



New Mexico Racing Commission

FY27 Appropriation Request

Agency 46900

September 2, 2025

FY27 Appropriation Request Checklist

Agency Name: New Mexico Racing Commission

Business Unit: 46900

Reports to Include in PDF Submission

	Form #	Title	
X	<input type="checkbox"/>	Cvr Ltr Cover Letter	<i>Agency Level</i>
X	<input type="checkbox"/>	S-1 Certification	<i>Agency Level</i>
X	<input type="checkbox"/>	S-2 Organizational Chart	<i>Agency/Program Level</i>
X	<input type="checkbox"/>	S-8 Financial Summary (BFM)	<i>Agency/Program Level</i>
X	<input type="checkbox"/>	S-9 Account Code Revenue / Expenditure Report	<i>Agency/Program Level</i>
X	<input type="checkbox"/>	S-10 Fund Balance Projection	<i>Fund Level</i>
X	<input type="checkbox"/>	S-13 Detail of Rate Line Items (see instructions)	<i>Agency Level</i>
X	<input type="checkbox"/>	P-1 Program Narrative	<i>Program Level</i>
X	<input type="checkbox"/>	R-2 Transfer Report	<i>Agency Level</i>
X	<input type="checkbox"/>	REV/EXP Revenue-Expenditure Comparison Report	<i>Agency/Program Level</i>
N/A	<input type="checkbox"/>	FFRW Detail of Federal Funds Revenue Worksheet	<i>Agency/Program Level</i>
N/A	<input type="checkbox"/>	EB-1 Expansion Justifications	<i>Program Level</i>
N/A	<input type="checkbox"/>	EB-2 Expansion Fiscal Summary	<i>Program Level</i>
N/A	<input type="checkbox"/>	EB-3 Expansion Line Item Detail	<i>Program Level</i>
N/A	<input type="checkbox"/>	LFR Legislating for Results Expansion Tool	<i>Program Level</i>
X	<input type="checkbox"/>	E4 Pcode Detail	<i>Program Level</i>
X	<input type="checkbox"/>	E5 Contract by Pcode	<i>Program Level</i>
X	<input type="checkbox"/>	SAR Special Appropriation Request Report	<i>Agency Level</i>
X	<input type="checkbox"/>	APR Annual Performance Report	<i>Program Level</i>
X	<input type="checkbox"/>	Table 2 Table 2 Performance Measure Summary	<i>Program Level</i>
X	<input type="checkbox"/>	SP Strategic Plan	<i>Agency Level</i>
N/A	<input type="checkbox"/>	ITP Information Technology Plan	<i>Agency Level</i>
N/A	<input type="checkbox"/>	C-1 Base Operating Budget	<i>Agency Level</i>
N/A	<input type="checkbox"/>	C-2 IT Request Plan	<i>Agency Level</i>
N/A	<input type="checkbox"/>	Perf Audit Update to LFC Performance Audits (within last 2 years)	<i>Agency Level</i>

Documents to Attach in BFM (PDF Optional)

Where to Attach

X	<input type="checkbox"/>	Board Cert Board or Commission Budget Certification	<i>Form 9900</i>
X	<input type="checkbox"/>	E-6B Leased Passenger-Related Vehicles	<i>Form 3300/4300</i>



MICHELLE LUJAN-GRISHAM

Governor

BILLY SMITH

Chairman

JOHN BUFFINGTON

Vice-Chairman

VACANT

Member

ROBERT PITRE

Member

VACANT

Member

ISMAEL "IZZY" TREJO

Executive Director

September 1, 2025

Department of Finance and Administration
State Budget Division
407 Galisteo Street - Room 166
Bataan Memorial Building
Santa Fe, NM 87501

Deputy Secretary/State Budget Director,

The State Racing Commission respectfully submits its FY27 Appropriation Request, below is a brief summation by category:

- 200 – Personnel Services – A majority of the FY27 budget request increase is due to the increase of GSD insurance premiums by \$295.1. In order to remain flat with FY26 operating budget, the agency is including a 15% self-imposed vacancy rate that equates to approximately 3.5 vacant positions. The agency currently has five positions vacant but is in the process of hiring a Law Clerk and is preparing to advertise for the State Investigator position. The agency received permission from the Governor's office to receive a supplemental request in the amount of \$248.0 to hire an additional Veterinarian position. The supplemental is essential to the agency for it to continue to serve the industry as regulators and keep equine catastrophic injuries to a minimal.
- 300 – Contractual – the appropriation request in the contractual category has remained flat with FY26 operating budget. There was a \$4,000 increase in our Audit amount for

the Agency's annual financial audit. In addition, the agency is requesting \$200.0 from the purse account in its other state funds section. The agency has requested \$300.0 in FY26; however, due to declining revenue, the agency will need to increase from \$300.0 in other state funds to \$500.0 in FY27.

- 400 – Other – the appropriation request in the other category remained flat with FY26 operating budget with the exception to increase in GSD and DoIT rates. The RFP for the building lease has finished and rent increased due to economic factors that have increased the pricing of almost all goods and services in the State. The final increase in this category is in other state funds, the agency is requesting \$100.0 additional in other state funding because of Jockey/Exercise Rider insurance increases.

In FY25, the agency generated \$914,120.69 in revenue for the General Fund and the Current Year School Fund through pari-mutuel taxes, fines, and licensing. Overall, the New Mexico Racing Commission's budget remained flat with the exception of GSD/DoIT rate increase. The agency has accomplished a lot of goals with a small team and budget; and with the supplemental that was approved by the Governor's office, we hope to enhance the safety and welfare of the equine athlete. In FY24, the agency dealt with a catastrophic injury rate that was over two times the national average, prompting a mandate to improve the welfare of racehorses in New Mexico and the realization that additional funds and staff are needed to properly care for the equine athlete.

Respectfully,

A handwritten signature in black ink, appearing to read 'Ismael Trejo', written in a cursive style.

Ismael "Izzy" Trejo
NMRC Executive Director

**APPROPRIATION REQUEST
CERTIFICATION
FORM S-1**

Agency Name: State Racing Commission

Business Unit: 46900

I hereby certify that the accompanying summary and detailed statements are true and correct to the best of my knowledge and belief and that the arithmetic accuracy of all numeric information has been verified.



Ismael "Izzy" Trejo, Director



Billy Smith, Chairman



Amber Trujillo, Chief Financial Officer

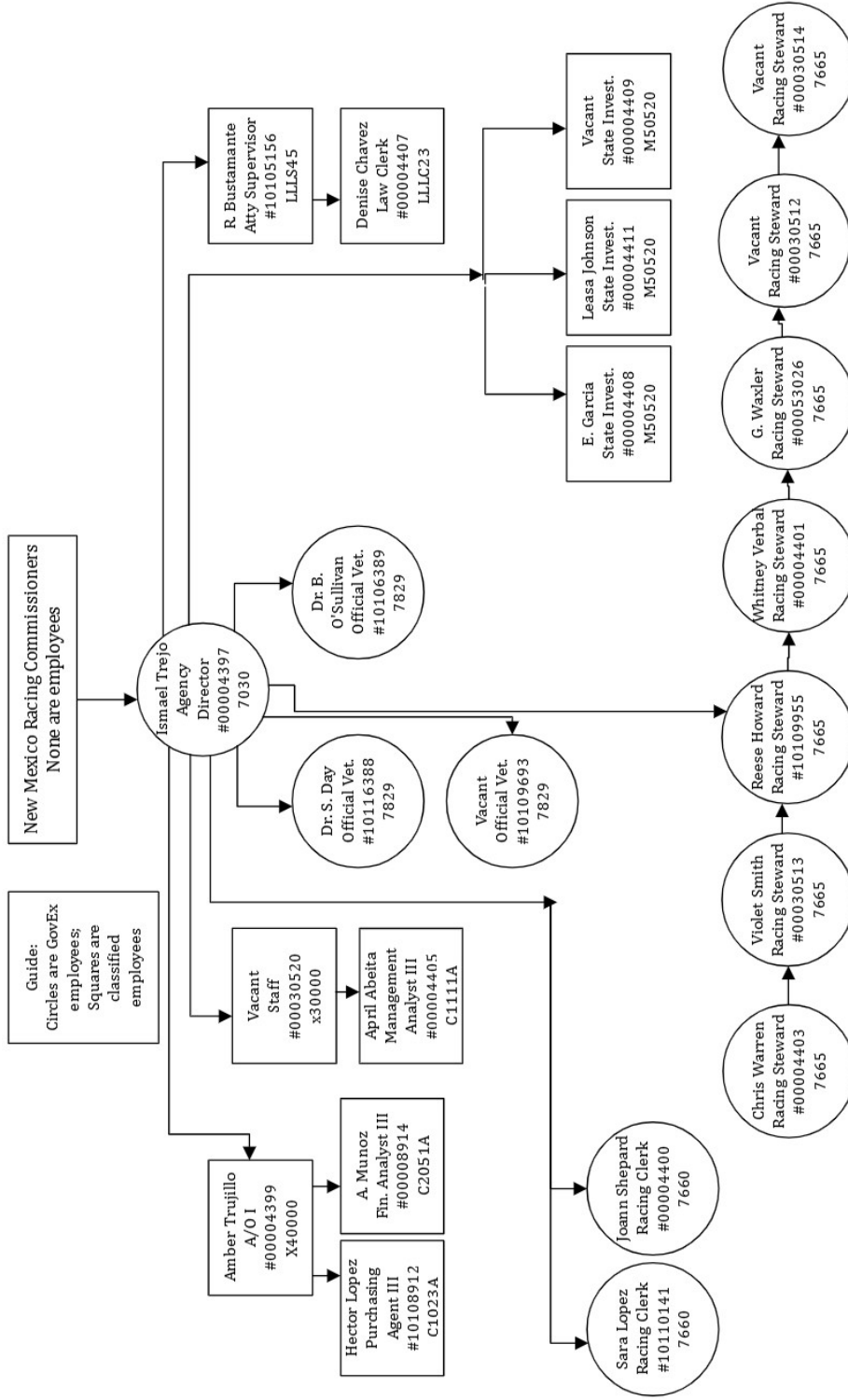
4900 Alameda Blvd. NE,
Suite A
Albuquerque, NM 87113

505-859-2366

Amber.Trujillo@rc.nm.gov

Note: Appropriation Requests for agencies headed by a board or commission must be approved by the board or commission by official action and signed by the chairperson. Operating Budgets of other agencies must be signed by the director or secretary. Appropriation Requests not properly signed will be returned.

APPROPRIATION REQUEST ORGANIZATION CHART FORM S-2



S-8 Financial Summary

BU PCode Department
46900 0000 00000000000

(Dollars in Thousands)

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	Base	Expansion	Total
REVENUE							
111 General Fund Transfers	3,062.1	2,987.4	3,417.1	0.0	3,764.7	0.0	3,764.7
112 Other Transfers	0.0	74.7	0.0	0.0	0.0	0.0	0.0
130 Other Revenues	4,000.0	4,034.3	4,000.0	0.0	4,300.0	0.0	4,300.0
REVENUE, TRANSFERS	7,062.1	7,096.4	7,417.1	0	8,064.7	0.0	8,064.7
REVENUE	7,062.1	7,096.4	7,417.1	0	8,064.7	0.0	8,064.7
EXPENSE							
200 Personal services and employee benefits	2,198.6	2,023.2	2,636.5	3,085.0	2,957.8	0.0	2,957.8
300 Contractual services	3,039.9	2,008.5	2,941.6	0.0	3,145.6	0.0	3,145.6
400 Other	1,823.6	1,456.2	1,839.0	0.0	1,961.3	0.0	1,961.3
EXPENDITURES	7,062.1	5,487.8	7,417.1	3,084.97	8,064.7	0.0	8,064.7
EXPENSE	7,062.1	5,487.8	7,417.1	3,084.97	8,064.7	0.0	8,064.7
FTE POSITIONS							
810 Permanent	21.90	0.00	21.90	24.00	22.90	0.00	22.90
FTEs	21.90	0.00	21.90	24.00	22.90	0.00	22.90
FTE POSITIONS	21.90	0.00	21.90	24.00	22.90	0.00	22.90

S-8 Financial Summary

(Dollars in Thousands)

BU PCode Department
46900 P681 000000

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	Base	Expansion	Total
REVENUE							
111 General Fund Transfers	3,062.1	2,987.4	3,417.1	0.0	3,764.7	0.0	3,764.7
112 Other Transfers	0.0	74.7	0.0	0.0	0.0	0.0	0.0
130 Other Revenues	4,000.0	4,034.3	4,000.0	0.0	4,300.0	0.0	4,300.0
REVENUE, TRANSFERS	7,062.1	7,096.4	7,417.1	0.0	8,064.7	0.0	8,064.7
REVENUE	7,062.1	7,096.4	7,417.1	0.0	8,064.7	0.0	8,064.7
EXPENSE							
200 Personal services and employee benefits	2,198.6	2,023.2	2,636.5	3,085.0	2,957.8	0.0	2,957.8
300 Contractual services	3,039.9	2,008.5	2,941.6	0.0	3,145.6	0.0	3,145.6
400 Other	1,823.6	1,456.2	1,839.0	0.0	1,961.3	0.0	1,961.3
EXPENDITURES	7,062.1	5,487.8	7,417.1	3,084.97	8,064.7	0.0	8,064.7
EXPENSE	7,062.1	5,487.8	7,417.1	3,084.97	8,064.7	0.0	8,064.7
FTE POSITIONS							
810 Permanent	21.90	0.00	21.90	24.00	22.90	0.00	22.90
FTEs	21.90	0.00	21.90	24.00	22.90	0.00	22.90
FTE POSITIONS	21.90	0.00	21.90	24.00	22.90	0.00	22.90

State Racing Commission

State of New Mexico

S-9 Account Code Revenue/Expenditure Summary

(Dollars in Thousands)

BU PCode Department
46900 0000 0000000000

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	----- Base	----- Expansion	----- Total
499105 General Fd. Appropriation	3,062.1	2,987.4	3,417.1	0.0	3,764.7	0.0	3,764.7
111 General Fund Transfers	3,062.1	2,987.4	3,417.1	0.0	3,764.7	0.0	3,764.7
499905 Other Financing Sources	0.0	74.7	0.0	0.0	0.0	0.0	0.0
112 Other Transfers	0.0	74.7	0.0	0.0	0.0	0.0	0.0
409201 Pari-Mutuel Tax	700.0	446.7	700.0	0.0	700.0	0.0	700.0
409801 Gaming Tax	0.0	0.0	0.0	0.0	500.0	0.0	500.0
413302 Racing Daily License Fees	0.0	6.2	0.0	0.0	0.0	0.0	0.0
418902 Other Filing Fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
422302 Horse Inspection Fees	0.0	72.3	0.0	0.0	0.0	0.0	0.0
422902 Other Fees	3,000.0	3,509.1	3,000.0	0.0	3,100.0	0.0	3,100.0
424902 Other Intra State Services	300.0	0.0	300.0	0.0	0.0	0.0	0.0
130 Other Revenues	4,000.0	4,034.3	4,000.0	0.0	4,300.0	0.0	4,300.0
TOTAL REVENUE	7,062.1	7,096.4	7,417.1	0	8,064.7	0.0	8,064.7
520100 Exempt Perm Positions P/T&F/T	563.1	708.4	748.7	1,318.5	760.9	0.0	760.9
520200 Term Positions	48.7	50.4	61.8	1.0	61.6	0.0	61.6
520300 Classified Perm Positions FT	890.4	647.1	933.0	955.8	1,022.9	0.0	1,022.9
520700 Overtime & Other Premium Pay	15.0	7.5	15.0	0.0	15.0	0.0	15.0
520800 Annl & Comp Paid At Separation	8.1	10.4	8.1	0.0	8.1	0.0	8.1
521100 Group Insurance Premium	124.2	84.0	123.3	175.9	111.0	0.0	111.0
521200 Retirement Contributions	268.4	257.5	359.0	445.7	320.4	0.0	320.4
521300 F I C A	118.2	101.3	155.3	140.1	134.4	0.0	134.4
521400 Workers' Comp Assessment Fee	0.2	0.2	0.8	0.0	0.8	0.0	0.8
521410 GSD Work Comp Insur Premium	1.0	1.0	1.2	0.0	1.1	0.0	1.1
521500 Unemployment Comp Premium	6.5	6.5	0.0	0.0	13.9	0.0	13.9
521600 Employee Liability Ins Premium	122.2	122.2	191.2	0.0	472.5	0.0	472.5
521700 RHC Act Contributions	32.6	26.8	39.1	48.0	35.2	0.0	35.2
200 Personal services and employee benef	2,198.6	2,023.2	2,636.5	3,085.0	2,957.8	0.0	2,957.8
535100 Medical Services	1,000.0	445.2	1,000.0	0.0	1,200.0	0.0	1,200.0
535200 Professional Services	416.2	41.1	216.0	0.0	216.0	0.0	216.0
535300 Other Services	1,501.2	1,447.3	1,601.4	0.0	1,601.4	0.0	1,601.4
535309 Other Services - Interagency	92.0	40.6	92.0	0.0	92.0	0.0	92.0
535400 Audit Services	25.0	25.3	26.2	0.0	30.2	0.0	30.2
535500 Attorney Services	5.5	9.0	6.0	0.0	6.0	0.0	6.0

State Racing Commission

State of New Mexico

S-9 Account Code Revenue/Expenditure Summary

BU PCode Department
46900 0000 0000000000

(Dollars in Thousands)

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	Base	Expansion	Total
300 Contractual services	3,039.9	2,008.5	2,941.6	0.0	3,145.6	0.0	3,145.6
542100 Employee I/S Mileage & Fares	4.4	2.5	4.4	0.0	4.4	0.0	4.4
542200 Employee I/S Meals & Lodging	85.0	118.7	102.0	0.0	119.0	0.0	119.0
542300 Brd & Comm Mbr Meals & Lodging	1.7	0.7	1.5	0.0	1.5	0.0	1.5
542310 Brd & Comm Mbr Mileage & Fares	2.1	3.5	2.7	0.0	2.7	0.0	2.7
542500 Transp - Fuel & Oil	12.0	4.4	8.0	0.0	8.0	0.0	8.0
542600 Transp - Parts & Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
542700 Transp - Transp Insurance	0.4	0.4	0.5	0.0	0.4	0.0	0.4
542800 State Transp Pool Charges	16.3	11.0	22.4	0.0	17.0	0.0	17.0
543200 Maint - Furn, Fixt, Equipment	0.0	0.1	0.0	0.0	0.0	0.0	0.0
543400 Maint - Property Insurance	0.1	0.0	0.0	0.0	0.0	0.0	0.0
543500 Maint - Supplies	0.1	0.0	0.1	0.0	0.1	0.0	0.1
543820 Maintenance IT	1.5	3.2	2.3	0.0	2.3	0.0	2.3
544000 Supply Inventory IT	11.8	5.4	11.8	0.0	11.8	0.0	11.8
544100 Supplies-Office Supplies	3.8	1.8	3.8	0.0	3.8	0.0	3.8
544200 Supplies-Medical,Lab,Personal	1.0	0.2	14.0	0.0	14.0	0.0	14.0
544400 Supplies-Field Supplies	0.0	0.2	0.0	0.0	0.0	0.0	0.0
544900 Supplies-Inventory Exempt	4.8	0.6	4.0	0.0	4.0	0.0	4.0
545600 Reporting & Recording	5.1	6.8	8.0	0.0	8.0	0.0	8.0
545700 ISD Services	18.0	18.2	21.6	0.0	49.3	0.0	49.3
545710 DOIT HCM Assessment Fees	7.6	7.2	8.1	0.0	8.2	0.0	8.2
545900 Printing & Photo Services	2.9	2.6	2.5	0.0	2.5	0.0	2.5
546100 Postage & Mail Services	13.0	2.3	13.0	0.0	13.0	0.0	13.0
546300 Utilities	0.0	0.0	15.0	0.0	0.0	0.0	0.0
546400 Rent Of Land & Buildings	74.0	72.6	125.0	0.0	123.0	0.0	123.0
546500 Rent Of Equipment	7.0	3.1	5.0	0.0	5.0	0.0	5.0
546610 DOIT Telecommunications	18.0	19.2	19.2	0.0	19.2	0.0	19.2
546700 Subscriptions/Dues/License Fee	13.1	12.9	13.1	0.0	13.1	0.0	13.1
546800 Employee Training & Education	6.1	3.0	5.0	0.0	5.0	0.0	5.0
546900 Advertising	0.6	2.8	5.0	0.0	5.0	0.0	5.0
547360 Insurance Premiums-non_payroll	1,500.0	1,143.6	1,400.0	0.0	1,500.0	0.0	1,500.0
547900 Miscellaneous Expense	1.0	0.4	1.0	0.0	1.0	0.0	1.0
548300 Information Tech Equipment	0.0	0.6	0.0	0.0	0.0	0.0	0.0

State Racing Commission

State of New Mexico

BU PCode Department
46900 0000 0000000000

S-9 Account Code Revenue/Expenditure Summary
(Dollars in Thousands)

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	FY 2027 Agency Request		
					Base	Expansion	Total
549600 Employee O/S Mileage & Fares	4.0	2.9	8.0	0.0	8.0	0.0	8.0
549700 Employee O/S Meals & Lodging	8.2	5.4	12.0	0.0	12.0	0.0	12.0
400 Other	1,823.6	1,456.2	1,839.0	0.0	1,961.3	0.0	1,961.3
TOTAL EXPENSE	7,062.1	5,487.8	7,417.1	3,084.97	8,064.7	0.0	8,064.7
810 Permanent	21.90	0.00	21.90	24.00	22.90	0.00	22.90
810 Permanent	21.90	0.00	21.90	24.00	22.90	0.00	22.90
820 Term	0.00	0.00	0.00	0.00	0.00	0.00	0.00
820 Term	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FTE POSITIONS	21.90	0.00	21.90	24.00	22.90	0.00	22.90

Horse Racing Regulation

BU PCode Department
46900 P681 000000

State of New Mexico

S-9 Account Code Revenue/Expenditure Summary
(Dollars in Thousands)

	2024-25		2024-25		2025-26		2026-27		FY 2027 Agency Request	
	Opbud	Actuals	Opbud	Actuals	Opbud	Opbud	PCF Proj	Base	Expansion	Total
499105 General Fd. Appropriation	3,062.1	2,987.4	3,417.1	0.0	3,764.7	0.0	3,764.7	0.0	0.0	3,764.7
111 General Fund Transfers	3,062.1	2,987.4	3,417.1	0.0	3,764.7	0.0	3,764.7	0.0	0.0	3,764.7
499905 Other Financing Sources	0.0	74.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
112 Other Transfers	0.0	74.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
409201 Pari-Mutuel Tax	700.0	446.7	700.0	0.0	700.0	0.0	700.0	0.0	0.0	700.0
409801 Gaming Tax	0.0	0.0	0.0	0.0	500.0	0.0	500.0	0.0	0.0	500.0
413302 Racing Daily License Fees	0.0	6.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
418902 Other Filing Fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
422302 Horse Inspection Fees	0.0	72.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
422902 Other Fees	3,000.0	3,509.1	3,000.0	0.0	3,100.0	0.0	3,100.0	0.0	0.0	3,100.0
424902 Other Intra State Services	300.0	0.0	300.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
130 Other Revenues	4,000.0	4,034.3	4,000.0	0.0	4,300.0	0.0	4,300.0	0.0	0.0	4,300.0
TOTAL REVENUE	7,062.1	7,096.4	7,417.1	0.0	8,064.7	0.0	8,064.7	0.0	0.0	8,064.7
520100 Exempt Perm Positions P/T&FT	563.1	708.4	748.7	1,318.5	760.9	0.0	760.9	0.0	0.0	760.9
520200 Term Positions	48.7	50.4	61.8	1.0	61.6	0.0	61.6	0.0	0.0	61.6
520300 Classified Perm Positions FT	890.4	647.1	933.0	955.8	1,022.9	0.0	1,022.9	0.0	0.0	1,022.9
520700 Overtime & Other Premium Pay	15.0	7.5	15.0	0.0	15.0	0.0	15.0	0.0	0.0	15.0
520800 Annl & Comp Paid At Separation	8.1	10.4	8.1	0.0	8.1	0.0	8.1	0.0	0.0	8.1
521100 Group Insurance Premium	124.2	84.0	123.3	175.9	111.0	0.0	111.0	0.0	0.0	111.0
521200 Retirement Contributions	268.4	257.5	359.0	445.7	320.4	0.0	320.4	0.0	0.0	320.4
521300 F I C A	118.2	101.3	155.3	140.1	134.4	0.0	134.4	0.0	0.0	134.4
521400 Workers' Comp Assessment Fee	0.2	0.2	0.8	0.0	0.8	0.0	0.8	0.0	0.0	0.8
521410 GSD Work Comp Insur Premium	1.0	1.0	1.2	0.0	1.1	0.0	1.1	0.0	0.0	1.1
521500 Unemployment Comp Premium	6.5	6.5	0.0	0.0	13.9	0.0	13.9	0.0	0.0	13.9
521600 Employee Liability Ins Premium	122.2	122.2	191.2	0.0	472.5	0.0	472.5	0.0	0.0	472.5
521700 RHC Act Contributions	32.6	26.8	39.1	48.0	35.2	0.0	35.2	0.0	0.0	35.2
200 Personal services and employee benef	2,198.6	2,023.2	2,636.5	3,085.0	2,957.8	0.0	2,957.8	0.0	0.0	2,957.8
535100 Medical Services	1,000.0	445.2	1,000.0	0.0	1,200.0	0.0	1,200.0	0.0	0.0	1,200.0
535200 Professional Services	416.2	41.1	216.0	0.0	216.0	0.0	216.0	0.0	0.0	216.0
535300 Other Services	1,501.2	1,447.3	1,601.4	0.0	1,601.4	0.0	1,601.4	0.0	0.0	1,601.4
535309 Other Services - Interagency	92.0	40.6	92.0	0.0	92.0	0.0	92.0	0.0	0.0	92.0
535400 Audit Services	25.0	25.3	26.2	0.0	30.2	0.0	30.2	0.0	0.0	30.2
535500 Attorney Services	5.5	9.0	6.0	0.0	6.0	0.0	6.0	0.0	0.0	6.0

Horse Racing Regulation

BU PCode Department
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S-9 Account Code Revenue/Expenditure Summary
(Dollars in Thousands)

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	Base	Expansion	Total
300 Contractual services	3,039.9	2,008.5	2,941.6	0.0	3,145.6	0.0	3,145.6
542100 Employee I/S Mileage & Fares	4.4	2.5	4.4	0.0	4.4	0.0	4.4
542200 Employee I/S Meals & Lodging	85.0	118.7	102.0	0.0	119.0	0.0	119.0
542300 Brd & Comm Mbr Meals & Lodging	1.7	0.7	1.5	0.0	1.5	0.0	1.5
542310 Brd & Comm Mbr Mileage & Fares	2.1	3.5	2.7	0.0	2.7	0.0	2.7
542500 Transp - Fuel & Oil	12.0	4.4	8.0	0.0	8.0	0.0	8.0
542600 Transp - Parts & Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
542700 Transp - Transp Insurance	0.4	0.4	0.5	0.0	0.4	0.0	0.4
542800 State Transp Pool Charges	16.3	11.0	22.4	0.0	17.0	0.0	17.0
543200 Maint - Furn, Fixt, Equipment	0.0	0.1	0.0	0.0	0.0	0.0	0.0
543400 Maint - Property Insurance	0.1	0.0	0.0	0.0	0.0	0.0	0.0
543500 Maint - Supplies	0.1	0.0	0.1	0.0	0.1	0.0	0.1
543820 Maintenance IT	1.5	3.2	2.3	0.0	2.3	0.0	2.3
544000 Supply Inventory IT	11.8	5.4	11.8	0.0	11.8	0.0	11.8
544100 Supplies-Office Supplies	3.8	1.8	3.8	0.0	3.8	0.0	3.8
544200 Supplies-Medical,Lab,Personal	1.0	0.2	14.0	0.0	14.0	0.0	14.0
544400 Supplies-Field Supplies	0.0	0.2	0.0	0.0	0.0	0.0	0.0
544900 Supplies-Inventory Exempt	4.8	0.6	4.0	0.0	4.0	0.0	4.0
545600 Reporting & Recording	5.1	6.8	8.0	0.0	8.0	0.0	8.0
545700 ISD Services	18.0	18.2	21.6	0.0	49.3	0.0	49.3
545710 DOIT HCM Assessment Fees	7.6	7.2	8.1	0.0	8.2	0.0	8.2
545900 Printing & Photo Services	2.9	2.6	2.5	0.0	2.5	0.0	2.5
546100 Postage & Mail Services	13.0	2.3	13.0	0.0	13.0	0.0	13.0
546300 Utilities	0.0	0.0	15.0	0.0	0.0	0.0	0.0
546400 Rent Of Land & Buildings	74.0	72.6	125.0	0.0	123.0	0.0	123.0
546500 Rent Of Equipment	7.0	3.1	5.0	0.0	5.0	0.0	5.0
546610 DOIT Telecommunications	18.0	19.2	19.2	0.0	19.2	0.0	19.2
546700 Subscriptions/Dues/License Fee	13.1	12.9	13.1	0.0	13.1	0.0	13.1
546800 Employee Training & Education	6.1	3.0	5.0	0.0	5.0	0.0	5.0
546900 Advertising	0.6	2.8	5.0	0.0	5.0	0.0	5.0
547360 Insurance Premiums-non_payroll	1,500.0	1,143.6	1,400.0	0.0	1,500.0	0.0	1,500.0
547900 Miscellaneous Expense	1.0	0.4	1.0	0.0	1.0	0.0	1.0
548300 Information Tech Equipment	0.0	0.6	0.0	0.0	0.0	0.0	0.0
549600 Employee O/S Mileage & Fares	4.0	2.9	8.0	0.0	8.0	0.0	8.0

S-9 Account Code Revenue/Expenditure Summary
 (Dollars in Thousands)

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	----- FY 2027 Agency Request -----		
					Base	Expansion	Total
549700 Employee O/S Meals & Lodging	8.2	5.4	12.0	0.0	12.0	0.0	12.0
400 Other	1,823.6	1,456.2	1,839.0	0.0	1,961.3	0.0	1,961.3
TOTAL EXPENSE	7,062.1	5,487.8	7,417.1	3,085.0	8,064.7	0.0	8,064.7
810 Permanent	21.90	0.00	21.90	24.00	22.90	0.00	22.90
810 Permanent	21.90	0.00	21.90	24.00	22.90	0.00	22.90
820 Term	0.00	0.00	0.00	0.00	0.00	0.00	0.00
820 Term	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FTE POSITIONS	21.90	0.00	21.90	24.00	22.90	0.00	22.90

State Racing Commission

BU PCode Department
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S-9 Account Code Revenue Summary
(Dollars in Thousands)

Provider PCode	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	FY 2027 Agency Request		Total
					Base	Expansion	
499105 General Fd. Appropriation	3,062.1	2,987.4	0.0	0.0	3,764.7	0.0	3,764.7
111 General Fund Transfers	3,062.1	2,987.4	3,417.1	0.0	3,764.7	0.0	3,764.7
499905 Other Financing Sources	0.0	74.7	0.0	0.0	0.0	0.0	0.0
112 Other Transfers	0.0	74.7	0.0	0.0	0.0	0.0	0.0
409201 Pari-Mutuel Tax	700.0	446.7	0.0	0.0	700.0	0.0	700.0
409801 Gaming Tax	0.0	0.0	0.0	0.0	500.0	0.0	500.0
413302 Racing Daily License Fees	0.0	6.2	0.0	0.0	0.0	0.0	0.0
418902 Other Filing Fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
422302 Horse Inspection Fees	0.0	72.3	0.0	0.0	0.0	0.0	0.0
422902 Other Fees	3,000.0	3,509.1	0.0	0.0	3,100.0	0.0	3,100.0
424902 Other Intra State Services	300.0	0.0	0.0	0.0	0.0	0.0	0.0
130 Other Revenues	4,000.0	4,034.3	4,000.0	0.0	4,300.0	0.0	4,300.0
TOTAL REVENUE	7,062.1	7,096.4	7,417.1	0	8,064.7	0.0	8,064.7

S-9 Account Code Revenue Summary
 (Dollars in Thousands)

Provider PCode	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	----- FY 2027 Agency Request -----		
					Base	Expansion	Total
499105 General Fd. Appropriation	3,062.1	2,987.4	3,417.1	0.0	3,764.7	0.0	3,764.7
111 General Fund Transfers	3,062.1	2,987.4	3,417.1	0.0	3,764.7	0.0	3,764.7
499905 Other Financing Sources	0.0	74.7	0.0	0.0	0.0	0.0	0.0
112 Other Transfers	0.0	74.7	0.0	0.0	0.0	0.0	0.0
409201 Pari-Mutuel Tax	700.0	446.7	700.0	0.0	700.0	0.0	700.0
409801 Gaming Tax	0.0	0.0	0.0	0.0	500.0	0.0	500.0
413302 Racing Daily License Fees	0.0	6.2	0.0	0.0	0.0	0.0	0.0
418902 Other Filing Fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
422302 Horse Inspection Fees	0.0	72.3	0.0	0.0	0.0	0.0	0.0
422902 Other Fees	3,000.0	3,509.1	3,000.0	0.0	3,100.0	0.0	3,100.0
424902 Other Intra State Services	300.0	0.0	300.0	0.0	0.0	0.0	0.0
130 Other Revenues	4,000.0	4,034.3	4,000.0	0.0	4,300.0	0.0	4,300.0
TOTAL REVENUE	7,062.1	7,096.4	7,417.1	0.0	8,064.7	0.0	8,064.7

State Racing Commission

BU PCode Department
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S-9 Account Code Expenditure Summary
(Dollars in Thousands)

	2024-25		2024-25		2025-26		2026-27		FY 2027 Agency Request		Total
	Opbud	Actuals	Opbud	PCF Proj	Opbud	PCF Proj	Base	Expansion	Base	Expansion	
520100 Exempt Perm Positions P/T&FT	563.1	708.4	748.7	1,318.5	760.9	0.0	760.9	0.0	760.9	0.0	760.9
520200 Term Positions	48.7	50.4	61.8	1.0	61.6	0.0	61.6	0.0	61.6	0.0	61.6
520300 Classified Perm Positions F/T	890.4	647.1	933.0	955.8	1,022.9	0.0	1,022.9	0.0	1,022.9	0.0	1,022.9
520700 Overtime & Other Premium Pay	15.0	7.5	15.0	0.0	15.0	0.0	15.0	0.0	15.0	0.0	15.0
520800 Annl & Comp Paid At Separation	8.1	10.4	8.1	0.0	8.1	0.0	8.1	0.0	8.1	0.0	8.1
521100 Group Insurance Premium	124.2	84.0	123.3	175.9	111.0	0.0	111.0	0.0	111.0	0.0	111.0
521200 Retirement Contributions	268.4	257.5	359.0	445.7	320.4	0.0	320.4	0.0	320.4	0.0	320.4
521300 F I C A	118.2	101.3	155.3	140.1	134.4	0.0	134.4	0.0	134.4	0.0	134.4
521400 Workers' Comp Assessment Fee	0.2	0.2	0.8	0.0	0.8	0.0	0.8	0.0	0.8	0.0	0.8
521410 GSD Work Comp Insur Premium	1.0	1.0	1.2	0.0	1.1	0.0	1.1	0.0	1.1	0.0	1.1
521500 Unemployment Comp Premium	6.5	6.5	0.0	0.0	13.9	0.0	13.9	0.0	13.9	0.0	13.9
521600 Employee Liability Ins Premium	122.2	122.2	191.2	0.0	472.5	0.0	472.5	0.0	472.5	0.0	472.5
521700 RHC Act Contributions	32.6	26.8	39.1	48.0	35.2	0.0	35.2	0.0	35.2	0.0	35.2
200 Personal services and employee benefits	2,198.6	2,023.2	2,636.5	3,085.0	2,957.8	0.0	2,957.8	0.0	2,957.8	0.0	2,957.8
535100 Medical Services	1,000.0	445.2	1,000.0	0.0	1,200.0	0.0	1,200.0	0.0	1,200.0	0.0	1,200.0
535200 Professional Services	416.2	41.1	216.0	0.0	216.0	0.0	216.0	0.0	216.0	0.0	216.0
535300 Other Services	1,501.2	1,447.3	1,601.4	0.0	1,601.4	0.0	1,601.4	0.0	1,601.4	0.0	1,601.4
535309 Other Services - Interagency	92.0	40.6	92.0	0.0	92.0	0.0	92.0	0.0	92.0	0.0	92.0
535400 Audit Services	25.0	25.3	26.2	0.0	30.2	0.0	30.2	0.0	30.2	0.0	30.2
535500 Attorney Services	5.5	9.0	6.0	0.0	6.0	0.0	6.0	0.0	6.0	0.0	6.0
300 Contractual services	3,039.9	2,008.5	2,941.6	0.0	3,145.6	0.0	3,145.6	0.0	3,145.6	0.0	3,145.6
542100 Employee I/S Mileage & Fares	4.4	2.5	4.4	0.0	4.4	0.0	4.4	0.0	4.4	0.0	4.4
542200 Employee I/S Meals & Lodging	85.0	118.7	102.0	0.0	119.0	0.0	119.0	0.0	119.0	0.0	119.0
542300 Brd & Comm Mbr Meals & Lodgin	1.7	0.7	1.5	0.0	1.5	0.0	1.5	0.0	1.5	0.0	1.5
542310 Brd & Comm Mbr Mileage & Fares	2.1	3.5	2.7	0.0	2.7	0.0	2.7	0.0	2.7	0.0	2.7
542500 Transp - Fuel & Oil	12.0	4.4	8.0	0.0	8.0	0.0	8.0	0.0	8.0	0.0	8.0
542600 Transp - Parts & Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
542700 Transp - Transp Insurance	0.4	0.4	0.5	0.0	0.4	0.0	0.4	0.0	0.4	0.0	0.4
542800 State Transp Pool Charges	16.3	11.0	22.4	0.0	17.0	0.0	17.0	0.0	17.0	0.0	17.0
543200 Maint - Furn, Fixt, Equipment	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
543400 Maint - Property Insurance	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
543500 Maint - Supplies	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.1

State of New Mexico

State Racing Commission

BU PCode Department
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S-9 Account Code Expenditure Summary
(Dollars in Thousands)

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	Base	Expansion	Total
543820 Maintenance IT	1.5	3.2	2.3	0.0	2.3	0.0	2.3
544000 Supply Inventory IT	11.8	5.4	11.8	0.0	11.8	0.0	11.8
544100 Supplies-Office Supplies	3.8	1.8	3.8	0.0	3.8	0.0	3.8
544200 Supplies-Medical,Lab,Personal	1.0	0.2	14.0	0.0	14.0	0.0	14.0
544400 Supplies-Field Supplies	0.0	0.2	0.0	0.0	0.0	0.0	0.0
544900 Supplies-Inventory Exempt	4.8	0.6	4.0	0.0	4.0	0.0	4.0
545600 Reporting & Recording	5.1	6.8	8.0	0.0	8.0	0.0	8.0
545700 ISD Services	18.0	18.2	21.6	0.0	49.3	0.0	49.3
545710 DOIT HCM Assessment Fees	7.6	7.2	8.1	0.0	8.2	0.0	8.2
545900 Printing & Photo Services	2.9	2.6	2.5	0.0	2.5	0.0	2.5
546100 Postage & Mail Services	13.0	2.3	13.0	0.0	13.0	0.0	13.0
546300 Utilities	0.0	0.0	15.0	0.0	0.0	0.0	0.0
546400 Rent Of Land & Buildings	74.0	72.6	125.0	0.0	123.0	0.0	123.0
546500 Rent Of Equipment	7.0	3.1	5.0	0.0	5.0	0.0	5.0
546610 DOIT Telecommunications	18.0	19.2	19.2	0.0	19.2	0.0	19.2
546700 Subscriptions/Dues/License Fee	13.1	12.9	13.1	0.0	13.1	0.0	13.1
546800 Employee Training & Education	6.1	3.0	5.0	0.0	5.0	0.0	5.0
546900 Advertising	0.6	2.8	5.0	0.0	5.0	0.0	5.0
547360 Insurance Premiums-non_payroll	1,500.0	1,143.6	1,400.0	0.0	1,500.0	0.0	1,500.0
547900 Miscellaneous Expense	1.0	0.4	1.0	0.0	1.0	0.0	1.0
548300 Information Tech Equipment	0.0	0.6	0.0	0.0	0.0	0.0	0.0
549600 Employee O/S Mileage & Fares	4.0	2.9	8.0	0.0	8.0	0.0	8.0
549700 Employee O/S Meals & Lodging	8.2	5.4	12.0	0.0	12.0	0.0	12.0
400 Other	1,823.6	1,456.2	1,839.0	0.0	1,961.3	0.0	1,961.3
TOTAL EXPENSE	7,062.1	5,487.8	7,417.1	3,084.97	8,064.7	0.0	8,064.7

Horse Racing Regulation

BU PCode Department
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State of New Mexico

S-9 Account Code Expenditure Summary
(Dollars in Thousands)

	2024-25		2024-25		2025-26		2026-27		FY 2027 Agency Request	
	Opbud	Actuals	Opbud	PCF Proj	Opbud	PCF Proj	Base	Expansion	Total	Total
520100 Exempt Perm Positions P/T&FT	563.1	708.4	748.7	1,318.5	760.9	0.0	0.0	760.9	0.0	760.9
520200 Term Positions	48.7	50.4	61.8	1.0	61.6	0.0	0.0	61.6	0.0	61.6
520300 Classified Perm Positions F/T	890.4	647.1	933.0	955.8	1,022.9	0.0	0.0	1,022.9	0.0	1,022.9
520700 Overtime & Other Premium Pay	15.0	7.5	15.0	0.0	15.0	0.0	0.0	15.0	0.0	15.0
520800 Annl & Comp Paid At Separation	8.1	10.4	8.1	0.0	8.1	0.0	0.0	8.1	0.0	8.1
521100 Group Insurance Premium	124.2	84.0	123.3	175.9	111.0	0.0	0.0	111.0	0.0	111.0
521200 Retirement Contributions	268.4	257.5	359.0	445.7	320.4	0.0	0.0	320.4	0.0	320.4
521300 F I C A	118.2	101.3	155.3	140.1	134.4	0.0	0.0	134.4	0.0	134.4
521400 Workers' Comp Assessment Fee	0.2	0.2	0.8	0.0	0.8	0.0	0.0	0.8	0.0	0.8
521410 GSD Work Comp Insur Premium	1.0	1.0	1.2	0.0	1.1	0.0	0.0	1.1	0.0	1.1
521500 Unemployment Comp Premium	6.5	6.5	0.0	0.0	13.9	0.0	0.0	13.9	0.0	13.9
521600 Employee Liability Ins Premium	122.2	122.2	191.2	0.0	472.5	0.0	0.0	472.5	0.0	472.5
521700 RHC Act Contributions	32.6	26.8	39.1	48.0	35.2	0.0	0.0	35.2	0.0	35.2
200 Personal services and employe	2,198.6	2,023.2	2,636.5	3,085.0	2,957.8	0.0	0.0	2,957.8	0.0	2,957.8
535100 Medical Services	1,000.0	445.2	1,000.0	0.0	1,200.0	0.0	0.0	1,200.0	0.0	1,200.0
535200 Professional Services	416.2	41.1	216.0	0.0	216.0	0.0	0.0	216.0	0.0	216.0
535300 Other Services	1,501.2	1,447.3	1,601.4	0.0	1,601.4	0.0	0.0	1,601.4	0.0	1,601.4
535309 Other Services - Interagency	92.0	40.6	92.0	0.0	92.0	0.0	0.0	92.0	0.0	92.0
535400 Audit Services	25.0	25.3	26.2	0.0	30.2	0.0	0.0	30.2	0.0	30.2
535500 Attorney Services	5.5	9.0	6.0	0.0	6.0	0.0	0.0	6.0	0.0	6.0
300 Contractual services	3,039.9	2,008.5	2,941.6	0.0	3,145.6	0.0	0.0	3,145.6	0.0	3,145.6
542100 Employee I/S Mileage & Fares	4.4	2.5	4.4	0.0	4.4	0.0	0.0	4.4	0.0	4.4
542200 Employee I/S Meals & Lodging	85.0	118.7	102.0	0.0	119.0	0.0	0.0	119.0	0.0	119.0
542300 Brd & Comm Mbr Meals & Lodgin	1.7	0.7	1.5	0.0	1.5	0.0	0.0	1.5	0.0	1.5
542310 Brd & Comm Mbr Mileage & Fares	2.1	3.5	2.7	0.0	2.7	0.0	0.0	2.7	0.0	2.7
542500 Transp - Fuel & Oil	12.0	4.4	8.0	0.0	8.0	0.0	0.0	8.0	0.0	8.0
542600 Transp - Parts & Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
542700 Transp - Transp Insurance	0.4	0.4	0.5	0.0	0.4	0.0	0.0	0.4	0.0	0.4
542800 State Transp Pool Charges	16.3	11.0	22.4	0.0	17.0	0.0	0.0	17.0	0.0	17.0
543200 Maint - Furn, Fixt, Equipment	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
543400 Maint - Property Insurance	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
543500 Maint - Supplies	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.1	0.0	0.1
543820 Maintenance IT	1.5	3.2	2.3	0.0	2.3	0.0	0.0	2.3	0.0	2.3

Horse Racing Regulation

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S-9 Account Code Expenditure Summary
(Dollars in Thousands)

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	Base	FY 2027 Agency Request Expansion	Total
544000 Supply Inventory IT	11.8	5.4	11.8	0.0	11.8	0.0	11.8
544100 Supplies-Office Supplies	3.8	1.8	3.8	0.0	3.8	0.0	3.8
544200 Supplies-Medical, Lab, Personal	1.0	0.2	14.0	0.0	14.0	0.0	14.0
544400 Supplies-Field Supplies	0.0	0.2	0.0	0.0	0.0	0.0	0.0
544900 Supplies-Inventory Exempt	4.8	0.6	4.0	0.0	4.0	0.0	4.0
545600 Reporting & Recording	5.1	6.8	8.0	0.0	8.0	0.0	8.0
545700 ISD Services	18.0	18.2	21.6	0.0	49.3	0.0	49.3
545710 DOIT HCM Assessment Fees	7.6	7.2	8.1	0.0	8.2	0.0	8.2
545900 Printing & Photo Services	2.9	2.6	2.5	0.0	2.5	0.0	2.5
546100 Postage & Mail Services	13.0	2.3	13.0	0.0	13.0	0.0	13.0
546300 Utilities	0.0	0.0	15.0	0.0	0.0	0.0	0.0
546400 Rent Of Land & Buildings	74.0	72.6	125.0	0.0	123.0	0.0	123.0
546500 Rent Of Equipment	7.0	3.1	5.0	0.0	5.0	0.0	5.0
546610 DOIT Telecommunications	18.0	19.2	19.2	0.0	19.2	0.0	19.2
546700 Subscriptions/Dues/License Fee	13.1	12.9	13.1	0.0	13.1	0.0	13.1
546800 Employee Training & Education	6.1	3.0	5.0	0.0	5.0	0.0	5.0
546900 Advertising	0.6	2.8	5.0	0.0	5.0	0.0	5.0
547360 Insurance Premiums-non_payroll	1,500.0	1,143.6	1,400.0	0.0	1,500.0	0.0	1,500.0
547900 Miscellaneous Expense	1.0	0.4	1.0	0.0	1.0	0.0	1.0
548300 Information Tech Equipment	0.0	0.6	0.0	0.0	0.0	0.0	0.0
549600 Employee O/S Mileage & Fares	4.0	2.9	8.0	0.0	8.0	0.0	8.0
549700 Employee O/S Meals & Lodging	8.2	5.4	12.0	0.0	12.0	0.0	12.0
400 Other	1,823.6	1,456.2	1,839.0	0.0	1,961.3	0.0	1,961.3
TOTAL EXPENSE	7,062.1	5,487.8	7,417.1	3,084.97	8,064.7	0.0	8,064.7

APPROPRIATION REQUEST

FORM S-10 FUND BALANCE PROJECTION

(In Whole Dollars)

Agency: State Racing Commission	Business Unit: 46900
Fund Name: Race Horse Testing Fund	Fund Number: 12140
Legal Auth. 60-1A-14.1	

BEGINNING BALANCE

Unreserved, undesignated fund balance (not cash balance) from SHARE NMS006GL Balance Sheet Report at close of FY25	600,000
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ADJUSTMENTS

Add:

Interfund receivables, accounts receivables, and other assets not reflected in fund balance from FCD Reports at close of FY25	514,400
Other (explain in detail)	0

Deduct:

Liabilities not reflected in FCD Reports at close of FY25	0
Fund balance designated by law for future expenditure (non-reverting funds)	(600,000)
Amount due to State General Fund or other fund designated by statute	(115,000)
Other (explain in detail)	(399,400)
FY25 revision not reflected in liabilities	0
Total Adjustments	(600,000)

ADJUSTED UNRESERVED, UNDESIGNATED FUND BALANCE at close of FY25	0
--	----------

Add:

Projected revenue/sources (less fund balance budgeted) for FY26	600,000
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Deduct:

Projected total expenditures for FY26	(600,000)
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ADJUSTED UNRESERVED/UNDESIGNATED FUND BALANCE at close of FY26	0
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Add:

Projected revenue/sources (less fund balance requested) for FY27	600,000
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Deduct:

Total expenditures budgeted in appropriation request	(600,000)
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ADJUSTED UNRESERVED/UNDESIGNATED FUND BALANCE at close of FY27	0
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State of New Mexico

S-13 Line Items by Business Unit Expenditures

(Dollars in Thousands)

BusUnit	P681-R	Line Item	2024-25		2025-26		Request		Recommendation	
			Actuals	Opbud	Opbud	Base	Expansion	Base	Expansion	Opbud
46900	P681-R	Horse Racing Regulation	1	1.2	1.1	0	0	0	0	0.0
		521410 GSD Work Comp Insur Premium	6.48	0	13.9	0	0	0	0	0.0
		521500 Unemployment Comp Premium	122.16	191.2	472.5	0	0	0	0	0.0
		521600 Employee Liability Ins Premium	25.29	26.2	30.2	0	0	0	0	0.0
		535400 Audit Services	0.39	0.5	0.4	0	0	0	0	0.0
		542700 Transp - Transp Insurance	11	22.4	17	0	0	0	0	0.0
		542800 State Transp Pool Charges	18.16	21.6	49.3	0	0	0	0	0.0
		545700 ISD Services	7.18	8.1	8.2	0	0	0	0	0.0
		545710 DOIT HCM Assessment Fees	19.23	19.2	19.2	0	0	0	0	0.0
		546610 DOIT Telecommunications	210.89	290.4	611.8	0	0	0	0	0.0
		Subtotal for: 46900 P681-R Horse Racing Regulation								
			210.89	290.4	611.8	0	0	0	0	0.0

Totals by Line Item

BusUnit	Line Item	2024-25		2025-26		Request		Recommendation	
		Actuals	Opbud	Opbud	Base	Expansion	Base	Expansion	Opbud
46900	521410 GSD Work Comp Insur Premium	1	1.2	1.1	0	0	0	0	0.0
	521500 Unemployment Comp Premium	6.48	0	13.9	0	0	0	0	0.0
	521600 Employee Liability Ins Premium	122.16	191.2	472.5	0	0	0	0	0.0
	535400 Audit Services	25.29	26.2	30.2	0	0	0	0	0.0
	542700 Transp - Transp Insurance	0.39	0.5	0.4	0	0	0	0	0.0
	542800 State Transp Pool Charges	11	22.4	17	0	0	0	0	0.0
	545700 ISD Services	18.16	21.6	49.3	0	0	0	0	0.0
	545710 DOIT HCM Assessment Fees	7.18	8.1	8.2	0	0	0	0	0.0
	546610 DOIT Telecommunications	19.23	19.2	19.2	0	0	0	0	0.0
	Grand Total	210.89	290.4	611.8	0	0	0	0	0.0

State of New Mexico

S-13 Line Items by Business Unit Expenditures

(Dollars in Thousands)

BU PCode
46900 P681

Program Description:

The Horse Racing Act (HRA) enacted in 1938, allows horse racing and pari-mutuel wagering in the State of New Mexico. The State Racing Commission is charged with regulation of horse racing by live race oversight by officials, racing equine drug testing, racing financial auditing, licensing of participants and investigations of infractions.

The State Racing Commission is authorized under the authority of 60-1A-1 through 60-1 A-30, NMSA 1978. The statutes mandate the agency to regulate and enforce the statutes and the rules and regulations of the horse racing industry; and authorizes the agency to enforce and administer the statutes by allowing for the creation and enforcement of those rules and regulations with regards to the Horse Racing Act.

In addition, the statutes authorize a Governor appointed, five-member Commission, who are approved by the Senate. The agency has a staff of 21.9 full time equivalent employees. By statutory authority, the State Racing Commission sets race dates, regulates purse sizes and promulgates rules to ensure integrity of the horse racing industry in New Mexico. Patrons at the racetracks rely on the Commission to regulate the industry at a high standard to assure confidence in when placing wagers at all New Mexico horse racetracks

P-1 Program Overview

BU PCode
46900 P681

Major Issues and Accomplishments:

The agency has continued to see success with its equine drug testing program, despite lagging revenue flows for that program. For the last 5 out of 6 years, the percentage of positive drug/medication violations has been below 1% of total samples analyzed. In 2017, that number was 2.40% and in 2018 it was 1.58%. In 2024 99.07% of all samples analyzed were clean. In 2023 99.38% tested clean. Even better, in 2022 99.44% tested clean. The agency is being held in high regard by other regulators, track managements, the press, and stakeholders of the industry for detecting an illegal drug called "carmoterol" in 12 horses that competed and won over 3 million dollars in purse money on All-American Futurity day.

Cases under appeal at the administrative level have declined significantly over the last 9 years. In 2016 the agency had approximately 79 cases under appeal before a hearing officer. Currently, the agency has 5. We feel that over the last 9 years, the agency has implemented more stringent rules to filter cheaters out from participating in the industry.

Part of the decline in cases under appeal is due to the out of competition testing program on horses. Our philosophy is to take the horses that benefit from the effects of illicit drugs out of the industry before they can compete in our regulated races. We feel the out of competition testing program has been a significant reason for our post-race testing number to decline as they have.

The human drug testing and breathalyzing program has elevated the safety of races being conducted at New Mexico racetracks. The agency revamped the human drug testing rules. The new rules mandate that licensees in safety sensitive positions such as jockeys, have a zero tolerance for drugs or alcohol to be in their system.

The horse racing industry faces many challenges across the country. The most significant challenges in New Mexico are the welfare of the equine athletes, declining pari-mutuel handles and the lack of quality personnel that regulate horse racing.

Horse racing continues to try defending its social license to operate. In today's society, horses, like dogs, are now being seen and cared for more like pets than a traditional commodity used to make money for people. As society continues to evolve in that way, horse racing will face more intense scrutiny as to the premise of its existence. If racing does not have its best foot forward 100% of the time, it is a losing battle for the horse racing industry. As regulators of the sport, that is monumental. If the agency that is charged with regulating and enhancing the welfare of the racehorses does not have the funding to hire stellar veterinarians, racing stewards and investigators, horse racing in New Mexico will open itself to justified scrutiny.

Declining pari-mutuel wagering bet on the racetracks' premises is declining. A big part of that is due to a group called the New Mexico Horsemen's Association. Their colleagues in several other jurisdictions such as Kentucky, Arkansas, Ohio, Louisiana, Iowa, Arizona, and Oklahoma, pursuant to the Interstate Horseracing Act, have not approved simulcasting of their races to New Mexico. That has pushed race fans to wager with Advance Deposit Wagering platforms (ADW). One example of that is race fans in New Mexico are not permitted to wager on some of the nation's biggest events such as the Kentucky Derby, the Arkansas Derby and the popular Keeneland race meet in Kentucky. Fans are no longer going to the racetrack to bet. They are betting on the ADW platforms, such as Xpressbet, Twin Spires, TVG, NYRA Bets, AM Wager, DK Horse and Iron Bets, where a person sets up an account, loads it with adequate funds and bets from the confines of their home or cell phone. There are no rules restricting this type of wagering in New Mexico but also, there are no rules to regulate that type of wagering. The state and the horseracing industry are losing out on revenue because of the lack of regulated ADW in New Mexico.

The agency has been requesting appropriations to attract the best stewards and vets to New Mexico. The problem has been fortunate to contract with 3 veterinarians from Arizona and employ another vet from Arizona. The problem with the contract vets is that they cannot earn more than \$60,000 per contract. We find that the rates that vets charge, typically \$1,500 per race day is high and the \$60,000 threshold is easily gained in a short period of time. That is a significant issue when we race year-round in New Mexico. We also need vets to supervise horses in the morning when they are training and exercising.

All our racing stewards come from other states as well. The agency does have remarkable investigators, but the depth chart is shallow should we lose one or both of our investigators.

BU PCode
46900 P681

Overview of Request:

The New Mexico Racing Commission is requesting a flat budget, similar to the FY26 operating budget. The only allowed increases per the Department of Finance and Administration include GSD and DoIT rate increases. The agency had a significant increase of approximately \$300.0 in the PSEB category alone. The increase is due to employee liability line and the few other GSD rate increases that were imposed on the agency. The other costs category (400 category) increased slightly over the FY26 operating budget; however, that was also due to increases to DoIT rates.

The Racing Commission received permission from the Governor's office to receive a supplemental of \$248.0 to hire a Veterinarian and give staff increases for additional duties they have taken on. Hiring an additional veterinarian will allow the agency to meet various performance measures such as inspecting 100% of equines prior to races, reducing the amount of illegal drugs in equine athletes, and ensuring that equine fatalities are minimized. Overall, the agency continues to be an advocate for the equine athlete with a flat budget.

Programmatic Changes:

The New Mexico Racing Commission is on its third year with the signing of the federal HISA (Horsereading Integrity and Safety Act) program. It has implemented many programs such as the human drug testing and breathalyzer program. In addition to the startup of programmatic improvements, the agency has also requested a supplemental for FY26 in order to forward its efforts and the requirements of the HISA program. The agency is planning to hire Veterinarians as the agency is having issues recruiting contractors to fill various veterinarian positions.

Base Budget Justification:

The New Mexico Racing Commission is requesting a flat budget, similar to the FY26 operating budget. At this time, there is no increase to base beyond the authorized GSD and DoIT rate increases.

Prov PCode	Prov Fund	Prov Account	Prov Account Name	Rec PCode	Rec Fund	Rec Account	Rec Account Name	2024-25 Actual Transfers	2025-26 Adopted Transfers	2026-27 Agency GF	2026-27 Agency OSF	2026-27 Agency ISF/IAT	2026-27 Agency FF	2026-27 Total Request	Justification
P681	19200	535309	Other Service	P004	06100	425909	Other Service	40.6	0	60	0	0	0	60	MOU with SLD laboratories for storage of samples. Expenditure based on FY24 actuals
Sum:															
									0	60	0	0	0	60	

REV EXP COMPARISON

(Dollars in Thousands)

46900 - State Racing Commission

	General Fund	Other Funds	Other Transfers	Federal Funds	Total
SOURCES	3,764.7	4,300.0	0.0	0.0	8,064.7
Personal services and employee benefits	2,957.8	0.0	0.0	0.0	2,957.8
Contractual services	345.6	2,800.0	0.0	0.0	3,145.6
Other	461.3	1,500.0	0.0	0.0	1,961.3
USES Total:	3,764.7	4,300.0	0.0	0.0	8,064.7
Net:	0.0	0.0	0.0	0.0	0.0

REV EXP COMPARISON

(Dollars in Thousands)

46900 - State Racing Commission

P681 - Horse Racing Regulation

	General Fund	Other Funds	Other Transfers	Federal Funds	Total
SOURCES Totals	3,764.7	4,300.0	0.0	0.0	8,064.7
Personal services and employee benefits	2,957.8	0.0	0.0	0.0	2,957.8
Contractual services	345.6	2,800.0	0.0	0.0	3,145.6
Other	461.3	1,500.0	0.0	0.0	1,961.3
USES Total:	3,764.7	4,300.0	0.0	0.0	8,064.7
Net:	0.0	0.0	0.0	0.0	0.0

Horse Racing Regulation

BU PCode
46900 P681

State of New Mexico

E4 PCode Detail
(Dollars in Thousands)

Fund	Account	2024-25		2025-26		2026-27		FY 2027 Agency Request			PCode
		Actuals	Opbud	PCF Proj	GF	OSF	ISF/IAT	FF	Total	BU	
00000	520300	0.0	0.0	84.89	0.0	0.0	0.0	0.0	0.0	0.0	P681
	Classified Perm Positions F/T									0.0 46900	P681
00000	521100	0.0	0.0	5.62	0.0	0.0	0.0	0.0	0.0	0.0 46900	P681
	Group Insurance Premium										
00000	521200	0.0	0.0	16.15	0.0	0.0	0.0	0.0	0.0	0.0 46900	P681
	Retirement Contributions										
00000	521300	0.0	0.0	5.2	0.0	0.0	0.0	0.0	0.0	0.0 46900	P681
	F I C A										
00000	521700	0.0	0.0	2.1	0.0	0.0	0.0	0.0	0.0	0.0 46900	P681
	RHC Act Contributions										
19200	520100	708.4	748.7	1,318.5	760.9	0.0	0.0	0.0	0.0	760.9 46900	P681
	Exempt Perm Positions P/T&F/T										
19200	520200	50.4	61.8	1.01	61.6	0.0	0.0	0.0	0.0	61.6 46900	P681
	Term Positions										
19200	520300	647.1	933.0	870.94	1,022.9	0.0	0.0	0.0	0.0	1,022.9 46900	P681
	Classified Perm Positions F/T										
19200	520700	7.5	15.0	0	15.0	0.0	0.0	0.0	0.0	15.0 46900	P681
	Overtime & Other Premium Pay										
19200	520800	10.4	8.1	0	8.1	0.0	0.0	0.0	0.0	8.1 46900	P681
	Annl & Comp Paid At Separation										
19200	521100	84.0	123.3	170.26	111.0	0.0	0.0	0.0	0.0	111.0 46900	P681
	Group Insurance Premium										
19200	521200	257.5	359.0	429.53	320.4	0.0	0.0	0.0	0.0	320.4 46900	P681
	Retirement Contributions										
19200	521300	101.3	155.3	134.85	134.4	0.0	0.0	0.0	0.0	134.4 46900	P681
	F I C A										
19200	521400	0.2	0.8	0	0.8	0.0	0.0	0.0	0.0	0.8 46900	P681
	Workers' Comp Assessment Fee										
19200	521410	1.0	1.2	0	1.1	0.0	0.0	0.0	0.0	1.1 46900	P681
	GSD Work Comp Insur Premium										
19200	521500	6.5	0.0	0	13.9	0.0	0.0	0.0	0.0	13.9 46900	P681
	Unemployment Comp Premium										
19200	521600	122.2	191.2	0	472.5	0.0	0.0	0.0	0.0	472.5 46900	P681
	Employee Liability Ins Premium										
19200	521700	26.8	39.1	45.92	35.2	0.0	0.0	0.0	0.0	35.2 46900	P681
	RHC Act Contributions										
	200 Personal services and employee benef	2,023.2	2,636.5	3,084.97	2,957.8	0.0	0.0	0.0	0.0	2,957.8	
19200	542100	2.5	4.4	0	4.4	0.0	0.0	0.0	0.0	4.4 46900	P681
	Employee I/S Mileage & Fares										
19200	542200	118.7	102.0	0	119.0	0.0	0.0	0.0	0.0	119.0 46900	P681
	Employee I/S Meals & Lodging										
19200	542300	0.7	1.5	0	1.5	0.0	0.0	0.0	0.0	1.5 46900	P681
	Brd & Comm Mbr Meals & Lodging										
19200	542310	3.5	2.7	0	2.7	0.0	0.0	0.0	0.0	2.7 46900	P681
	Brd & Comm Mbr Mileage & Fares										
19200	542500	4.4	8.0	0	8.0	0.0	0.0	0.0	0.0	8.0 46900	P681
	Transp - Fuel & Oil										
19200	542600	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0 46900	P681
	Transp - Parts & Supplies										
19200	542700	0.4	0.5	0	0.4	0.0	0.0	0.0	0.0	0.4 46900	P681
	Transp - Transp Insurance										
19200	542800	11.0	22.4	0	17.0	0.0	0.0	0.0	0.0	17.0 46900	P681
	State Transp Pool Charges										
19200	543200	0.1	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0 46900	P681
	Maint - Furn, Fixt, Equipment										
19200	543500	0.0	0.1	0	0.1	0.0	0.0	0.0	0.0	0.1 46900	P681
	Maint - Supplies										
19200	543820	3.2	2.3	0	2.3	0.0	0.0	0.0	0.0	2.3 46900	P681
	Maintenance IT										
19200	544000	5.4	11.8	0	11.8	0.0	0.0	0.0	0.0	11.8 46900	P681
	Supply Inventory IT										
19200	544100	1.8	3.8	0	3.8	0.0	0.0	0.0	0.0	3.8 46900	P681
	Supplies-Office Supplies										
19200	544200	0.2	14.0	0	14.0	0.0	0.0	0.0	0.0	14.0 46900	P681
	Supplies-Medical,Lab,Personal										

Horse Racing Regulation

BU PCode
46900 P681

State of New Mexico

E4 PCode Detail
(Dollars in Thousands)

Fund	Account	2024-25		2025-26		2026-27		FY 2027 Agency Request				PCode		
		Actuals	Opbud	Opbud	PCF Proj	GF	OSF	ISF/IAT	FF	Total	BU			
19200	544400	0.2	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	46900	P681
19200	544900	0.6	4.0	4.0	0	4.0	0.0	0.0	0.0	0.0	0.0	4.0	46900	P681
19200	545600	6.8	8.0	8.0	0	8.0	0.0	0.0	0.0	0.0	0.0	8.0	46900	P681
19200	545700	18.2	21.6	21.6	0	49.3	0.0	0.0	0.0	0.0	0.0	49.3	46900	P681
19200	545710	7.2	8.1	8.1	0	8.2	0.0	0.0	0.0	0.0	0.0	8.2	46900	P681
19200	545900	2.6	2.5	2.5	0	2.5	0.0	0.0	0.0	0.0	0.0	2.5	46900	P681
19200	546100	2.3	13.0	13.0	0	13.0	0.0	0.0	0.0	0.0	0.0	13.0	46900	P681
19200	546300	0.0	15.0	15.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	46900	P681
19200	546400	72.6	125.0	125.0	0	123.0	0.0	0.0	0.0	0.0	0.0	123.0	46900	P681
19200	546500	3.1	5.0	5.0	0	5.0	0.0	0.0	0.0	0.0	0.0	5.0	46900	P681
19200	546610	19.2	19.2	19.2	0	19.2	0.0	0.0	0.0	0.0	0.0	19.2	46900	P681
19200	546700	12.9	13.1	13.1	0	13.1	0.0	0.0	0.0	0.0	0.0	13.1	46900	P681
19200	546800	3.0	5.0	5.0	0	5.0	0.0	0.0	0.0	0.0	0.0	5.0	46900	P681
19200	546900	2.8	5.0	5.0	0	5.0	0.0	0.0	0.0	0.0	0.0	5.0	46900	P681
19200	547900	0.4	1.0	1.0	0	1.0	0.0	0.0	0.0	0.0	0.0	1.0	46900	P681
19200	548300	0.6	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	46900	P681
19200	549600	2.9	8.0	8.0	0	8.0	0.0	0.0	0.0	0.0	0.0	8.0	46900	P681
19200	549700	5.4	12.0	12.0	0	12.0	0.0	0.0	0.0	0.0	0.0	12.0	46900	P681
19210	547360	1,143.6	1,400.0	1,400.0	0	0.0	1,500.0	0.0	0.0	0.0	0.0	1,500.0	46900	P681
	400	1,456.2	1,839.0	1,839.0	0	461.3	1,500.0	0.0	0.0	0.0	0.0	1,961.3		
TOTAL EXPENSE		3,479.3	4,475.5	4,475.5		3,419.1	1,500.0	0.0	0.0	0.0	0.0	4,919.1		

Horse Racing Regulation

State of New Mexico

Contract by PCode Detail
(Dollars in Thousands)

BU PCode
46900 P681

		FY 2027 Agency Request					Total		Justification	
Fund	Account	#	Contract Purpose	Actuals	GF	OSF	ISF/IAT	FF	Total	Justification
12140	535100	1000	Medical Services	296.5	0.0	700.0	0.0	0.0	700.0	The projected expenditures for FY27 include: Testing Laboratory- \$700.0, The \$700.0 are generated by the agency throughout the fiscal year.
12141	535100	1001	Medical Services	0.0	0.0	500.0	0.0	0.0	500.0	The agency is requesting \$500.0 from the purse fund due to a decline in revenue. Although the funding has never been utilized, the agency will need to change some rules in FY26 in order to utilize this funding.
19200	535100	1000	Medical Services	148.8	0.0	0.0	0.0	0.0	0.0	
19200	535200	1000	Professional Services	41.1	216.0	0.0	0.0	0.0	216.0	Projected expenditure for the Medical Equine Director at \$58.0 and Equine Hearing Officer \$45.0. Veterinarians-\$58.0 for various racetracks, and Out of Competition Vet-\$55.0. In the previous fiscal year, funds allocated to account 535100, that is reason for decrease in that line
19200	535300	1000	Other Services	24.8	1.4	0.0	0.0	0.0	1.4	Projected expenditure is used for interpreter services (utilized for Spanish speaking attendees at meetings and hearings).
19200	535309	1000	Other Services - Interagency	40.6	32.0	0.0	0.0	0.0	32.0	Projected expenditure is used for HR Services as the Commission does not have an HR person. May have to be with SPO or another agency. Also included is MOU with SLD for storage of equine testing samples. No projected increase at this time. MOU with SLD \$60,000.
19200	535400	1000	Audit Services	25.3	30.2	0.0	0.0	0.0	30.2	Projected expenditure is based on schedule amount provided to agency by SBD used for agency's financial audit due Nov 1st.
19200	535500	1000	Attorney Services	9.0	6.0	0.0	0.0	0.0	6.0	Expenditures are used for hearing officers needed for legal proceedings and scheduled hearings (several hearings are scheduled per month). Budget is based on FY26 operating budget.
19210	535300	1000	Other Services	1,422.5	0.0	1,600.0	0.0	0.0	1,600.0	\$1,600.0 is used for the payment of HISA per Senate bill 336, enacted 4/6/2023. It is paid out of 19210, which is non-reverting and maintained by the agency. Assessment fees continue to increase each January.

Horse Racing Regulation

State of New Mexico

BU PCode
46900 P681

Contract by PCode Detail
(Dollars in Thousands)

Fund	Account	#	Contract Purpose	Actuals	FY 2027 Agency Request				Total	Justification	
					GF	OSF	ISF/IAT	FF			
TOTAL EXPENSE					2,008.5	285.6	2,800.0	0.0	0.0	3,085.6	

State of New Mexico
SPECIALS, SUPPLEMENTALS AND DEFICIENCIES DFA

(Prepare separate forms for each request)

BU: 46900
Agency: State Racing Commission
Program:
Analyst: Amber Trujillo
Phone: 505-859-2366

Request Type: Supplemental (FY 26)

Rank: 1

TOTAL SOURCES MUST EQUAL TOTAL USES

(Dollars in Thousands)

Sources		Uses	
Revenue Account	Amount	Uses Account	Amount
General Fund Transfers	248.0	Personal Services & Employee Be	248.0
Total Sources	248.0	Total Uses	248.0
Full Time Equivalents (FTE)			
Type	Amount of FTE	Request is related to a recurring expense	Yes
	0.00	Request is related to a capital request	No
Total FTE	0.00	Request is related to proposed legislation	No

Language requested for inclusion in General Appropriations Act (Please Follow Legislative Bill Drafting Conventions - See Instructions)

Supplemental funding for the regulation of the horseracing industry and protection of the equine athlete.

Justification Quantitative Data (Description)

With an additional Veterinarian, the New Mexico Racing Commission hopes to build the continuity of vet-client relationships, similar to that of a doctor-patient. Currently, the Commission typically utilizes veterinarians on a contractual basis. Given the limits on contractual compensation that means the Commission is essentially searching year-round for qualified veterinarians who know how to work with horses. That search is complicated by the fact that racing commissions and racetracks from around the nation are also searching for such veterinarians. This will help the agency meet its performance measure to check 100% of horses to ensure there are less catastrophic injuries on New Mexico racetracks.

Request: Provide a brief description of what the request does, how the dollars will be spent and explain why it is a nonrecurring need.

Supplemental request approved from Governor's office. These funds will be used to hire one veterinarian who will dedicate their efforts to post-race testing, out of competition testing, physical examinations and ensure the health, safety and welfare of equine athletes. The remaining supplemental funding will be used for targeted salary increases for specific Commission staff as a means of retaining them and their specific skill sets and demonstrated knowledge of the complex nature of regulating the state's horse racing industry.

Request: How the dollars will be spent.

Supplemental request approved from Governor's office. These funds will be used to hire one veterinarian who will dedicate their efforts to post-race testing, out of competition testing, physical examinations and ensure the health, safety and welfare of equine athletes. The remaining supplemental funding will be used for targeted salary increases for specific Commission staff as a means of retaining them and their specific skill sets and demonstrated knowledge of the complex nature of regulating the state's horse racing industry.

Request: Explain why request is nonrecurring need.

This request would be a recurring need.

Consequences: Provide a brief description of consequences of not funding a performance and accountability task.

If additional staff cannot be hired, the agency stands to lose more equine athletes for needless reasons. The veterinarian is the voice of the athlete and can advocate for them when they do not have a voice.

Performance: How will agency performance be affected.

With an additional veterinarian, the agency hopes to successfully meet various performance measures such as number of horse fatalities per one thousand starts and percent of horses inspected before a race. If additional staff cannot be hired, the agency stands to lose more equine athletes for needless reasons. The veterinarian is the voice of the athlete and can advocate for them when they do not have a voice.

Performance: How will agency performance will be improved.

This will help the agency meet its performance measure to check 100% of horses to ensure there are less catastrophic injuries on New Mexico racetracks. In 2024, the agency was told by Governor Michelle Lujan-Grisham to protect our equine athletes better. The Ruidoso race meet was plagued by many catastrophic injuries and fatalities. With more veterinarians and a better client to doctor ratio, the agency can protect more athletes from fatal injury by having them checked out before and after races. This will help the agency successfully meet various performance measures such as number of horse fatalities per one thousand starts and percent of horses inspected before a race.

Brief description of problem agency is addressing.

In 2024 and with the start of the Ruidoso race meet, the equine athletes were facing many catastrophic injuries and fatalities.

DFA Performance Based Budgeting Data System

Annual Performance Report

Agency: 46900 State Racing Commission

Program: P681 Horse Racing Regulation

The purpose of the horse racing regulation program is to provide regulation in an equitable manner to New Mexico's pari-mutuel horse racing industry and to protect the interest of wagering patrons and the state of New Mexico in a manner that promotes a climate of economic prosperity for horsemen, horse owners and racetrack management.

Performance Measures:		2024-25 Target	2024-25 Result	Met Target	Year End Result Narrative
Efficiency	Average number of days from report of suspicious activity to referral of investigation case for prosecution before the board of stewards	10	10	Undef	Target is met 95% of the time. Rules indicate that the agency has 10 days to have a board of stewards review. Sometimes this target is not met due to the adjudication process, sample testing, and investigations that are far more intensive.
Explanatory	Amount collected from pari-mutuel revenues and license fees to the general fund, in millions	N/A	\$626	N/A	The target was met. The agency continues to perform well in collecting the taxes from each track.
Explanatory	Average number of days to bring case to prosecution	N/A	120	N/A	Target not met. This is due to the in availability of hearing officers and prosecutors. We are not able to schedule the hearings in a more efficient manner due to their unavailability.
Explanatory	Average regulatory cost per live race day at each racetrack	N/A	\$7,000.0	N/A	Target was met. The agency has not hired an additional investigator; however, is working on that for FY26
Explanatory	Number of days to collect penalty fees from licensees and deposit in the school fund	N/A	14	N/A	Target has been met. By rule, the agency has 14 days to act, if not, the licensee is suspended.
Explanatory	Number of horse fatalities per one thousand starts	N/A	2	N/A	The target was not met. The agency continues to ask for funding for additional veterinarians to ensure that best practices are followed and to assure that the animal welfare is the highest priority.
Outcome	Average number of work days from receipt of a complete individual application and questionnaire to conclusion of a criminal background check	10	4	No	Target was met in FY24. Licenses have been processed timely and has not been delayed.
Outcome	Number of breathalyzer tests administered per race meet	50	194	Yes	The target was exceeded. The program has been essential to ensure that people in safety sensitive positions are not under the influence before they compete in racing or perform their duties.
Outcome	Number of equine tests per live race	4	4	No	Target was not met. The revenue in the Equine Test Fund has decreased significantly. In FY24, the agency approved the ability to collect starter fees, and that helped our revenue toward the end of the fiscal year. For FY24, the agency received \$500,000 in equine test fund revenue, which is still significantly less than the budgeted \$700,000.

DFA Performance Based Budgeting Data System

Annual Performance Report

Program: P681 Horse Racing Regulation

Performance Measures:		2024-25 Target	2024-25 Result	Met Target	Year End Result Narrative
Outcome	Number of out-of-competition samples tested	750	804	Yes	The target was met. The agency views out of competition as a way to prevent equine catastrophic injuries and fatalities. Out of competition testing has enabled the agency to remove cheaters from the racing scene.
Outcome	Number of race tracks audited	1	0	No	Target was not met. This is due to a lack of staff and auditing capabilities.
Outcome	Percent of cases won at the district court level	100%	100%	Yes	The target was met. The agency continues to get great representation from the Department of Justice. In addition having an in house counsel also assists the agency.
Outcome	Percent of equine samples testing positive for illegal substances	1%	1%	Yes	The target was met, the agency had an actual FY25 result of .93. The agency has been under 1% for 5 our of the last 6 years.
Outcome	Percent of horses inspected before a race	0	99%	Yes	The agency did not meet the target. This was due to one incident out of 180 days of racing. The issue was getting our new veterinarian hired timely, and the agency had to get a substitute vet from out of state that had to sleep.
Outcome	Percent of out-of-competition samples testing positive for illegal substances	5%	11%	Yes	Despite the target being exceeded, this has a negative impact on the industry.
Outcome	Percent of penalty fees collected annually from licensee to the school fund	0	42.0%	Yes	This is a new target. One licensee owes \$180,000 in outstanding fees. So the percentage of collection seems low. Without that one licensee, the percentage would have been 86%.

Performance Measures Summary

P681 Horse Racing Regulation

Purpose: The purpose of the horse racing regulation program is to provide regulation in an equitable manner to New Mexico's pari-mutuel horse racing industry and to protect the interest of wagering patrons and the state of New Mexico in a manner that promotes a climate of economic prosperity for horsemen, horse owners and racetrack management.

Performance Measures:		2023-24 Actual	2024-25 Actual	2025-26 Budget	2026-27 Request	2026-27 Recomm
Outcome	Percent of equine samples testing positive for illegal substances	1%	1%	0%	1%	
Outcome	Number of equine tests per live race	4	4	5	5	
Outcome	Average number of work days from receipt of a complete individual application and questionnaire to conclusion of a criminal background check	4	4	4	4	
Outcome	Number of out-of-competition samples tested	947	804	950	750	
Outcome	Number of race tracks audited	0	0	1	1	
Outcome	Number of breathalyzer tests administered per race meet	82	194	85	200	
Outcome	Percent of cases won at the district court level	96%	100%	100%	100%	
Outcome	Percent of horses inspected before a race	65%	99%	100%	100%	
Outcome	Percent of out-of-competition samples testing positive for illegal substances	11%	11%	3%	5%	
Outcome	Percent of penalty fees collected annually from licensee to the school fund	49.3%	42.0%	80.0%	80.0%	
Explanatory	Amount collected from pari-mutuel revenues and license fees to the general fund, in millions	\$672	\$626	N/A	N/A	
Explanatory	Average regulatory cost per live race day at each racetrack	\$8,118.8	\$7,000.0	N/A	N/A	
Explanatory	Number of days to collect penalty fees from licensees and deposit in the school fund	20	14	N/A	N/A	
Explanatory	Average number of days to bring case to prosecution	50	120	N/A	N/A	
Explanatory	Number of horse fatalities per one thousand starts	2	2	N/A	N/A	
Efficiency	Average number of days from report of suspicious activity to referral of investigation case for prosecution before the board of stewards	10	10	10	10	



**STRATEGIC PLAN
FY26 APPROPRIATION REQUEST
SEPTEMBER 1, 2025**

FY27

NEW MEXICO RACING COMMISSION

MISSION STATEMENT

To provide regulation in an equitable manner to New Mexico's pari-mutuel horse racing industry to protect the interest of wagering patrons and the State of New Mexico in a manner which promotes a climate of economic prosperity for horsemen, horse owners and racetrack management.

EXECUTIVE SUMMARY - COMMISSIONERS

The New Mexico Racing Commission consists of five appointed members who provide guidance and direction for the Racing Commission.

- Billy Smith, Vice-Chairman-Albuquerque, New Mexico
- John Buffington, Vice-Chairman-Farmington, New Mexico
- Robert Pitre, Commissioner-Albuquerque, New Mexico
- Vacant, Commissioner
- Vacant Commissioner

Executive Director, appointed March 2016

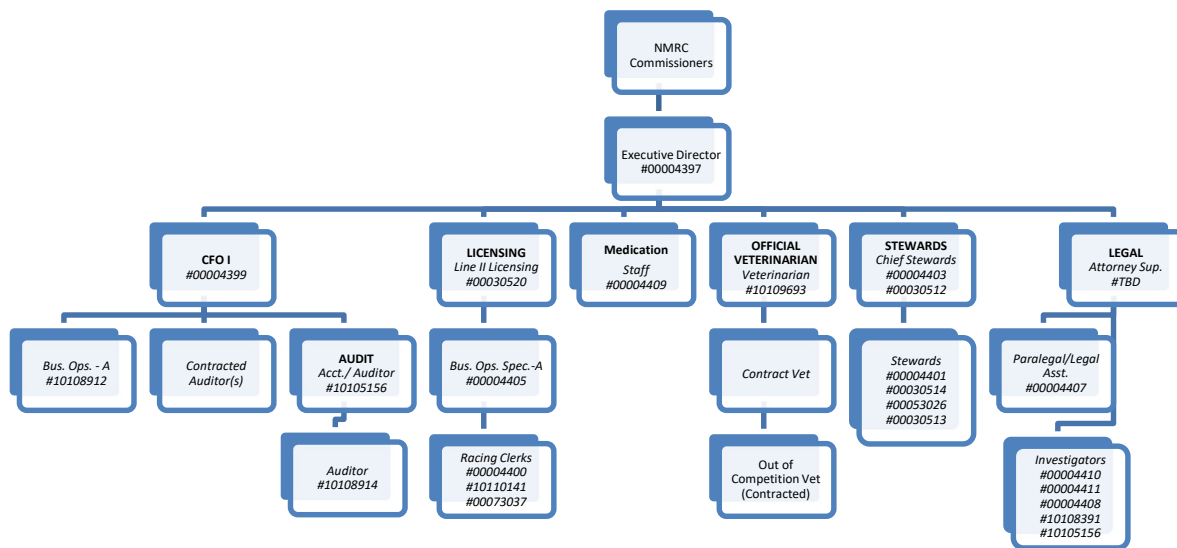
- Ismael "Izzy" Trejo



COMMISSION STAFF

The Commission currently has 22 positions including one executive director, two managers and staff. The Commission is unique in that those employees that are based at racetrack locations fill positions that are seasonal (dependent on approved race days for each respective racetrack located around the State). In order to help the agency and the industry navigate the treacherous world of public opinion regarding animal welfare and regulatory oversight, the agency feels that adding staff in the way of veterinarians, investigators and a deputy director will help benefit in multiple ways. Especially in a time when commission staff are required to fulfill the duties of the Horseracing Integrity and Safety Act (HISA). The federal Act has added more duties to an already heavy workload.

The following diagram shows the structure of the agency and the relationships and ranks of its positions (NOTE the chart does show positions that are being converted or requested):



Director Trejo’s focus in FY 27 is to secure and solidify horse racing’s social license to operate and more importantly, the survival of the horse racing industry. The agency would like to put more emphasis on programs that focus on the welfare of our horses and financial oversight of the racetracks. The agency has continuously requested budget that would fund a veterinarian team that would advocate for and execute welfare initiatives that in turn would benefit the well-being of the horses that compete in New Mexico.

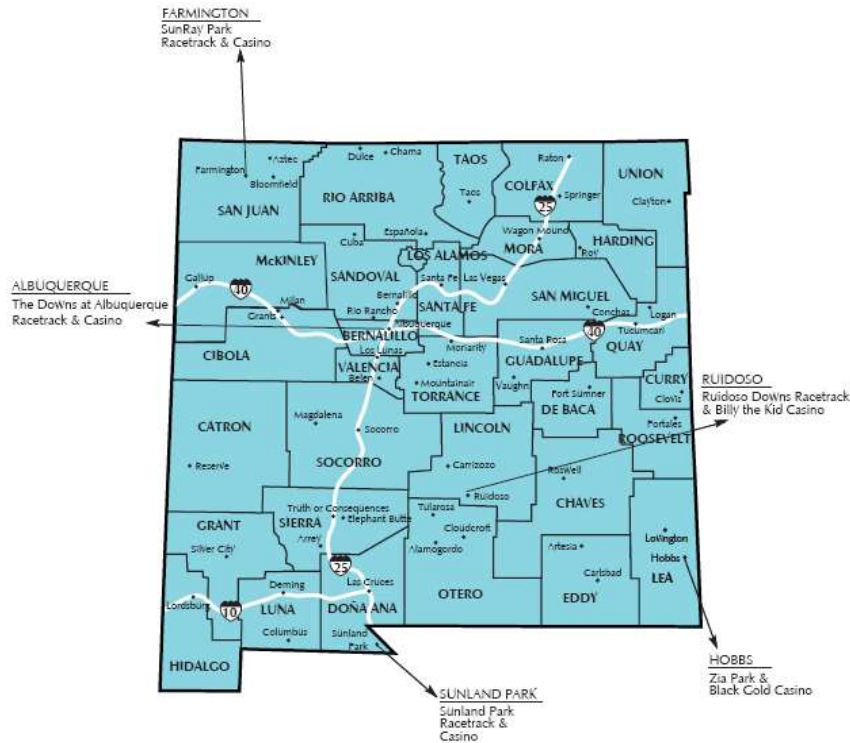
The FY27 appropriation request will focus on ways that will assist the agency with its goals, including the addition of a deputy director, a racetrack financial oversight mechanism, investigators, and a veterinary team to help enhance regulation and the welfare of racehorses. The agency will continue to pursue avenues to regulate the horse racing industry as efficient as possible while continuing the efforts to gain the public's confidence in the product at New Mexico's five racetracks as well as minimize catastrophic injuries.

During the next fiscal year, we will continue to focus our efforts on continued growth and accountability. Over the past few years, there have been higher expectations for fiscal accountability and transparency, which has driven the Executive Director and his staff to emphasize their focus on the agency's restructuring of its financial team. That has improved our efficiency, but the agency is not where it feels it needs to be as to its position of regulating purse and gaming accounts of the racetrack operators. Accountability must not be restricted to the agency but to the industry as the agency intends to tighten up its oversight of incompetent racing officials that violate the rules of racing and diminish the wagering public's trust.

NEW MEXICO RACETRACKS

Horse racing is woven deep in tradition in the State of New Mexico and the direction of commissioners, management and staff will be that of integrity, reliability and sustainability. The primary focus is to concentrate on guiding the horse racing industry through a major transformation being experienced on a national level and ensure its survival while strengthening the racing product for all racetracks in New Mexico. The components in doing so include assuring that the racehorses' welfare is the highest priority. Secondly, the agency will continue to earn the betting public's trust by continued enhancement of the drug testing program with a focus on out-of-competition testing. This program will ensure a level playing field for all participants and the betting public.

Currently, the NM Racing Commission regulates the following six race meets, located around New Mexico (the NM State Fair meet runs at the Downs at Albuquerque location):



PURPOSE, AUTHORITY, AGENCY

The Horse Racing Act (HRA) was enacted in 1938, allowing horse racing and pari-mutuel wagering in New Mexico, the Commission oversees compliance with the HRA.

The statute authorizes the Racing Commission to enforce and administer the statutes by allowing for the creation and enforcement of rules and regulations pertaining to horse racing.

The Racing Commission is authorized under the authority of 60-1A-1 through 60-1A-30, NMSA 1978. The statute mandates the Agency regulates and enforces the statutes and rules and regulations of the horse racing industry. The statute authorizes a five-member commission appointed by the Governor and approved by the Senate.

The Commission must keep a close pulse on the state of the horseracing industry to ensure the integrity and viability of the industry. Patrons at the racetracks rely on the Commission to execute its mission so they may confidently place wagers on

horses in races conducted within the state. The industry also depends on the leadership of the commission to develop programs that can help grow and sustain the industry. In FY25, the agency contracted with RG&E Enterprises to conduct a comprehensive study and analysis of the New Mexico horseracing industry. The analysis gave a clear picture of the hurdles that not only horseracing in New Mexico is facing, but almost the entire nation.

The Racing Commission's work and activities includes the following:

- Licensing and background checks of all racing participants
- Oversight and judging of races and racetrack operations
- Testing of selected horses for illegal drugs and violations of permitted drug thresholds
- Investigation and enforcement of rules and regulation infractions
- Testing of pari-mutuel pay-outs
- Oversight of racetrack financial obligations
- Oversight of racetracks' capability and viability to operate a race meet
- Promote and support the economic viability of the horse racing industry within the state

The FY27 appropriation will continue to concentrate on improvement of current programs and the addition of a team of regulatory veterinarians to promote integrity in the Racing Commission's testing program as well as the welfare of the equine athlete. This group of professionals will advocate for the equine athlete to ensure an enhanced public image for the horse racing industry in New Mexico. Horses that are properly monitored during training and racing help decrease the number of catastrophic injuries and promote integrity and an overall positive public image.

EXTERNAL FACTORS

Director Trejo's vision for the Racing Commission is a continued reformation of the agency's image by taking positive action, acknowledging problem areas, and taking remedial steps toward transformation. During the last nine years, the agency has focused on integrity by strict regulation and will continue to utilize integrity to achieve the agency's goals. The Racing Commission was acknowledged by the Association of Racing Commissioners International (ARCI) on the national level with an award for its exemplary service to the integrity of the horse racing industry.

Director Trejo was subsequently elected to ARCI Board of Directors, giving New Mexico representation at the national level of regulators. He is often invited to speak at industry conferences to discuss how the NMRC has guided the New Mexico racing industry from one that was often dismissed and ridiculed on a national level due to the lack of enforcement and corruption to one that is an industry leader in its new approach to regulation. New Mexico's regulatory footprint is set in several jurisdictions as New Mexico rules have been shared and implemented in other racing jurisdictions. Some jurisdictions even send their staff to shadow and learn from the NMRC staff as well.

The first task at hand upon Trejo's arrival to New Mexico was to reshape the Equine Testing Program. The agency contracted with an Equine Medical and Testing Advisor, a new official laboratory with better pricing and contracted with some of the best regulatory vets in the southwest. The goal is to obtain and retain a team of highly qualified veterinarians and ensure the safety of the equine athlete is at the forefront of the Commission's purpose. The agency only has 3 veterinarian positions, one classified and two Govex on staff. The Govex positions have been employed part time, and the classified has been difficult to fill due to the low salary that SPO offers for a regulatory vet. Most racing jurisdictions are currently fighting to recruit vets. New Mexico is in the middle of that competition for regulatory vets. The agency has also had difficulty retaining regulatory veterinarians. The workload is vast and consists of twelve or more hours of work per live race day.

One problem that hinders the NMRC regarding veterinarians is that those contracts can only be entered into if they are below \$60,000. When there is a need for a vet at a moment's notice, the agency must navigate the hurdles of the procurement rules in the state. Those rules do not work well with the reality of horse racing.

The agency has continued to see success with its equine drug testing program, despite lagging revenue flows for that program. For the last 5 out of 6 years, the percentage of post-race positive drug/medication violations has been below 1% of total samples analyzed. In 2017, that number was 2.40% and in 2018 it was 1.58%. Those two percentages are about 3 to 4 times higher than the national average. During the period of 2019-2024, the trend has reversed. In 2024 99.07% of all samples (4,159) analyzed were clean. In 2023 99.38% of tested samples (6,049) were reported as clean. Even better, in 2022 99.44% of all samples (7,449) tested clean. The agency is being held in high regard by other regulators, track managements, the press, and stakeholders of the industry for detecting an illegal drug called "carmoterol" in 12 horses that competed and won over 3 million dollars in purse money on All-American Futurity Day.

The agency will always feel that the assurance of a comprehensive equine testing program promotes a level playing field which will attract racing participants and in turn, an increase in pari-mutuel handle. The agency is happy to say that after Trejo's 9th year, drug violations have decreased significantly, proving that the agency's enhanced drug testing program that has continuously been developed since his arrival to New Mexico has been very effective. The reversal of New Mexico's image on a national level has been resounding.

Director Trejo recognizes that if the Commission cannot ensure a level playing field, the possibility of losing participants is evident and will eventually devastate our long-standing tradition of horse racing in the State. The domino effect this would have on our State would be detrimental, not only to the horse racing industry, but the State as a whole, through the loss of thousands of jobs, tax dollars generated and the detrimental economic impact on the agricultural community.

Despite the positive achievements the agency acknowledges that there are external factors that play a significant hindrance to the agency's future success. The shortage of thoroughbred racehorses is currently a phenomenon that hinders the racing industry in New Mexico and the nation at large. The state of New Mexico has a plentiful supply of quarter horses, but that industry is ripe with ongoing cheating that has kept the agency extremely busy. The quarter horse industry is also consistently associated with illegal bush tracks. The agency has suspended several horsemen that are associated with quarter horses as well as jockeys that attempt to use electrical devices on our beloved horses.

Declining pari-mutuel wagering bet on the racetracks' premises is declining. That directly affects the Equine Test Fund. A big part of that revenue decline is due to a group called the New Mexico Horsemen's Association (NMHA). Their colleagues in several other jurisdictions such as Kentucky, Arkansas, Ohio, Louisiana, Iowa, Arizona, and Oklahoma, pursuant to the Interstate Horseracing Act, have not approved simulcasting (sending) of their races to New Mexico. That has pushed race fans to wager with Advance Deposit Wagering platforms (ADW). One significant repercussion of those decisions is race fans in New Mexico are not permitted to wager on some of the nation's biggest horse racing events such as the Kentucky Derby, the Arkansas Derby and the popular Keeneland race meet in Kentucky. Fans are no longer going to the racetrack to bet. They are likely betting on the ADW platforms, such as Xpressbet, Twin Spires, TVG, NYRA Bets, AM Wager, DK Horse and Iron Bets, where a person sets up an account, loads it with adequate funds and bets from the confines of their home or cell phone. There are no rules restricting this type of wagering in New Mexico but also, there are no

rules to regulate that type of wagering. The state and the horseracing industry are losing out on revenue because of the lack of regulated ADW in New Mexico.

The following goals remain steadfast in the continued success of the Racing Commission and the regulation of horse racing in New Mexico:

Economic Development – Nationally, the horse racing industry has been experiencing a negative turn in public perception due to the national exposure of equine injuries, FBI investigations into outlaw horse trainers and veterinarians, the 2019 Santa Anita catastrophic injury fiasco which almost brought California’s horseracing industry to a demise, and the 2021 Kentucky Derby drug scandal. New Mexico horse racing struggled with high catastrophic injury rates at Ruidoso Downs in 2023 and 2025. Their catastrophic injury rate was approximately 4 times the national average. That is despite pre-race examining 100% of all horses scheduled to race as well as having those horses examined two more times before they enter the starting gate to race. High catastrophic numbers are the premise for the agency to continue to ask for funding to build a veterinarian team. Despite that, horse racing continues to be a rich part of our culture in New Mexico. We need to do our best and have the tools to protect it. The Commission will continue to promote the sustainability of the horse racing industry and acknowledge the industry’s diverse contributions to the State’s agriculture, local business, sport, gaming, tourism, and entertainment economies.

Social Impact – Racetrack communities located around New Mexico depend on the positive economic impact a live race meet contributes to its economy through industry jobs, dollars spent locally on entertainment, lodging, food services and agriculture. The agency will continue to work with track management in these respective communities for continued successful live race meets in order to reap the benefits horse racing provides.

Horse racing on a national level has been under the watchful eye of animal activists for several decades. Recently, the scrutiny has been more intense. Some believe that is the sole reason that the Federal government passed legislation to implement a safety and drug testing program named HISA, specifically for thoroughbred racing. In New Mexico, we race both quarter horses and thoroughbreds. Director Trejo had the honor of being an invited guest to the prestigious Jockey Club Roundtable Conference in New York for the last 3 years. It was clear that the thoroughbred horse racing industry is

putting arm's length distance between themselves and the quarter horse racing industry. The Federal legislation is clear that the state racing commissions, or the breed registries (the AQHA) can opt the quarter horses to be regulated under HISA. The People for the Ethical Treatment of Animals (PETA) recently exposed a 10-month long investigation directly related to unsanctioned quarter horse racing. Despite the evils brought upon by participants of this type of racing, unsanctioned, underground racing is blossoming throughout the United States, including New Mexico. PETA will continue to press on state horseracing regulators and legislators to assure racing animals are not harmed at racetracks, sanctioned or unsanctioned.

Industry Integrity – The agency, as well as the industry itself, will always encounter difficult challenges on completely maintaining integrity because the agency as many agencies across the country lack the resources to efficiently regulate the broad spectrum that horseracing requires. That fact continues to drive management to strive for continued improvement of strategic regulation, through oversight of NM horse racing and to ensure to the citizens and participants that they can confidently place wagers on New Mexico horse races. The addition of qualified regulatory individuals, development of programs and enhancement of regulation will ensure integrity and the success of the agency's mission.

INTERNAL FACTORS

As stated under External Factors, the continued enhancement of horse racing regulation is essential to the success of the Commission's public image and vision. Management has identified these areas as essential for the integrity of the industry; the agency remains committed to continued growth and development of the following programs:

Equine Testing – This is the seventh year that the New Mexico Racing Commission has utilized Industrial Laboratories as its official lab. In 2021 a total of 5,828 post race tests were analyzed compared to 4,949 in 2020, 10,565 in 2019, 8,375 in 2018 and 4,707 in 2017. The agency saw a 124% increase in the number of samples tested from 2017 to 2019. The pandemic and the reduction in race dates contributed to the decrease in 2021 and 2020 numbers. The agency is encouraged that the percentage of violations for samples tested is below 1% for the 5th out of 6 years. In 2023, the number of post-race

drug/medication violations fell to 38 with 6,049 samples tested. In comparison, in 2017 the agency saw 113 post-race drug/medication violations from 4,707 samples analyzed. 2018 saw a significant increase in samples tested (8,375). We saw 133 post-race drug/medication violations from those 8,375 samples. The agency is realizing the beneficial results of a progressive drug testing program that was designed to put cheaters out of the industry and build confidence in the industry to attract wagering dollars.

Consistent with HISA's approach, the agency continues to relieve the racing industry of cheaters through the agency's out of competition testing program. The agency will try and continue to increase the out of competition testing. The focus needs to continue to be on out of competition testing to assure abuse is not being imposed on the racing animals and to take horses that are administered performance enhancing drugs out of the racing population, so they do not cheat our customers out of their hard-earned wagering dollars. As previously mentioned, the approach the agency has embraced regarding out of competition testing is in line with HISA's philosophy. The agency has been complimented by HISA for the work that has been done in regulating New Mexico's horseracing industry.

Auditing/Racing Oversight – The agency has experienced struggles in obtaining a specialist that understands the complexities of auditing and understanding the pari-mutuel industry. The agency hired an accountant/auditor in 2021 to develop an internal audit program for racetrack oversight. It has not been as effective as we would like. Racing Oversight is a very specialized type of audit, and it is rare to find an individual that has this type of expertise. After going through the hiring process for the accountant/auditor position during the summer of 2021, it is evident that the agency will not be able to find the level of expertise needed to conduct a full-scale audit of racetracks at the 65 pay grade level. The agency will change its focus to contract with a specialized horseracing organization to do routine daily audits on ITW reports, gaming numbers, purse money and pari-mutuel numbers as well as track daily pari-mutuel handles at each racetrack.

Current Affairs – Horse racing in America is under a microscope. Although horse racing continues to be a popular sport, there are concerns for the welfare of the jockey and equine athletes. Due to the significant increase in fatalities of horses at Santa Anita Park in 2019, Churchill Downs in Kentucky in 2023 and Saratoga Racecourse in New York during the summer of 2023, the New

Mexico Racing Commission has made the protection of its participants the focus for increased regulation. Management will remain steadfast to ensure regulation progression and the safety of all participants. The agency has researched ways to implement effective and affordable programs that will help our veterinarians continuously monitor our horses to better understand what is happening internally with a horse. The knowledge gathered by the technology we wish to utilize will help in the decision to let a horse train or race or rather, get stall rest when needed.

FY27 GOALS AND OBJECTIVES

Management has identified the following as targets for fiscal year 2024 and beyond to ensure the purpose of the State Racing Commission

- **Equine Testing Program** – The approval of the Commission's request to create an Official Veterinary Team and increase out of competition testing is only one part of the commitment and dedication to continued enhancement of the equine testing program. There is also a goal to implement a testing program for morning training as catastrophic injuries are realized during morning training and workouts. Director Trejo has been working on the development of a program by updating rules to sanction trainers that are found to have high levels of corticosteroids and non-steroidal anti-inflammatory (NSAI), in their horses during training.

Additionally, there is also a long-term goal for an 'equine aftercare program' that will embrace just that. These animals have worked long and hard, have brought great joy to spectators and the industry. The program will allow for the retirement of a racehorse after their racing career has ended. They can retire to a ranch or farm that will ensure the horse is cared for properly. The program will be subsidized by an assessment collected from horse racing stakeholders and other potential funding options.

- **Audit Program** – The goal to ensure reform of the agency's program must include successful compliance for racing oversight. The contract with a specialized horseracing auditing group is seen as an inevitable way to go. This will help ensure the commitment to building an internal audit program through set objectives and standards. Management has recognized that the ongoing oversight of racetrack financials is necessary to achieve confidence in the

Commission's ability to monitor the performance of racetrack financial staff and its reporting. There is also a goal to maintain comprehensible, ongoing statistical information of pari-mutuel handle, gaming revenues and purses. Those items are intricate numbers that aid in measuring the health of the industry. Compared to agencies like the Gaming Control Board (GCB) and other States, the Commission historically employed one internal auditor and one contracted auditor (based on budget availability) whereas the GCB has several auditors while other racing jurisdictions employ one auditor per track. The New Mexico Racing Commission falls short in this area. As previously mentioned, the agency has found that it is difficult to find an auditor in the 65 pay grade to accomplish all that financial regulatory oversight requires. As mentioned previously, the agency will now take the position to contract with a specialized horseracing organization to conduct financial oversight of the racetracks and the other organizations that handle gaming and purse monies. This is paramount because the consequence of inconsistent regulation will result in unaudited or incomplete audited pari-mutuels and gaming dollars which are in the millions.

- **Daily Fantasy Sports /Sports Betting/I-Gaming/-** In May of 2018, the U.S. Supreme Court determined that the Professional and Amateur Sports Act (PASPA) is unconstitutional. This ruling allows individual states to establish their own regulated sports betting. The decision could play a significant role in the growth of our racetracks and revenue for the state. Several states have already implemented sports wagering as well as local tribal casinos. The interest in sports wagering has been overwhelming in states such as New Jersey and Delaware. The increased revenue from sports wagering has benefitted the horseracing industry in those states as well.

The implementation of sports wagering at New Mexico's five racetracks is a sensitive issue due to stipulations set forth in the Tribal Gaming Compact.

If New Mexico horse racing does not implement sports wagering or other forms of emerging gaming opportunities into their business model, the other forms of gaming will compete directly with horse racing for the gambling dollar. Once again, New Mexico is being left far behind in the gaming industry due to the inability to let the daily sports fantasy, I-Gaming, and sports wagering industries operate on our home turf.

- **Legal Program** – Upon the hiring of a 2nd in-house attorney, the agency can begin the vision of:
 - development of efficient and effective positive drug test case management.
 - availability of the knowledge and expertise they possess; and
 - Their time would be dedicated to the Commission and Commission staff.

The agency has experienced significant turnover in their representation from the Office of the Attorney General. The agency has had 10 Assigned Attorney Generals in the span of 9 years. The struggles are apparent with the DOJ. They are still experiencing the reality of a shortage of attorneys. The DOJ has required the NMRC's in-house counsel to be commissioned to handle our own litigation that the agency experiences. We are concerned that if our in-house counsel resigns, the agency will be in a precarious position of not having legal representation in a highly litigious industry. Despite that fear the agency has continuously been successful in the District Courts with and without the DOJ.

PROGRAM LISTING

The Racing Commission's **Regulation Program** is to provide regulation in an equitable manner to New Mexico's pari-mutuel horseracing industry to protect the interest of wagering patrons and the State of New Mexico in a manner which promotes a climate of economic prosperity for horsemen, horse owners and racetrack management.

The purpose of regulation is to ensure:

- ◆ Statutes and regulations are enforced and applied equally to all members of the industry.
- ◆ Create an image of total proficiency, professionalism and integrity.
- ◆ To promote a climate of economic prosperity for horsemen, horse owners and racetrack management.
- ◆ Protect the interest of the State of New Mexico.

The program operates six separate activities:

1. **Equine Drug Testing**
2. **Licensing**

3. **Auditing and Budget/Financial Accounting**
4. **Race Meet Oversight**
5. **Investigations and Enforcement**
6. **Administration and Support**

EQUINE DRUG TESTING -

Statutory Authority: 60-1A-4(F), 60-1A-13, 60-1A-5, 60-1A-14

Equine drug testing is conducted to ensure no illegal drug, chemical agent, stimulant or depressant is used in horses to affect the outcome of a race. The health and growth of the racing industry is based on the daily “handle” of wagers at the track. Racing fans will wager only when they are reasonably confident, they have a fair chance at winning by betting on the fastest horse in a race, not the most medicated horse in the race. Knowing the Racing Commission is seriously fighting against the use of illegal drugs assures the fan that racing is clean, thus increasing confidence and pari-mutuel handle.

Equine drug testing works hand-in-hand with the investigative activities and consists of: (1) a contracted drug testing laboratory; (2) a test barn at each racetrack which is overseen by an official state veterinarian either contracted or employed by the agency; (3) a system for collection and transportation of equine urine, blood, hair or any other biological samples which provides for chain of custody protection; (4) pre-race examination program; (5) out of competition testing.

Equine Drug Testing is coordinated by Commission staff employee in the capacity of the director and/or an equine drug testing manager and the Executive Director.

Objective: Ensure the utmost integrity in horse racing by aggressively testing horses for the presence of illegal substance.

Provide a comprehensive illegal drug detection program with 100% accuracy.

Sample at least four samples from every race run in the state.

Objective: Maintain quality control to have 100% detection of illegal substance used in a horse to influence the outcome of a race.

Maintain a quality assurance program to ensure the contracted equine testing laboratory is detecting illegal substances by sending blind samples for quality testing review.

Through consultation with the agency's Equine Health and Testing Advisor, The Racing Medication and Testing Consortium, The Association of Racing Commissioners International and industry conferences, keep abreast of the latest developments in equine substance abuse.

Objective: Achieve a 100% successful prosecution rate for all equine drug violations investigated and submitted for prosecution.

Prosecute any case where an illegal substance is found to be in a racehorse.

Work closely with the Attorney General's Office, including bi-weekly meetings, so cases can be prosecuted in a successful and timely manner.

LICENSING -

Statutory Authority: 60-1A-4, 60-1A-5, 60-1A-6, 60-1A-7, 60-1A-10, 60-1A-11

The Racing Commission's Licensing Department is tasked with ensuring that those persons wishing to participate in the industry are held to the upmost integrity and are thoroughly screened for Licensure. Individuals are asked to meet qualifications set forth by State Statute (NMSA 1978). All applications are processed and screened by staff, both at the racetrack and central office. License types include all personnel participating in live racing and individuals employed by racing participants or the racetracks

themselves. The department is comprised of four employees, a Licensing Manager, a Licensing Administrator and two Clerks.

The process consists of application intake, background check fulfillment and final payment. Staff utilizes a central database which maintains applicant license information and qualifications with up-to-the-minute live updates, thus, ensuring that all current information is obtained and utilized by all departments, including but not limited to, Investigations and Stewards. During the fiscal year, the department averages over 7200 process applicants and can have up to a total of 10,000 licensed individuals at any given time.

The agency will soon incorporate tougher requirements to obtain a trainer's license. Over the last few years, the agency has realized that many of the trainers participating in New Mexico racing do not know or understand the rules of racing. The agency feels that people that have a broader and stronger understanding of the industry and the rules will play the game at a higher level than what it is currently being played at. The lack of understanding of the rules and horsemanship creates numerous problems for the agency and the racing industry itself.

Objectives: Ensure the integrity of racing is maintained by allowing only those people to participate in the industry who meet qualifications established by statute.

Achieve 100% licensing of all qualified horse racing participants within the state.

Objective: Ensure all participants in horse racing license applications are complete, all informational data is recorded, and license badges are issued.

Achieve 100% detection and action referred on all ineligible license applicants.

Follow-up on disqualifying information received on applying participants and properly communicate to the stewards and investigative staff.

Objective: Ensure only people and entities applying to own and operate a racetrack are qualified as defined by statute.

Conduct detailed background investigations of all qualified individuals involved in the application process.

Review and investigate the financial viability of individuals and entities requesting to open and operate a racetrack.

Ensure existing racetracks are qualified to conduct horse race meetings by annually renewing and reviewing their license applications.

AUDITING AND BUDGET/FINANCIAL ACCOUNTING -

Statutory Authority: 60-1A-5(D), 60-1A-6, 60-1A-8(G), 60-1A-9(F), 60-1A-10(D), 60-1A-15, 60-1A-16, 60-1A-17, 60-1A-18, 60-1A-19, 60-1A-20, 60-1A-21, 60-1A-22, 60-1A-23, 60-1A-24

Auditing/Financial Accounting is in place to ensure all the financial transactions that are a part of the regulation of the horse racing industry are carried out and the money transactions occurring during racing activities are accomplished properly and within the law.

Auditing/Financial Accounting consists of the CFO and an Accountant/Auditor, along with a contracted Commission Auditor, who audits each of the pari-mutuel operation of the race meets. The program verifies the transactions of the industry and ensures that revenues due the State, Counties and Municipalities are properly assigned. The program also includes budget preparation, budget tracking and all vouchers processing. Also included in this program is an annual audit of the operations of the Commission's office at a cost dictated by the State Auditor's Office.

Objective: Ensure all the financial transactions which are a part of the regulation of the horse racing industry are carried out and the money transactions occurring

during racing activities are accomplished within the law.

Contract with the most qualified Certified Public Accountant to review and audit pari-mutuel transactions at the racetracks. The agency is extremely hopeful to hire an internal auditor to conduct this task.

Objective: Ensure all purse funds generated from gaming operations at racetracks is deposited to horsemen accounts in an accurate and timely manner.

Determine all transactions to horsemen purses are uniform, accurate and timely with weekly verifications.

Objective: Ensure pari-mutuel proceeds from inter-track wagering are properly accounted for and distributed.

Verify weekly for 100% accuracy all racetrack distributions generated during simulcast inter-track wagering operation.

Objective: Achieve 100% accuracy and timely reporting of all pari-mutuel transactions generated at the race meets.

Determine all contract auditors are present and qualified to accurately audit patron payoffs and industry pari-mutuel splits at least 33% of a live race meet.

Objective: Ensure all race meet transactions reports are uniform and accurate for the entire state.

Attend annual industry seminars. Conduct meetings with racetrack and commission financial personnel to discuss and best determine reporting of pari-mutuel transactions.

Objective: Ensure Racing Commission agency financial transactions are timely, accurate and recorded to DFA standards.

The agency contracts with a state auditor to audit and verify Racing Commission financial records.

RACE MEET OVERSIGHT -

Statutory Authority: 60-1A-11 (C), 60-1A-12

Race Meet Oversight requires representatives of the Racing Commission (Stewards), pursuant to the Horse Racing Act, to be present at each race meet to enforce the rules and regulations, thus ensuring the integrity of racing in the state.

Race Meet Oversight includes accredited and substitute state stewards who are approved for each of the race meets. The stewards are the direct representatives of the Racing Commission and are totally responsible for the operations of the race meet in accordance with state statute and the rules of racing. The stewards' duties are all encompassing and cover all aspects of the race meet. The performance of the stewards' program works in relationship with the licensing program, the investigation program, and the drug-testing program. All three stewards at the six race meets come under the supervision and compensation of the Racing Commission.

Additionally, the agency has a handful of its staff enforcing and executing HISA regulations. The agency has signed an agreement with HISA to use our staff. This is a necessity because there is not an adequate supply of racing personnel around the country for HISA to hire so they are dependent upon racing commissions to execute and enforce their regulations using commission's staff. This has added significant workload to members of the commission's staff. If HISA rules are not enforced, the racetracks will not be able to send their simulcast signals outside the state of New Mexico except for international locations

Objective: To have representatives of the Racing Commission at each race meet ensuring observance of the rules and regulations of horse racing.

To provide the most qualified personnel in the capacity of Racing Commission stewards at each race meet.

Hire only properly trained and accredited stewards with accreditation from the University of Arizona, the University of Louisville or industry equivalent to be employed by the Racing Commission. Stewards must also be current with continuing education requirements.

Because of the difficulties in finding racing personnel that possess a high level of expertise related to horse racing, the agency has had to increase the salaries of racing stewards, investigators, and contract vets. The bids that the agency has received for official veterinarian contracts range between \$1,000 and \$1,500 a day. There are 187 race days this racing season. Another factor that has led to increased spending is the costs of lodging in the locales in which our racetracks are located.

Objective: Achieve 100% consistency and uniformity of Stewards procedures and decision-making processes throughout the state.

Hold annual scheduled seminars with stewards, investigators, security personnel and representatives from the Attorney General's Office to discuss and determine policy and procedures.

INVESTIGATIONS AND ENFORCEMENT -

Statutory Authority: 60-1A-3, 60-1A-5, 60-1A-27, 60-1A-28

Investigations and Enforcement is to ensure rules and regulations are enforced and applied equally to all participants and to provide a standard of proficiency, professionalism, and integrity. The integrity of racing will increase the fan's confidence, thus increasing the handle at racetracks, ultimately increasing revenues to the state and ensure jobs in the industry.

The primary responsibility of the Racing Commission is to assure quality and integrity in New Mexico racing. This calls for an investigative arm with much diversity and varying dimensions. The Racing Commission's Agency Director and investigators coordinate

a broad spectrum of investigations. The investigators are responsible for determining the facts involved in allegations of race related, illegal or criminal activities and violations of racing rules and regulations as well as the Horse Racing Act. They also investigate unethical conduct, considered prejudicial to the best interest of racing as well as the public. The Racing Commission presently has two investigators assigned to six race meets located in different areas throughout the state, except for the New Mexico State Fair meet which is conducted at the same facility as the Downs at Albuquerque race meet. The agency would seek a budget to hire more investigators.

Objective: Ensure rules and regulations of horse racing are enforced and applied equally to all participants.

Detect violations and enforce rules and regulations of horse racing.

Maintain an investigative presence at all race meets at least 100% of live race days.

Maintain safe working conditions through random and "for cause" testing of humans for illegal substance abuse.

Objective: Achieve a 90% successful prosecution rate of all rules and regulation infractions presented for prosecution.

Aggressively investigate and prosecute any case where it is determined rules violation have been committed.

Work closely with the Attorney General's office so cases can be prosecuted successfully.

Objective: Ensure the highest quality and communication of all investigative cases.

Hold regular seminars and meetings involving investigators, stewards, racetrack security and representatives from the Attorney General's office to

discuss and determine optimal investigative and prosecuting procedures.

ADMINISTRATION AND SUPPORT -

Statutory Authority: 60-1-3 (E), (F), 60-1-11 (C)

Administration and Support is to ensure that the Racing Commission functions are carried out efficiently and effectively. These functions include the operation and overhead of all the five other major activities included in this budget request.

Administration and Support in addition to directly supporting the five major activities described on the proceeding pages, encompasses support of all other functions of the Racing Commission, to include record keeping, overhead, office space, supplies, materials, computer support, subscriptions, printing, travel, board expense, equipment, telecommunications, and any other expense incurred in regulating the racing industry in New Mexico.

Objective: Ensure the other five Racing Commission activities are carried out efficiently and effectively, including office operation and overhead.

Provide quality support to all programs administered by the commission staff.

Maintain the most qualified and trained personnel through quality management and training.

Use available resources effectively and efficiently to carry out the mission of the Racing Commission

Maintain controls in purchasing and acquisition of program resources as prescribed by statute and purchasing rules.

FY27 APPROVED PERFORMANCE MEASURES

A. Outcome

- ✓ Average number of workdays from receipt of a complete individual application and questionnaire to conclusion of a criminal background check
- ✓ Number of breathalyzer tests administered per race meet
- ✓ Number of equine tests per live race
- ✓ Number of out-of-competition samples tested
- ✓ Number of racetracks audited
- ✓ Percent of cases won at the district court level
- ✓ Percent of equine samples testing positive for illegal Substances
- ✓ Percent of horse inspected before a race
- ✓ Percent of out-of-competition samples testing positive for illegal substances
- ✓ Percent of penalty fees collected annually from licensee to the school fund

B. Explanatory

- ✓ Amount collected from pari-mutuel revenues and licenses fees to the general fund, in millions
- ✓ Average number of days to bring case to prosecution
- ✓ Average regulatory cost per live race day at each racetrack
- ✓ Number of days to collect penalty fees from licensees and deposit in the school fund
- ✓ Number of horse fatalities per one thousand starts

C. Efficiency

- ✓ Average number of days from report of suspicious activity to referral of investigation case for prosecution before the board of stewards

SUMMARY

Over the next few years, The New Mexico Racing Commission will focus on continued development of regulation services to the horseracing industry and building its racing product. The agency will continue to strive and ensure the agency earns its place at the forefront of regulation on a national level. We have come to realize that this mission will not happen overnight

and may take years to get to a place where all the goals and plans we have set forth may become reality.

Our goals and objectives remain intact, and we will strive for improved financial oversight, efficient enforcement of rules and regulations. With this appropriation request, agency management will focus on the agency's image and promoting accurate and reliable regulation to an industry that continues to add to our local economy.

The FY27 Appropriation Request includes a 10% increase over the FY26 budget along with an expansion request of \$1.4 million to hire additional FTE that are essential to the agency.

Despite the hardships the industry has faced whether in the public perception realm or financially, we will continue to look for guidance from the State's leaders and lawmakers and maintain our relationships with national leaders in our industry. Most importantly, we will concentrate on our image and ensure the public's confidence in our programs.

The Commission and its staff would like to extend its continued appreciation to the Department of Finance/State Budget Division and the Legislative Finance Committee for their support and assistance. We will continue to look to both agencies for guidance through the upcoming fiscal year.