ID 2	25122
Report Date and Time	2016 Aug 22 11:35:09

State of Washington, Office of Financial Management
RPM009 Results Through Performance Management Comparison Report

Lead Agency: 185 Horse Racing Commission
Description: Average number of horses running in each horse race at Emerald Downs.

Measure: 000422 Average number of horses per race

Approved

Submitted

The measure title, description, usage type and frequency are the same for the approved and submitted versions.

Period	End Date	Actual	Target	Estimate
1	09/30/17		6.86	
5	09/30/18		6.86	

Period	End Date	Actual	Target	Estimate
1	09/30/17		7.5	
5	09/30/18		7.5	

Tracking Data:

000422 - Average number of horses per race

000422 - Average number of horses per race

Hierarchy Tree:

000422 - Updated

Hierarchy Changes:

State of Washington, Office of Financial Management
RPM009 Results Through Performance Management Comparison Report

Approved

Test Notes *: Approved biennium blank.
 Using default biennium for agency title.

Submitted

Update biennium blank in common history.
 Using default biennium for agency titles(modifier + lead).

* These test notes only appear in Development, Alpha QA and Beta QA

<u>Parameter</u>	<u>Entered As</u>
Measure Detail ID 1	25070
Measure Detail ID 2	25120
Report Date and Time	2016 Aug 22 11:35:04

Appropriation Period: 2017-19 Activity Version: AR - 17-19 Agency Request Sort By: Activity

185 - Washington Horse Racing Commission

A001 Promotion of Horse Racing

The Horse Racing Commission is responsible for encouraging the training and development of the equine industry and promoting the economic benefits derived from the industry. It annually provides purse funds to nonprofit racetracks, collects and distributes the Washington bred owners' bonus funds, and provides funds to nonprofit racetracks for the maintenance and upgrade of racecourses and equine quartering areas.

Account	FY 2018	FY 2019	Biennial Total
497 Horse Racing Commission Class C Purse Fund Account			
497-6 Non-Appropriated	\$94,000	\$94,000	\$188,000
485 Horse Racing Commission Washington Bred Owners Bonus Fund and Breeder Awards			
485-6 Non-Appropriated	\$992,000	\$992,000	\$1,984,000

Statewide Result Area: Prosperous Economy

Statewide Strategy: Develop markets by promoting Washington products and services

Expected Results

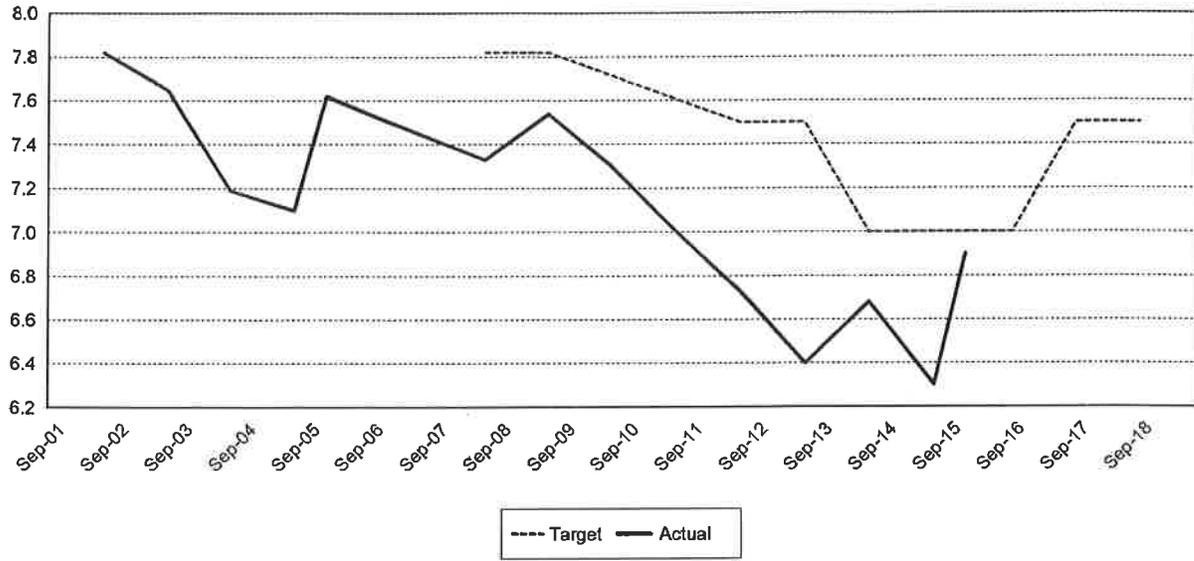
Average number of horses in each race in Washington equals 7.

Appropriation Period: 2017-19 Activity Version: AR - 17-19 Agency Request Sort By: Activity

000422 Average number of horses running in each horse race at Emerald Downs.			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		7.5
	Q4		
	Q3		
	Q2		
	Q1		7.5
	2015-17	Q8	
Q7			
Q6			
Q5			7
Q4			
Q3			
Q2		6.9	
Q1			7
2013-15		Q8	6.3
	Q7		
	Q6		
	Q5		
	Q4	6.68	7
	Q3		
	Q2		
	Q1		
	Performance Measure Status: Approved		

Number

000422 - Average number of horses per race

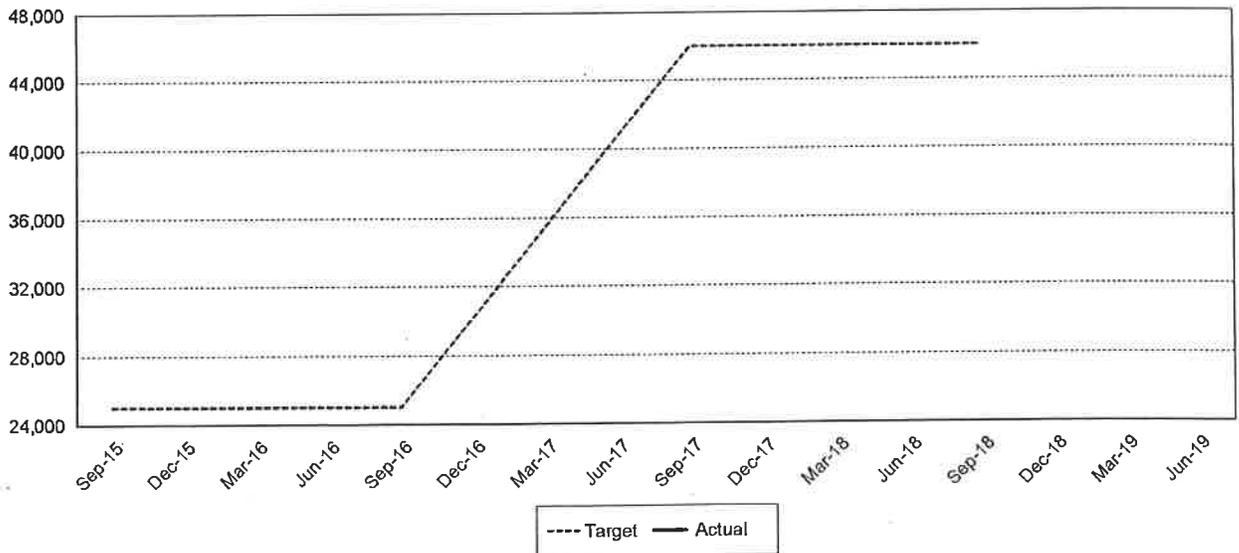


Appropriation Period: 2017-19 Activity Version: AR - 17-19 Agency Request Sort By: Activity

002610 Grants to Nonprofit Racetracks from Operating Account (Fund 169)			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		\$46,000
	Q4		
	Q3		
	Q2		
	Q1		\$46,000
2015-17	Q8		
	Q7		
	Q6		
	Q5		\$25,000
	Q4		
	Q3		
	Q2	\$30,252	
	Q1		\$25,000

Performance Measure Status: Approved

Dollars 002610 - Grants to Nonprofit Racetracks from Operating Account (Fund 169)

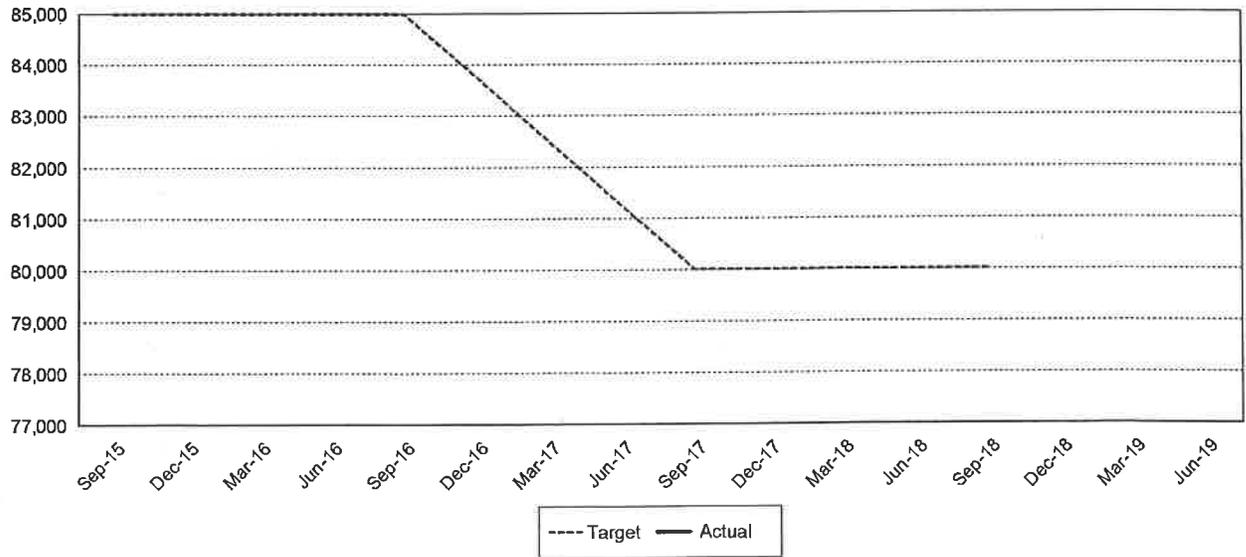


Appropriation Period: 2017-19 Activity Version: AR - 17-19 Agency Request Sort By: Activity

002609 Nonprofit Racetrack Purse Fund (1/10 percent)			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		\$80,000
	Q4		
	Q3		
	Q2		
	Q1		\$80,000
2015-17	Q8		
	Q7		
	Q6		
	Q5		\$85,000
	Q4		
	Q3		
	Q2	\$77,248	
	Q1		\$85,000
Performance Measure Status: Approved			

Dollars

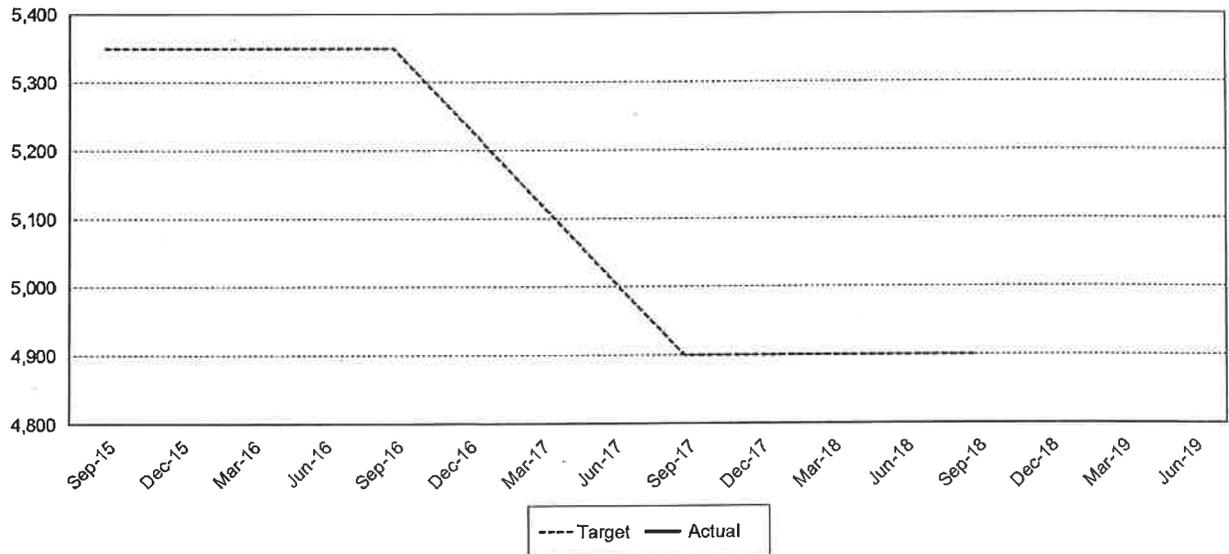
002609 - Nonprofit Racetrack Purse Fund (1/10 percent)



002608 Number of Horses Starting			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		4,900
	Q4		
	Q3		
	Q2		
	Q1		4,900
2015-17	Q8		
	Q7		
	Q6		
	Q5		5,350
	Q4		
	Q3		
	Q2	4,808	
	Q1		5,350
Performance Measure Status: Approved			

Number

002608 - Number of Horses Starting

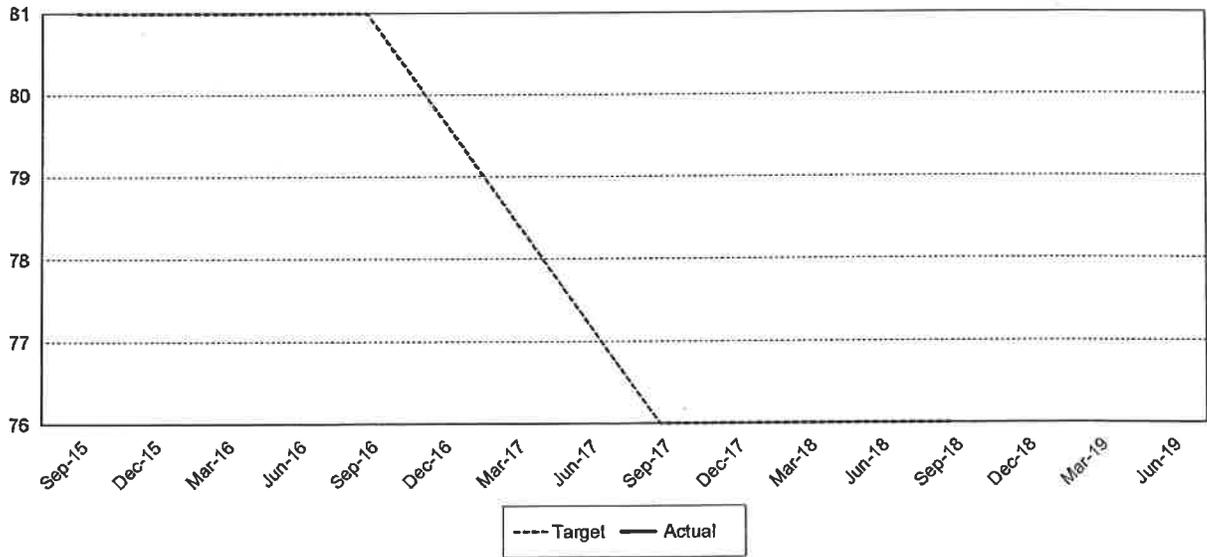


Appropriation Period: 2017-19 Activity Version: AR - 17-19 Agency Request Sort By: Activity

002606 Number of race days.			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		76
	Q4		
	Q3		
	Q2		
	Q1		76
2015-17	Q8		
	Q7		
	Q6		
	Q5		81
	Q4		
	Q3		
	Q2	76	
	Q1		81
Performance Measure Status: Approved			

Number

002606 - Number of Race Days

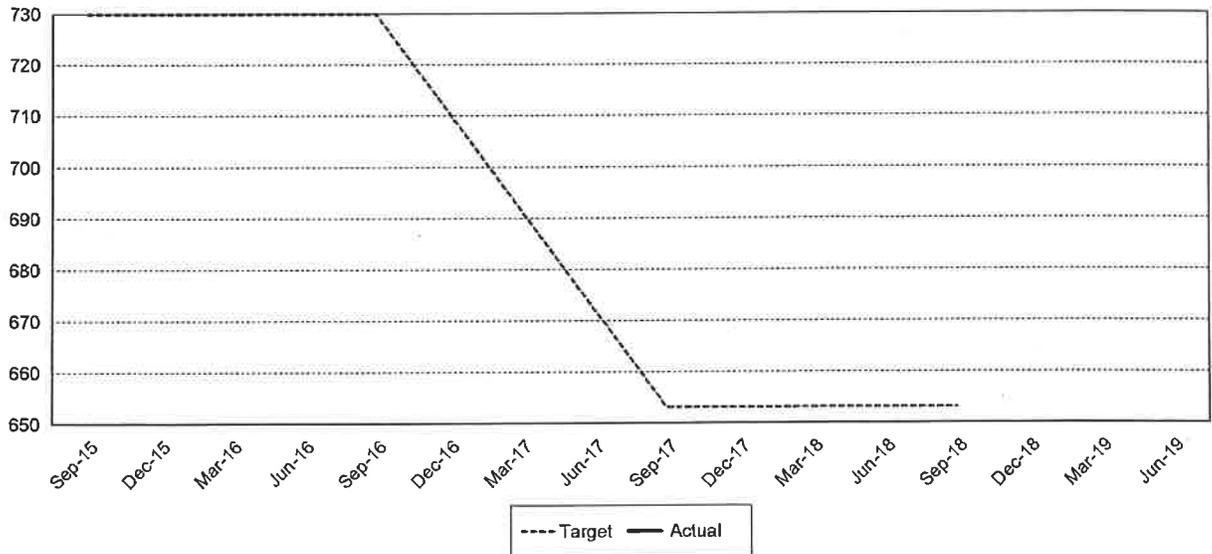


Appropriation Period: 2017-19 Activity Version: AR - 17-19 Agency Request Sort By: Activity

002607 Number of Races			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		653
	Q4		
	Q3		
	Q2		
	Q1		653
2015-17	Q8		
	Q7		
	Q6		
	Q5		730
	Q4		
	Q3		
	Q2	701	
	Q1		730
Performance Measure Status: Approved			

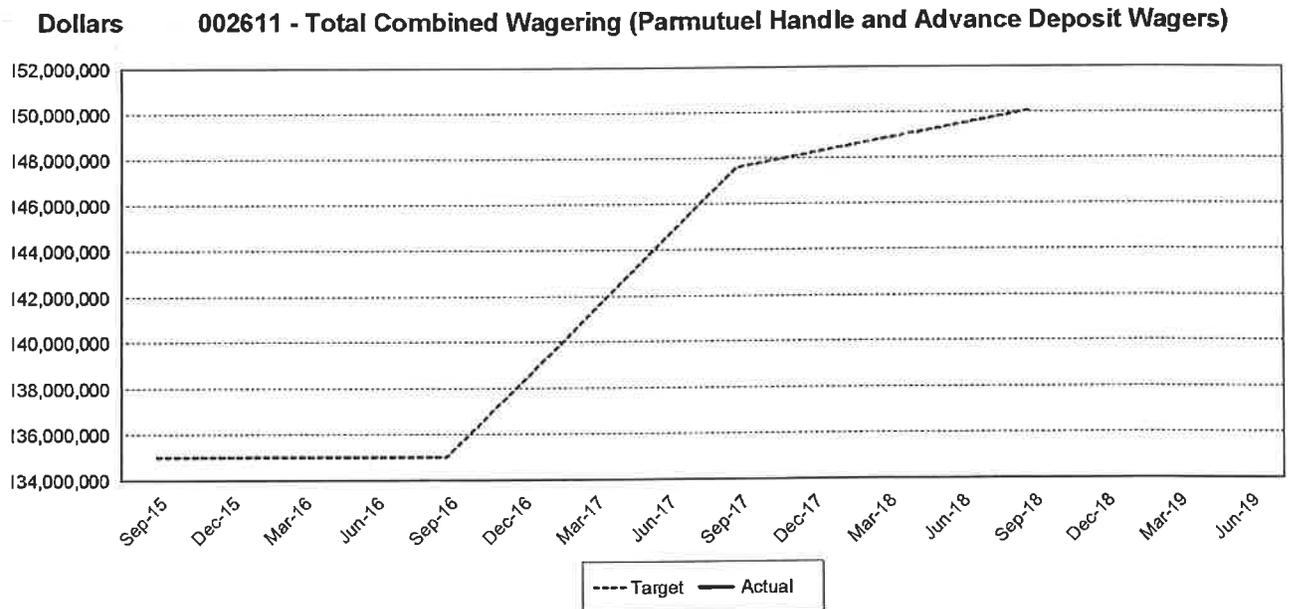
Number

002607 - Number of Races



Appropriation Period: 2017-19 Activity Version: AR - 17-19 Agency Request Sort By: Activity

002611 Total Combined Wagering (Parimutuel Handle and Advance Deposit Wagers)			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		\$150,040,000
	Q4		
	Q3		
	Q2		
	Q1		\$147,590,000
2015-17	Q8		
	Q7		
	Q6		
	Q5		\$135,000,000
	Q4		
	Q3		
	Q2	\$142,934,728	
	Q1		\$135,000,000
Performance Measure Status: Approved			



A002 Regulation of Horse Racing

Appropriation Period: 2017-19 Activity Version: AR - 17-19 Agency Request Sort By: Activity

The Horse Racing Commission is responsible for regulating pari-mutuel horse racing. It licenses, regulates, and supervises pari-mutuel horse race meets and licenses individuals who participate in pari-mutuel horse racing to ensure public confidence in the integrity of racing and pari-mutuel wagering.

Account	FY 2018	FY 2019	Biennial Total
FTE			
996-Z Other	28.5	28.5	28.5
169 Horse Racing Commission Operating Account			
169-6 Non-Appropriated	\$1,845,000	\$1,810,000	\$3,655,000

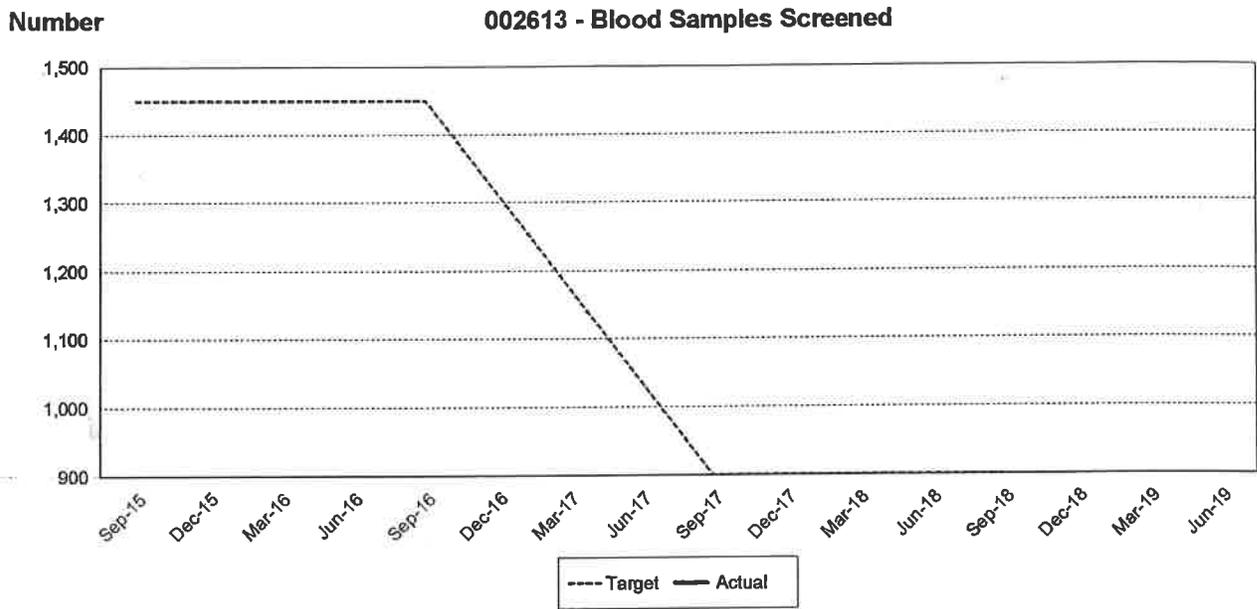
Statewide Result Area: Prosperous Economy
Statewide Strategy: Provide consumer protection

Expected Results

Total amount wagered per year in Washington on horse races is \$164,000,000.

002613 Blood Samples Screened				
Biennium	Period	Actual	Target	
2017-19	Q8			
	Q7			
	Q6			
	Q5			900
	Q4			
	Q3			
	Q2			
	Q1			900
2015-17	Q8			
	Q7			
	Q6			
	Q5			1,450
	Q4			
	Q3			
	Q2	1,035		
	Q1			1,450
Performance Measure Status: Approved				

Appropriation Period: 2017-19 Activity Version: AR - 17-19 Agency Request Sort By: Activity



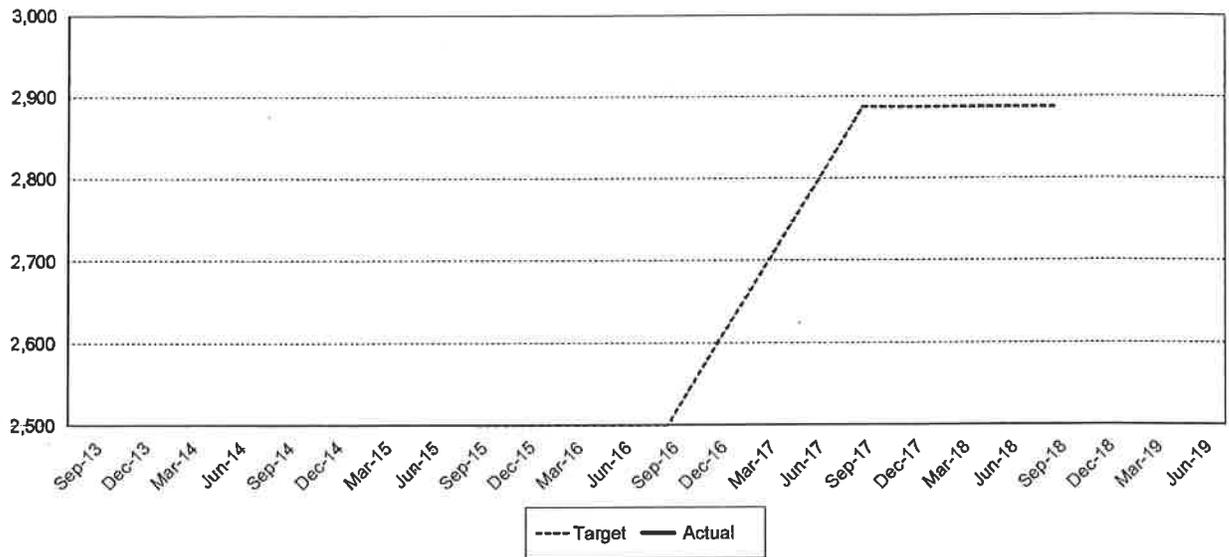
Appropriation Period: 2017-19 Activity Version: AR - 17-19 Agency Request Sort By: Activity

002617 Number of Licenses Issued			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		2,887
	Q4		
	Q3		
	Q2		
	Q1		2,887
2015-17	Q8		
	Q7		
	Q6		
	Q5		2,500
	Q4		
	Q3		
	Q2	2,999	
	Q1		2,500
2013-15	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3		
	Q2		
	Q1		
Performance Measure Status: Approved			

Appropriation Period: 2017-19 Activity Version: AR - 17-19 Agency Request Sort By: Activity

Number

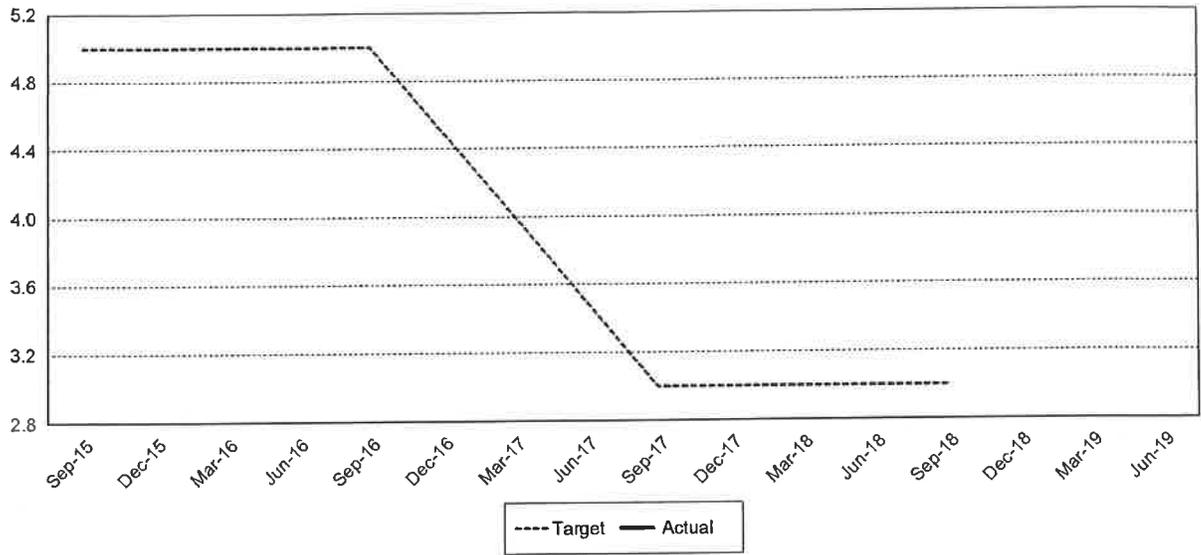
002617 - Number of Licenses Issued



002615 Number of Overages on Permitted Substances			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		3
	Q4		
	Q3		
	Q2		
	Q1		3
2015-17	Q8		
	Q7		
	Q6		
	Q5		5
	Q4		
	Q3		
	Q2	3	
	Q1		5
Performance Measure Status: Approved			

Number

002615 - Number of Overages on Permitted Substances

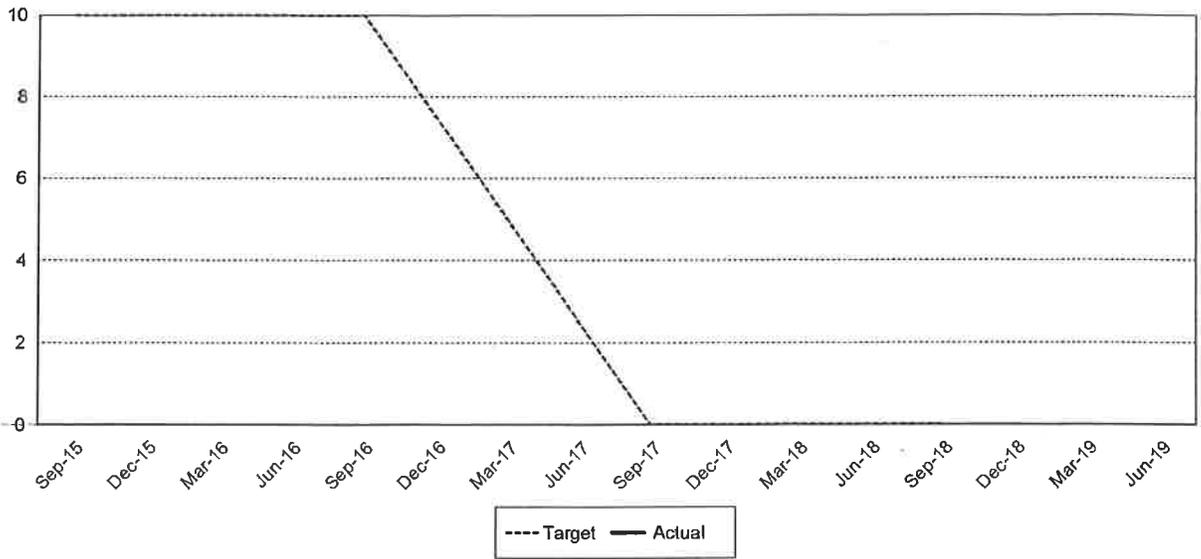


002616 Number of Prohibited Medication Violations			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		0
	Q4		
	Q3		
	Q2		
	Q1		0
2015-17	Q8		
	Q7		
	Q6		
	Q5		10
	Q4		
	Q3		
	Q2	1	
	Q1		10
Performance Measure Status: Approved			

Appropriation Period: 2017-19 Activity Version: AR - 17-19 Agency Request Sort By: Activity

Number

002616 - Number of Prohibited Medication Violations

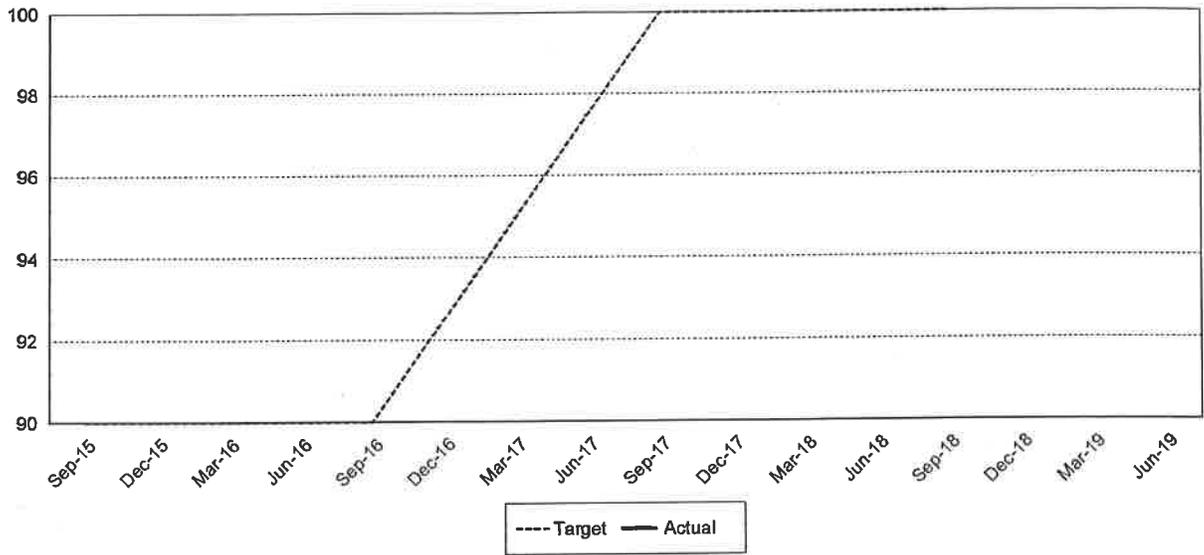


002612 Percent of Horses Inspected Prior to Racing			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		100%
	Q4		
	Q3		
	Q2		
	Q1		100%
2015-17	Q8		
	Q7		
	Q6		
	Q5		90%
	Q4		
	Q3		
	Q2	93%	
	Q1		90%
Performance Measure Status: Approved			

Appropriation Period: 2017-19 Activity Version: AR - 17-19 Agency Request Sort By: Activity

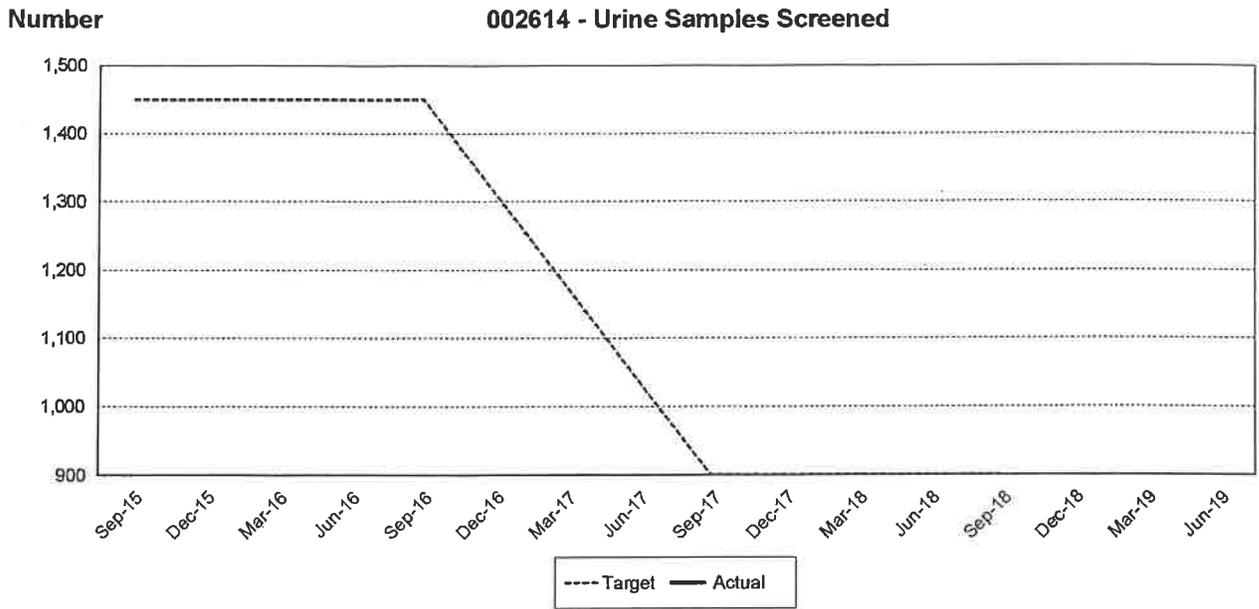
Percent

002612 - Percent of Horses Inspected Prior to Racing



002614 Urine Samples Screened			
Biennium	Period	Actual	Target
2017-19	Q8		
	Q7		
	Q6		
	Q5		900
	Q4		
	Q3		
	Q2		
	Q1		900
2015-17	Q8		
	Q7		
	Q6		
	Q5		1,450
	Q4		
	Q3		
	Q2	923	
	Q1		1,450
Performance Measure Status: Approved			

Appropriation Period: 2017-19 Activity Version: AR - 17-19 Agency Request Sort By: Activity



Grand Total

	FY 2018	FY 2019	Biennial Total
FTE's	28.5	28.5	28.5
GFS	\$0	\$0	\$0
Other	\$2,931,000	\$2,896,000	\$5,827,000
Total	\$2,931,000	\$2,896,000	\$5,827,000

<u>Parameter</u>	<u>Entered As</u>
Budget Period	2017-19
Agency	185
Version	AR - 17-19 Agency Request
Result Area	All Result Areas
Activity	All Activities
Program	All Programs
Sub Program	All Sub Programs
Account	All Accounts
Expenditure Authority Type	All Expenditure Authority Types
Theme	All
Sort By	Activity
Display All Account Types	Yes
Include Policy Level	Yes
Include Activity Description	Yes
Include Statewide Result Area	Yes
Include Statewide Strategy	Yes
Include Expected Results Text	Yes
Include Charts	Yes
Chart Type	Line
Include Parameter Selections	Yes
Version Source	Agency

WHRC Milestone Chart

The following events have directly or indirectly affected the parimutuel horse racing industry in the State of Washington.

- 1872 Seattle Race Course opens – parimutuel wagering formally begins
- 1889 State Constitution ratified – all lotteries (games of chance) prohibited
- 1901 Spokane Race Track opens
- 1902 Meadowlands Race Track opens – parimutuel wagering operated at track
- 1909 Widespread bookmaking led to a prohibition of horse racing
- 1933 Parimutuel wagering on horse races authorized – WHRC established
- 1933 Longacres Race Track opens
- 1935 Playfair Race Track opens in Spokane
- 1937 Slot machine prohibition amended to allow operation by private or nonprofit clubs registered with the Washington State Patrol
- 1952 Supreme Court rules that the law authorizing clubs to operate slot machines violates constitutional prohibition against lotteries
- 1961 Yakima Meadows opens
- 1972 Constitution amended to allow gambling activities when authorized by 60 % majority vote of the Legislature or 60% vote of the people
- 1973 Limited gambling authorized – Gambling Commission created
- 1976 First tribal casino opened on the Puyallup Reservation
- 1977 Charitable and nonprofit organizations authorized to operate “Reno Nights”
- 1981 Simulcast wagering authorized on races of national or regional interest
- 1982 State Lottery authorized
- 1983 Large-scale tribal bingo games begin operation
- 1987 Satellite broadcasts of live, in-state horse races to off-track betting locations authorized
- 1988 Indian Gaming Regulatory Act passed by Congress
- 1990 Washington State Council on Problem Gambling was created
- 1992 First compact tribal casino opened
- 1992 Final season at Longacres
- 1996 Emerald Downs opens in Auburn
- 1997 House-banked card rooms authorized
- 1998 Single card simulcast wagering authorized
- 1998 Playfair Race Course closes
- 1998 Yakima Meadows closes
- 1999 Tribes begin operating electronic gaming devices
- 2000 Playfair Race Course reopens for one season
- 2001 Full card simulcast wagering authorized
- 2002 Lottery authorized to participate in multi-state game (Mega Millions)
- 2003 Playfair opens simulcast – no live racing
- 2004 Satellite facilities (off-track-betting) authorized to operate year round
- 2005 Advance deposit wagering on horse races authorized
- 2005 Problem gambling treatment program established
- 2006 WHRC funding incentives authorized “for the purpose of developing the equine industry, maintaining and upgrading racing facilities, and assisting equine health research.”
- 2009 The WHRC assumes responsibility for processing both Washington Bred Owner Bonuses and Breeder Awards
- 2011 The Legislature limited purses to the nonprofit racetracks to one tenth of one percent of the daily gross receipts of all in-state pari-mutuel machines.
- 2013 The Legislature allowed second satellite sites in counties that exceed one million

- 2015 The Muckleshoot Indian Tribe, dba as Emerald Racing LLC, purchased the facilities and operations at Emerald Downs from the Northwest Racing Association.
- 2016 The Legislature designated the WHRC operating account as non-appropriated to avoid the possible shut down of WHRC regulatory activities in the event that the biennial operating budget is not adopted on time

Trends

For many years horse racing was the principal form of legalized gambling in the State of Washington. However, its relative share of the gambling dollar has diminished due to development of other forms of gambling. The pie charts on the following page (Exhibit 1) present the relative decline of horse racing's share of gambling from 1975 when it represented 47.9 percent of the net receipts (not returned to gamblers) versus only 1.2 percent in 2013.

Another key indicator of the health of the horse racing industry is the number of live racing days, which has declined by 71 percent from 281 in 1990 to only 81 in 2013. Fortunately, this number has remained relatively constant during the past few years.

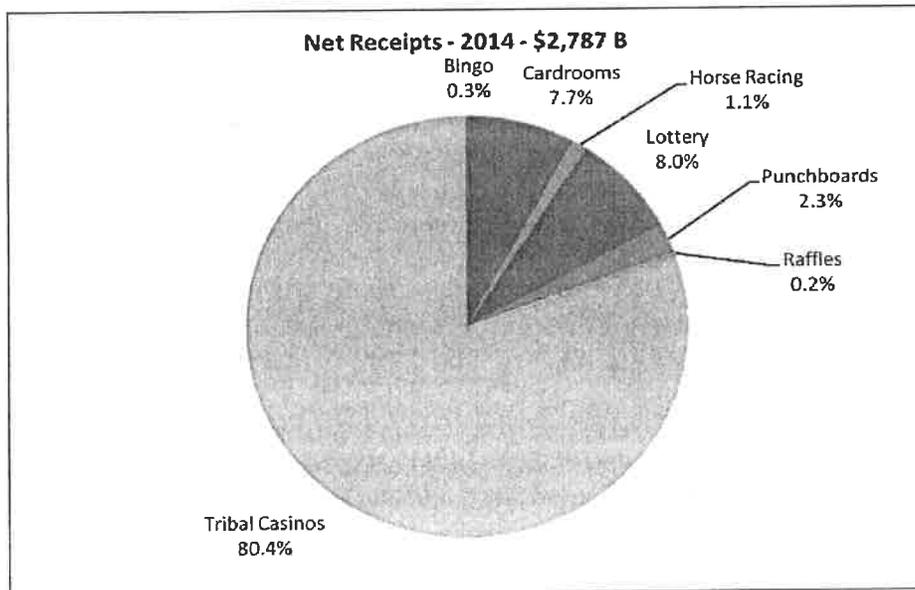
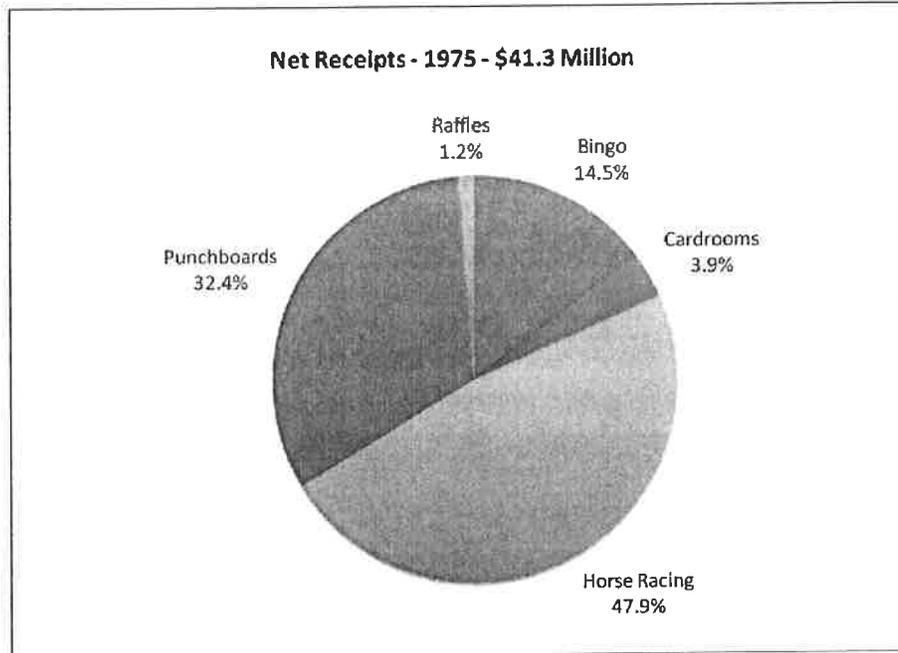
A related measure is the average number of horses per race, which is a reflection of the overall strength of the racing and breeding program throughout the state. More horses make the races more interesting, which increases the wagering activity and helps create larger purses. This number typically averages between 7 and 8 horses per race.

Table 2 shows the number of race days, parimutuel handle, taxes, license fees, and Washington Bred Owners Bonus. Please note the general decline in revenues and dramatic drop in 1993 after the closure of Longacres. Revenues had shown signs of stabilizing in recent years until the downturn in the state's economy resulted in a 39 percent reduction in the last four years, and the horse racing industry is still struggling for survival.

Legislation passed in 2004 brought some relief by legalizing advance deposit wagering (RCW 67.16.260). This form of parimutuel wagering allows a person to establish an account with a licensed service provider and place wagers via telephone, computer or other electronic means. A portion of the wager, the "source market fee," made on any race by a person whose principal residence is in Washington is returned to the class 1 racing association and the commission. In 2013 there was \$3,643,912 in source market fees which were distributed for breeder awards, owner bonuses, track operating costs, and the WHRC operating account per WAC 260-49-070. The WHRC receives 7.5 percent of total retentions for its operating account.

2017-2019 Biennial Budget Request
Washington Horse Racing Commission

Exhibit 1
Growth in Gambling Activities
Net Receipts - 1975 -2014



(Net Receipt equal receipts minus prizes paid.)

Sources: Washington State Gambling Commission, Lottery Commission and WHRC.

2017-2019 Biennial Budget Request
Washington Horse Racing Commission

Table 2.
Summary of WHRC Operating Account Revenues
and Pass Through Funds, 1990-2013

Year	Race Days	Parimutuel Handle	Advance Deposit Wagers	WHRC Operating Acct Revenues			Pass Through Funds	
				Parimutuel Tax	Source Market Fees*	License Fees**	WA Bred Owners Bonus	WA Bred Breeder Awards
1990	281	220,993,840		10,314,930		185,760	2,193,955	
1991	305	243,425,492		10,749,955		198,470	2,379,574	
1992	309	240,461,497		10,270,071		195,110	2,385,998	
1993	283	160,179,804		5,254,066		181,290	1,584,057	
1994	286	146,091,250		3,711,820		156,255	1,457,100	
1995	245	134,115,271		3,451,611		137,560	1,325,327	
1996	217	144,345,693		3,726,452		117,130	1,430,189	
1997	252	172,254,176		4,021,738		167,030	1,710,446	
1998	164	177,344,068		2,542,774		117,995	1,763,356	
1999	123	158,454,428		2,220,895		110,300	1,574,340	
2000	159	165,366,921		2,029,998		117,920	1,645,918	
2001	116	148,366,445		1,867,106		102,670	1,476,525	
2002	111	144,510,834		1,900,408		94,455	1,461,852	
2003	112	142,092,467		1,815,885		95,325	1,413,188	
2004	110	137,148,014	2,750,871	1,774,084	17,888	107,020	1,371,068	
2005	121	154,891,044	34,059,860	2,004,240	163,876	281,943	1,600,250	
2006	109	136,659,955	36,689,352	1,768,020	213,337	261,913	1,436,207	
2007	110	142,722,279	44,449,121	1,845,289	274,522	280,926	1,513,806	
2008	110	134,858,128	49,461,378	1,743,363	288,106	287,626	1,443,943	
2009	110	114,383,570	47,196,237	1,476,758	248,388	259,801	1,223,787	794,353
2010	109	99,599,146	48,679,267	1,297,434	232,643	251,223	640,898	422,247
2011	88	89,203,057	47,871,603	1,154,675	246,756	243,058	463,441	337,485
2012	87	86,598,639	50,368,773	1,120,822	254,679	217,270	526,448	371,505
2013	81	82,242,860	54,273,919	1,064,488	273,293	218,398	530,218	353,048
2014	79	77,971,391	61,687,326	1,009,625	300,420	217,281	533,672	350,637
2015	76	77,679,145	65,352,489	1,004,771	322,681	248,573	539,014	355,846

* Shows WHRC share of Source Market Fees from Advance Deposit Wagers, which is 7.5% of total retention.

** License fees are from individuals, daily track fees, and advance deposit wagering service providers.

WHRC Revenues

The parimutuel tax is a percentage of the parimutuel handle. If the gross receipts exceed \$50 million in the prior year, the percentage collected by the WHRC for its operating costs is 1.3 percent (RCW 67.16.105 (2)). Licensees of nonprofit race meets of less than 10 days are exempt from parimutuel taxes.

Source market fees are a percentage of the retention from advance deposit wagering. The WHRC receives 7.5 percent of source market fees for its operating costs.

Licensing fees are charged to owners, trainers, jockeys and other participants in horse racing (RCW 67.16.020). License fees are also charged for conducting live racing: \$500 per day for licensees whose handle exceeded \$50 million in the prior year, and \$10 per day for the nonprofit race meets (RCW 67.16.050). Finally, license fees (\$1,000) are charged to seven service providers for advance deposit wagering (WAC 260-49-090).

WHRC Distributions

In addition to the three revenue sources that are deposited into the WHRC Operating Account (fund 169), the WHRC also handles pass-through funds that are deposited in the Washington Bred Owners Bonus Fund (fund 485) and the Class C Purse Fund (fund 497).

Washington Bred Owners Bonus Account

One percent of in-state track/OTB parimutuel wagering is paid at the end of the race year to all licensed owners whose horses place first, second, third, or fourth. The horses must be bred within Washington State and run at a for-profit racetrack.

RCW 67.16.102 (1)

The Owners Bonus Account also receives 2.5% of the source market fee.
WAC 260-49-070

Breeders Award

One percent of in-state track/OTB exotic wagers is paid at the end of the race year to the breeder of record for each Washington bred horse that finished first, second or third at a for-profit race track.

RCW 67.16.175

The Breeders Award also receives 2.5% of the source market fee.
WAC 260-49-070

Donohue Fund

Interest derived from the Washington Bred Owner's Bonus Fund is paid to the nonprofit racetracks for maintaining and upgrading their respective racecourses and equine quartering areas.

RCW 67.16.102 (2)

Class C Purse Fund

Each year the WHRC distributes one tenth of one percent (0.1%) of the daily gross receipts of all in-state pari-mutuel machines to the nonprofit racetracks (Class C race meets) for purse funds. In 2016 the WHRC provided a total of \$94,800 to Sun Downs racetrack in Kennewick to fund purses for six days of racing at \$15,800 per day. This included \$77,725.99 derived from the 0.1%, \$840.71 in interest and \$16,233.30 purse supplement from the WHRC Operating Account. The WHRC also provided \$30,000 in additional funding from its operating budget to Sun Downs for jockey insurance.

RCW 67.16.105

Morning Training Track Veterinary Program

In 2016 the WHRC provided a grant of \$26,260 to Emerald Downs and the Washington HBPA Benefit Trust to compensate the morning track veterinarian for 202 training days at \$130 per day. According to the grant application, "This program is vital in order to ensure the health and welfare of the morning training horses."

RCW 67.16.280

Racing Association Distributions

Purse Money

A percentage of the Parimutuel Handle (total wagers) is returned to owners of horses that place in a race as purse money. The actual percentage is negotiated between the Racing Association (Emerald Downs) and the Horsemen's Association.

Operating Costs

The remainder of the revenues from the Parimutuel Handle and source market fees is retained by the racing association for its operating costs.

These distributions are designed to reward competitors while maintaining racetrack facilities that are safe for the horses and the public. An increase in wagering provides more resources that can be reinvested in the equine industry.

Financial Plan

The primary sources of revenue for the Horse Racing Commission Operating Account are the Parimutuel Tax, source market fees and licensing fees. Due to a general trend of declining revenues, it is imperative that resources in the account be conserved to cover the operational needs of the WHRC. The WHRC works in close partnership with the parimutuel horse racing industry to fulfill its statutory duties to license, regulate and supervise racing.

Legislation that passed in 2004 (RCW 67.16.200) helped the parimutuel horse racing industry adapt to the changing environment and remain economically viable. This legislation lifted the limitation on the number of imported simulcast races that may be received by racetracks and off track betting sites. Also, it authorized advance deposit wagering. These changes, along with additional racing days in 2005, resulted in an increase in revenues for racetracks, horse owners and breeders, purses and the WHRC.

The increase in license fees in 2005 shown in Table 2 reflects an increase in the daily fee for racing at Emerald Downs (91 days at \$500 = \$45,500), licensing fees for advance deposit wagering service providers (\$4,000), new background check fees (\$30,000), and an adjustment in individual license fees based on an analysis of the actual costs of the license program and background investigations. The analysis of license fees is an ongoing activity that results in periodic adjustments.

The increased revenues from parimutuel wagering and advance deposit wagering gave impetus to 2006 legislation (RCW 67.16.280), which authorized the WHRC to spend up to \$300,000 per year “for the purpose of developing the equine industry, maintaining and upgrading racing facilities, and assisting equine health research.”

The WHRC was able to provide some grants for capital improvements and jockey incentives at the nonprofit race meets, and to the WSU College of Veterinary Medicine for equine research. These funding incentives helped the WHRC implement its Government Management Accountability Program (GMAP) principles by reinvesting horse racing revenues in local communities and revitalizing the equine industry consistent with the legislative findings in RCW 67.16.101.

Unfortunately, the WHRC was forced to reduce funding incentives for the Class C nonprofit racetracks due to a decline in parimutuel tax revenues by nearly fifty percent in the past ten years reflecting the general decline in the state’s economy. This decline prompted the WHRC to implement a number of cost cutting initiatives including staff reductions to conserve available funds. Fortunately, revenues to the WHRC have stabilized sufficiently to enable the agency to maintain a positive fund balance and reinstate some incentive grants in 2016 including \$30,000 for jockey insurance at the Class C race meet and \$26,260 for a morning training track veterinary program at Emerald Downs.

The fund balance projections (Table 3) for the 2017-19 Biennium show flat revenues and modest inflationary increases at two percent per year. These projections anticipate that the WHRC will maintain a minimum operating balance of at least \$400,000 in the ensuing 2017-19 Biennium.

License Fee Study

The WHRC reviews its licensing fees annually prior to the beginning of each racing season, and makes periodic adjustments necessary to recover the actual costs of licensing and background investigations. License fees are authorized under RCW 67.16.020 (1), which establishes the duties of the WHRC, “it shall be unlawful of any owner, trainer or jockey to participate in race meets in this state without first securing a license therefore from the state racing commission, **the fee for which shall be set by the commission which shall offset the cost of administration and shall not be for a period exceeding one year.**”

The WHRC utilizes a cost pool methodology in analyzing the costs of the licensing function. It incorporates the direct and indirect costs of licensure including staff time, postage, supplies, equipment, and support costs. Actual workload and costs from the prior year are reviewed and assumptions are updated for the ensuing fiscal years. Thus, license increases would only be necessary if there are substantive changes in workload, personnel compensation, and inflation.

The economic recession had caused a decline in the number of licensees which affected license revenues and required the WHRC tighten its budget to avoid significant increases in fees. Fortunately, the number of licensees and costs have stabilized in recent years, and the 2015 and 2016 racing seasons have experienced significant growth from the prior year at plus 16.4% in the number of licenses from 2,480 to 2,887.

According to this analysis revenues for 2016 at \$205,137 will exceed costs at \$197,433 by 3.9% or \$7,704. This surplus is expected to diminish in 2017 to \$3,756 due to increased costs related to workload and compensation increases. Therefore, it appears that no adjustment in licensing fees is necessary for the 2017 racing season.

Previously, the WHRC would seek authority in the biennial budget process with a decision package for any increase in license fees which may exceed the fiscal growth factor under the provisions of Initiative 601 as stated in RCW 43.135.055. However, it was determined that the WHRC had sufficient authority under its own statute (RCW 67.16.020) to adjust its license fees without approval through the budget process. Moreover, this is reinforced by the new non-appropriated status of the Horse Racing Commission Operating Account which took effect on July 1, 2016. In the event that the WHRC anticipates adjusting its license fees, the Office of Financial Management has requested information showing the changes in fees. Given the increased flexibility of this new procedure and the fortunate circumstance where increases in the number of licensees has produced additional revenue which offsets cost increases, it may be possible to continue maintaining existing license fees for the ensuing biennium.

2017-2019 Biennial Budget Request
Washington Horse Racing Commission

**Table 3. Fund Balance Projections
Horse Racing Commission Operating Account**

	Past Biennium 2013-15 Actual	Current Biennium 2015-17 Estimate	Ensuing Biennium 2017-19 Estimate
Beginning Balance, July 1	701,800	918,500	878,900
Revenues			
Parimutuel Tax	2,014,400	2,038,000	2,040,000
Source Market Fees	623,100	651,600	652,000
License Fees	330,600	367,500	368,000
Daily Track Fees	71,500	70,000	70,000
ADW Annual Fees	24,000	26,000	26,000
Background Check Fees	39,700	44,400	44,400
Fines and Forfeitures	21,400	18,000	18,000
Other	4,500	6,000	6,000
Total Revenues	3,129,200	3,221,500	3,224,400
Less Expenditures			
Administration	1,165,000	1,304,500	1,357,200
Racing	1,747,500	1,956,600	2,035,800
Total Expenditures	2,912,500	3,261,100	3,393,000
Ending Balance, June 30	918,500	878,900	710,300
Minimum operating balance*	400,000	400,000	400,000

*Note that OFM requires a minimum balance for two months of operating funds to cover cash flow fluctuations.

Notes on Organization Chart

Employees of the Horse Racing Commission are organized into three functional areas reporting to the Executive Secretary: racing officials, equine veterinary services, and security. Many of the positions are seasonal related to the racing season April through September.

Racing Steward - At a licensed racetrack, the Board of Stewards supervises racing officials and is responsible for regulating racing and licensees to ensure that racing is conducted in accordance with Washington Horse Racing Commission's "Rules of Racing" Title 260 WAC.

Racing Officials perform a variety of duties as follows:

Clockers – Using timing devices, records and submits to the racing secretary and stewards the time of all official workouts;

Identifier – Ensures that the correct horse runs in a particular race by properly identifying each horse entered in a race by its registration number (number tattooed inside upper lip) registration papers, and markings;

Film Analyst – Aids the Board of Stewards in the interpretation of race videos. Reviews all race videos for compliance with WHRC "Rules of Racing" Title 260 WAC. Reviews with apprentice jockeys all races in which the apprentice jockey participated. When directed by the Board of Stewards, the Film Analyst will also review with particular jockeys as a method of providing training to improve their rider safety;

Paddock Judge – Monitors horses in paddock and saddling enclosure to ensure the saddling of all horses is done in an orderly manner, in view of the public and free from public interference. Ensure that only licensed trainers saddle the horses, and ensures all horses are on the track for the post parade by the designated time. Assembles the jockeys and horses to begin the post-parade, and monitors equipment carried by each horse;

Photo-Finish Operator – Responsible for the operation of photo-finish equipment that provides the Board of Stewards with an image of horses as they cross the finish line. These photos are used to determine the official order of finish. May also perform timing functions during races as applicable;

Clerk of Scales – Oversees the regulatory requirements related to weights assigned to jockeys, to include obtaining the weight declared by the jockey, and weighing jockey out (of the jockeys' quarters) and in (from the race track);

2017-2019 Biennial Budget Request
Washington Horse Racing Commission

Pari-mutuel Inspector – Responsible for monitoring wagering on live racing, by monitoring the totalizer system, reports, simulcast signals, observing actual wagering and analyzing wagering patterns to ensure the highest level of integrity in the wagering process;

Receiving Barn Clerk – Responsible to determine the timing and initiate procedures for the horses to enter the receiving barn before each race to be identified by the identifier, and to ensure the horse is equipped with the proper head-number;

Assistant Steward – Assist the Board of Stewards by performing administrative tasks in the office before races (checking the program, reviewing past performance of horses entered to run, obtain late scratches or changes from the stewards, and other duties that may be necessary) and in the stewards' stand during the running of the races (monitoring the tote board, checking equipment on horses as they enter the track, monitor the horses during the post parade, monitor the running of the race, assists in determining the official order of finish and any other duties that may be necessary); and

Licensing – Responsible for licensing participants, fingerprinting participants, collecting licensing fees and industrial insurance premiums, reviewing criminal history records to determine suitability to participate in horseracing, and monitor horses' running in races at Class A and B rate meets to calculate owner's bonus and breeder's awards. Reconciles cash receipts and makes deposits into the WHRC account.

Equine Medical Director – Serves as a regulatory veterinarian, responsible for the welfare of horses running in races at the track. Veterinarians assist the agency in maintaining the integrity of pari-mutuel horse racing by insuring only fit horses run in races and that those running in races have not had their performance affected by medication/drugs. Duties include pre-race inspections, collection of urine and blood samples, assessing testing results, participation in the postmortem program, presenting testimony at hearings, and advising the agency on the health and welfare of racehorses.

Security Investigator – Investigates complaints, licensees, backgrounds, preserves and presents evidence, conducts searches, tests for drug and alcohol and obtains statements. Serves notices and rulings, and walks the barn areas observing for any violations of the rules of racing. The investigators coordinate with association security regarding searches, drug testing and surveillance activities.

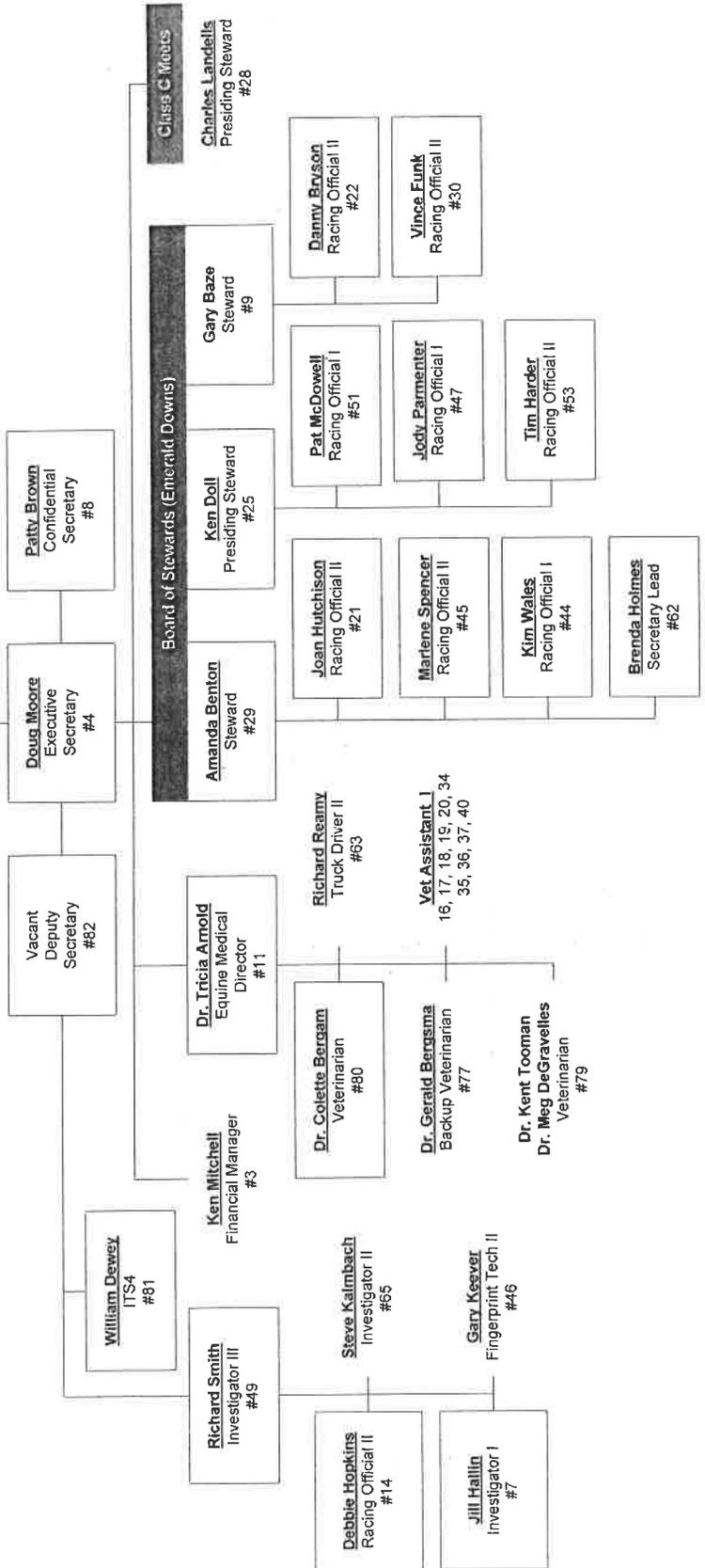
Organizational Chart

Commissioners
 Jeffrey Colifton (Chair)
 Robert Lopez
 Dr. Everett Macomber

Ex Officio Members
 Sen. Joe Fain
 Sen. Steve Hobbs
 Rep. Strom Peterson
 Rep. Joe Schmick



Washington
 Horse Racing
 Commission



Agency 185: Washington Horse Race Commission

TAB A - Activity Inventory Indirect Cost Allocation Approach 2017-19 (Ch. 2.2)

Allocation Method Description:

Total indirect costs were allocated to activities by fund (Fund 169 only).

Activity	Funds	Percent Allocation Received	Dollars Allocated		Total Allocated
			FY1	FY2	
A001 Promotion of Horse Racing	497/485	0	-	-	-
A002 Regulation of Horse Racing	169	100%	48,000	48,000	96,000
TOTAL					96,000

2017-19 Indirect Cost Estimates

	One Fiscal Year	Biennial Estimate
Rent	30,000	60,000
Data Processing	16,200	32,000
IT Noncapitalized	2,000	4,000
		96,000

State of Washington
Recommendation Summary

Agency: 185 Washington Horse Racing Commission

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Dollars in Thousands	Annual Average FTEs	General Fund State	Other Funds	Total Funds
2015-17 Current Biennium Total	28.5		5,827	5,827
Total Carry Forward Level	28.5		5,827	5,827
Percent Change from Current Biennium				
Carry Forward plus Workload Changes	28.5		5,827	5,827
Percent Change from Current Biennium				
Total Maintenance Level	28.5		5,827	5,827
Percent Change from Current Biennium				
Subtotal - Performance Level Changes	0.0			
2017-19 Total Proposed Budget	28.5		5,827	5,827
Percent Change from Current Biennium				

State of Washington
Office of Financial Management
Fund and FTE Detail by Fiscal Year

Agency: 185 - Washington Horse Racing Commission
Version: CF - 2017-19 Carry Forward Level

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Dollars in Thousands

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Total Annual FTE	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of RecSum
169-6 Horse Racing Commission Oper Acct-Non Appr	1	1	2				100.00%
G05 Biennialize Employee PEB Rate							
169-6 Horse Racing Commission Oper Acct-Non Appr	11		11				100.00%
G09 WFSE General Government							
169-6 Horse Racing Commission Oper Acct-Non Appr	8		8				100.00%
GL9 General Wage Incr-State Employees							
169-6 Horse Racing Commission Oper Acct-Non Appr	8		8				100.00%
GZA2 Moore v HCA Settlement							
169-6 Horse Racing Commission Oper Acct-Non Appr				(45)	(45)		100.00%
N0 License and Background Check Fees							
169-6 Horse Racing Commission Oper Acct-Non Appr	10		10				100.00%
Total Carry Forward Level	2,931	2,896	5,827				
% Change from Current Biennium	1.2%	(1.5)%	(0.2)%				
Carry Forward Level Fund Totals	28.5	28.5	28.5				
169-6 Horse Racing Commission Oper Acct-Non Appr	1,845	1,810	3,655				62.73%
485-6 Horse Racing Breed Owners Bonus Fnd-Non Appr	992	992	1,984				34.05%
497-6 Horse Racing Commission Class C Pur-Non Appr	94	94	188				3.23%

Fund and FTE Detail by Fiscal Year

Agency: 185 - Washington Horse Racing Commission
Version: CF - 2017-19 Carry Forward Level

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Dollars in Thousands

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Total Annual FTE	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of RecSum
Carry Forward plus Workload Changes Fund Totals	28.5	28.5	28.5				
169-6 Horse Racing Commission Oper Acct-Non Appr				1,845	1,810	3,655	62.73%
485-6 Horse Racing Breed Owners Bonus Fnd-Non Appr				992	992	1,984	34.05%
497-6 Horse Racing Commission Class C Pur-Non Appr				94	94	188	3.23%
Maintenance Level Fund Totals	28.5	28.5	28.5				
169-6 Horse Racing Commission Oper Acct-Non Appr				1,845	1,810	3,655	62.73%
485-6 Horse Racing Breed Owners Bonus Fnd-Non Appr				992	992	1,984	34.05%
497-6 Horse Racing Commission Class C Pur-Non Appr				94	94	188	3.23%
2017-19 Budget Fund Summary Totals	28.5	28.5	28.5				
169-6 Horse Racing Commission Oper Acct-Non Appr				1,845	1,810	3,655	62.73%
485-6 Horse Racing Breed Owners Bonus Fnd-Non Appr				992	992	1,984	34.05%
497-6 Horse Racing Commission Class C Pur-Non Appr				94	94	188	3.23%

00 Make HRCOA Nonappropriated

Implements HB 2320 - making the horse racing commission operating account a nonappropriated account. The bill took effect June 9, 2016. This step begins the nonappropriated account in FY 18.

92J CTS Central Services

Agency budgets are adjusted to reflect estimated charges for services provided by Consolidated Technology Services (CTS).

92K DES Central Services

Agency budgets are adjusted to reflect estimated charges for services provided by the Department of Enterprise Services (DES).

92X Self-Insurance Liability Premium

bassbudget.

State of Washington
Office of Financial Management
Fund and FTE Detail by Fiscal Year

Agency: 185 - Washington Horse Racing Commission
Version: CF - 2017-19 Carry Forward Level

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Dollars in Thousands

Agency budgets are adjusted to restore a one-time reduction in the self-insurance liability premium that expired at the end of the 2015-17 biennium.

N0 License and Background Check Fees

Biennialize increased expenditure authority granted to spend new revenue from increased horse racing license fees and background check fees.

Decision Packages

Normally Tab C is used to display decision packages requested by the agency for the ensuing biennium. However, the WHRC does not anticipate requesting any changes in its budget for the ensuing biennium that would required a decision package.

Previously, the WHRC would seek authority in the biennial budget process with a decision package for any increase in license fees which may exceed the fiscal growth factor under the provisions of Initiative 601 as stated in RCW 43.135.055. However, it was determined that the WHRC had sufficient authority under its own statute (RCW 67.16.020) to adjust its license fees without approval through the budget process. Moreover, this is reinforced by the new non-appropriated status of the Horse Racing Commission Operating Account which took effect on July 1, 2016. In the event that the WHRC anticipates adjusting its license fees, the Office of Financial Management has requested information showing the changes in fees. Given the increased flexibility of this new procedure and the fortunate circumstance where increases in the number of licensees has produced additional revenue which offsets cost increases, it may be possible to continue maintaining existing license fees for the ensuing biennium.

State of Washington
Agency Revenues

Budget Period: 2017-19
 Agency: 185 Washington Horse Racing Commission
 Version: CF 2017-19 WinSum Data Load

Fund	Source	CODES	Title	Decision Package	Past Biennium		Current Biennium		Ensuing Biennium				
					Actuals & Estimates		Actuals & Estimates		Maintenance Level/ Carry Forward Level			Performance Level	
					FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2018	FY 2019	
			Horse Racing Commission										
169			Operating Account										
	0140		Parimutuel Tax		1,009,600	1,004,800	1,018,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000
	0244		Licenses and Fees		159,300	171,300	183,500	184,000	184,000	184,000	184,000	184,000	184,000
	0244		Fingerprint Fees		18,500	21,200	22,200	22,000	22,000	22,000	22,000	22,000	22,000
	0244		Daily Track Fees		36,500	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
	0244		ADW License Fees		3,000	21,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
	0244		Source Market Fee		300,400	322,700	325,600	326,000	326,000	326,000	326,000	326,000	326,000
	0405		Fines and Forfeitures		9,300	12,100	9,000	9,000	9,000	9,000	9,000	9,000	9,000
	0499		Other		2,100	2,400	3,000	3,000	3,000	3,000	3,000	3,000	3,000
			Total Fund 169		1,538,700	1,590,500	1,609,300	1,612,000	1,612,000	1,612,000	1,612,000	1,612,000	1,612,000
			WA-Bred Owners Bonus-										
485			Breeders Awards Acct										
	0140		Parimutuel Tax - Owners		433,500	431,700	521,600	523,000	523,000	523,000	523,000	523,000	523,000
	0140		Parimutuel Tax - Breeders		250,500	248,500	300,200	301,000	301,000	301,000	301,000	301,000	301,000
	0499		Source Market Fee - Owners		100,100	107,300	107,000	107,000	107,000	107,000	107,000	107,000	107,000
	0499		Source Market Fee - Breeders		100,100	107,300	107,000	107,000	107,000	107,000	107,000	107,000	107,000
			Total Fund 485		884,200	894,800	1,035,800	1,038,000	1,038,000	1,038,000	1,038,000	1,038,000	1,038,000
			Class C Purse Fund										
497			Parimutuel Tax										
	0140		Parimutuel Tax		79,800	76,800	80,000	80,000	80,000	80,000	80,000	80,000	80,000
			Total Fund 497		79,800	76,800	80,000	80,000	80,000	80,000	80,000	80,000	80,000
			Grand Total		2,502,700	2,562,100	2,725,100	2,730,000	2,730,000	2,730,000	2,730,000	2,730,000	2,730,000

State of Washington
Working Capital Reserve

Budget Period: 2017-19
 Agency: 185 Washington Horse Racing Commission
 Version: CF 2017-19 WinSum Data Load

FUND	FUND TITLE	Fund Administrator Agency Only	
		Recommended Ending Fund Balance	Recommended Ending Fund Balance
		Current Biennium	Ensuing Biennium
169	Horse Racing Operating Account	400,000	400,000
485	HRC WA-Bred Owners Bonus/Breeders Awards Acct	300,000	300,000
497	HRC Class C Purse Fund	50,000	50,000

2017 Enterprise Risk Management Update

Agency: #185 - Horse Racing Commission

Section B: FY 2017 Agency ERM Plans

Instructions: The list below is compiled from previous agency ERM plans. Agencies are not expected to be working on all of these areas at the same time. Feel free to add other Action Plan items important to your agency. If you check '2017 Action Item', please briefly describe what you will be doing, how it will reduce agency losses and estimate how much losses will be reduced.

Possible FY 2017 Action Items	FY 2017 Action Item	Describe What You Plan To Do	Explain How you Will Measure Success of Expected Results	Estimate How Much This Will Reduce Losses (%)
Driver Safety	X	Continue showing driver safety video to new employees	Eliminate employee caused collisions	
Worker Safety		Continue efforts to identify fractious horses coming into test barn	Reduce or eliminate injuries and near misses in test barn	
Employment Liability	X	Maintain compliance with applicable labor laws	Avoidance of violations or claims	
Tort Claims and Lawsuits	X	Continue annual training for employee conduct	Conducted at staff inservice training	
Data Security	X	Conduct annual security assessment with full audit every three years	WHRC has never experienced a breach of security	
Emergency Management	X	Maintain Continuance of Operations Plan (COOP) for flooding dangers from Howard Hanson Dam on Green River	Move records and equipment as necessary at Emerald Downs to avoid loss/damage	
Contract Policy and Procedure	X	Update contract policy and procedures as required	Maintain current procedures	
Public Records		Adopted model rules into Title 260 WAC	Maintain current procedures	
Risk Assessment/Risk Register	X	Revised risk management assessment process	Risk assessment completed periodically	
Other				

Central Service Fund Spills

185-Washington Horse Racing Commission

Save/Update

All Columns by Agency must equal 100%

Agency	Program	Subprogram (only used for DSSS in Program 033 and 040)	Account and Approp. Title	Asst	Admin	Q&A	Facilities & Services Only	CS	Debt Services	Workers Comp	Other Services
185-Washington Horse Racing Commission			169-1 Horse Racing Commission Op Account-Stat	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Percent Totals (only applies when one agency chosen)

185-Washington Horse Racing Commission