



New Mexico Racing Commission

FY28 Appropriation Request

September 1, 2026

BU 46900



NEW MEXICO RACING COMMISSION

MICHELLE LUJAN GRISHAM

Governor

BILLY G. SMITH

Chairman

ROBERT PITRE

Member

VACANT

Member

JOHN BUFFINGTON

Vice-Chairman

VACANT

Member

ISMAEL "IZZY" TREJO

Director

September 1, 2026

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 FY28 Appropriation request. Below is a brief summation by category:

- **200 – Personnel Services** – On August 14, 2026, the agency requested approval from the Governor's office for the reclassification and recruitment of two positions that have not received funding as they have been used as vacancy savings for the agency to remain flat to prior year budget. The agency requested the reclassification of a veterinarian position to a veterinarian technician (or something similar). Veterinarians spend a lot of time taking blood, urine and other samples from racehorses that having a technician to do such "routine" work and enter information into the equine databases (patient charts) creates more efficiencies so that a higher paid veterinarian can spend more time with the equine athlete. The agency also requested to hire a vacant Investigator position so that it can investigate more cases and have them heard in front of stewards and hearing officers. This is a performance measure for the agency as well. In addition to these two positions, the agency moved the funding for an MOU out of the 300 category into the 200 category. The agency has an MOU with Gaming Control Board to utilize its HR services. The Gaming Control Board and the agency agreed to have twenty-five percent of the salary for this individual. Since the money was budgeted in the contractual category, the funding was reduced in the contractual and added to the personnel services lines of 520300, 521100, 521200, and 521300 in the amount of \$40,000.00. Finally, executive agencies were asked to include a 10% increase for health insurance costs. Finally, the last issue to address in the Personnel Services category is the increase of liability insurance. Each year, the insurance increases by a minimum of \$200,000 due to ongoing litigation. The agency continues to win a majority of the litigation brought forth but nonetheless, the premiums continue to increase.
- **300 – Contractual Category** – The appropriation in the contractual category has increased due to an increase in the agency's audit rate. However, the category decreased by \$40,000 due to the MOU for HR

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Albuquerque, NM 87113 • (505) 222-0700

shared services moving into the Personnel Services category. Finally, the agency is no longer requesting funding from the purse fund. The agency has never utilized any of that requested funding given the funding is not authorized for this purpose. In FY26, the agency requested \$500,000; however, going forward, this will no longer occur.

- **400 – Other Category** – The appropriation request in the other category remained flat with the FY27 operating budget. The category saw small increases due to DoIT and GSD rate increases.

In FY26, the agency generated \$805,701.70 in revenue for the General Fund and Current Year School Fund through pari-mutuel taxes, fines, and licensing. In conclusion, the New Mexico Racing Commission is requesting additional funding for positions that the agency has held vacant for a few years. The reason for the remainder of the increase is due to a 10% health insurance cost increase and GSD/DoIT rate increases. The agency has accomplished a significant number of its goals and statutory mandates with a small team and budget. With the hiring of a veterinarian technician and an additional investigator, the agency hopes to further enhance the safety and welfare of the equine athlete and increase the trust in the state's horseracing industry.

Respectfully,



Ismael "Izzy" Trejo
NMRC Executive Director

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FY28 Appropriation Request Checklist

Agency Name: State Racing Commission

Business Unit: 46900

Reports to Include in PDF Submission

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

☒	Board Cert	Board or Commission Budget Certification <i>Form 9900</i>
☒	E-6B	Leased Passenger-Related Vehicles <i>Form 3300/4300</i>

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, Executive Director


Bill G. Smith, Chairman


Amber Trujillo, Chief Financial Officer

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Suite A
Albuquerque, NM 87113

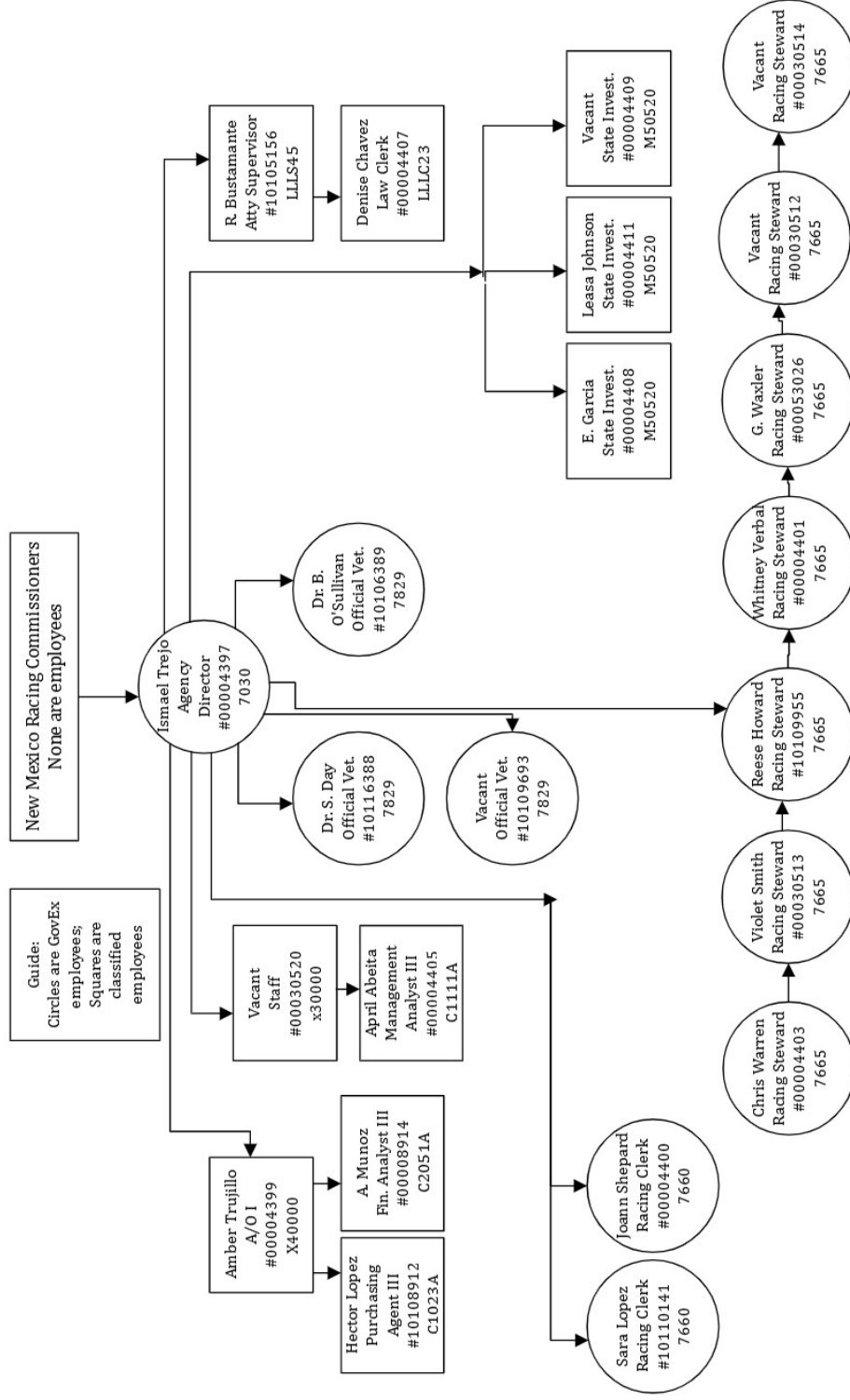
Amber.Trujillo@rc.nm.gov

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.

Agency Name: New Mexico Racing Commission
Program Name: New Mexico Racing Commission

Business Unit: 46900
Program Code: P681

APPROPRIATION REQUEST ORGANIZATION CHART FORM S-2



☐ Check Box if this form is a revision

Revision no:

Revision Date: 6/30/2011

Page

S-8 Financial Summary

(Dollars in Thousands)

		2025-26	2025-26	2026-27	2027-28	FY 2028 Agency Request		Total
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	
REVENUE								
110	General Fund Transfers	3,400.4	3,301.0	3,673.1	0.0	4,318.7	0.0	4,318.7
112	Other Transfers	0.0	159.0	0.0	0.0	0.0	0.0	0.0
130	Other Revenues	4,000.0	4,011.7	4,300.0	0.0	2,900.0	0.0	2,900.0
150	Fund Balance	0.0	0.0	0.0	0.0	1,200.0	0.0	1,200.0
REVENUE, TRANSFERS		7,400.4	7,471.7	7,973.1	0	8,418.7	0.0	8,418.7
REVENUE		7,400.4	7,471.7	7,973.1	0	8,418.7	0.0	8,418.7
EXPENSE								
200	Personal services and employee benefits	2,619.8	2,172.2	2,892.5	3,254.5	3,553.9	0.0	3,553.9
300	Contractual services	2,941.6	2,411.8	3,141.6	0.0	2,718.8	0.0	2,718.8
400	Other	1,839.0	1,294.8	1,939.0	0.0	2,146.0	0.0	2,146.0
EXPENDITURES		7,400.4	5,878.8	7,973.1	3,254.54	8,418.7	0.0	8,418.7
EXPENSE		7,400.4	5,878.8	7,973.1	3,254.54	8,418.7	0.0	8,418.7
FTE POSITIONS								
810	Permanent	21.90	20.00	22.90	24.00	23.90	0.00	23.90
FTEs		21.90	20.00	22.90	24.00	23.90	0.00	23.90
FTE POSITIONS		21.90	20.00	22.90	24.00	23.90	0.00	23.90

	2025-26 Opbud	2025-26 Actuals	2026-27 Opbud	2027-28 PCF Proj	Base	FY 2028 Agency Request	Total
REVENUE							
100 General Fund Transfers	3,400.4	3,301.0	3,673.1	0.0	4,318.7	0.0	4,318.7
112 Other Transfers	0.0	159.0	0.0	0.0	0.0	0.0	0.0
130 Other Revenues	4,000.0	4,011.7	4,300.0	0.0	2,900.0	0.0	2,900.0
150 Fund Balance	0.0	0.0	0.0	0.0	1,200.0	0.0	1,200.0
REVENUE, TRANSFERS	7,400.4	7,471.7	7,973.1	0.0	8,418.7	0.0	8,418.7
REVENUE	7,400.4	7,471.7	7,973.1	0.0	8,418.7	0.0	8,418.7
EXPENSE							
200 Personal services and employee benefits	2,619.8	2,172.2	2,892.5	3,254.5	3,553.9	0.0	3,553.9
300 Contractual services	2,941.6	2,411.8	3,141.6	0.0	2,718.8	0.0	2,718.8
400 Other	1,839.0	1,294.8	1,939.0	0.0	2,146.0	0.0	2,146.0
EXPENDITURES	7,400.4	5,878.8	7,973.1	3,254.54	8,418.7	0.0	8,418.7
EXPENSE	7,400.4	5,878.8	7,973.1	3,254.54	8,418.7	0.0	8,418.7
FTE POSITIONS							
810 Permanent	21.90	20.00	22.90	24.00	23.90	0.00	23.90
FTEs	21.90	20.00	22.90	24.00	23.90	0.00	23.90
FTE POSITIONS	21.90	20.00	22.90	24.00	23.90	0.00	23.90

NEW MEXICO STATE RACING (46900)						
FY28 RECURRING GENERAL FUND: AGENCY APPROPRIATION REQUEST						
CHANGES BY PROGRAM AND CATEGORY						
Horse Racing Regulation (P681)	Salaries and Benefits (200's)	Contractual Services (300's)	Other (400's)	Other Financing Uses (500's)	TOTAL	
FY27 Operating Budget: General Fund	\$2,892.5	\$341.6	\$439.0	\$0.0	\$3,673.1	
Increases (Decreases)						
General fund increase/decrease #1 description - This salary is for a Vet Tech to assist with a "Doctor and nurse" relationship. The agency currently has the position as a classified position, and would reclass it to a version of a Veterinarian under SPO rules. Agency Veterinarians need someone who can take computer for HISA tracking. Since the position is already within blood, urine, and other fluids plus enter the data into the agency, there is no additional position needed, the agency would ask for funding to fill the position instead of leaving it as part of the vacancy savings.	\$176.2					\$176.2
General fund increase/decrease #2 description - This is funding for the existing state investigator position that the agency currently has vacant. The agency has two investigators, but really needs another to ensure that barn searches and the handling of cases continues to run smoothly. The agency has not filled the position due to needing to have a higher vacancy rate to remain flat with budget requests.	\$130.0					\$130.0
General fund increase/decrease #3 moving of HR services MOU from contractual into personnel services so that the salary of the HR representative could be paid out of the proper category.	\$40.0	(\$40.0)				\$0.0
se #4 10% Health Insurance costs (not part of the 3% allowance) to be full -time. This was to offset the salary and lessen the costs.	\$17.9					\$17.9
GSD Fixed Rates - Employee Liability Insurance	\$89.6					\$89.6
GSD Fixed Rates - Workers' comp	\$207.6					\$207.6
GSD Fixed Rates - Agency Audit	\$0.1					\$0.1
DoIT ISD services		\$17.2				\$17.2
DoIT HRMS Fees			\$5.8			\$5.8
DoIT Telecomm			\$0.2			\$0.2
			\$1.0			\$1.0
						\$0.0
						\$0.0
						\$0.0
						\$0.0
						\$0.0
FY28 Request: General Fund	\$3,553.9	\$318.8	\$446.0	\$0.0	\$4,318.7	
\$ increase over FY27	\$661.4	-\$22.8	\$7.0	\$0.0	\$645.6	
% increase over FY27	22.9%	-6.7%	1.6%	#DIV/0!	17.6%	

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

	2025-26		2025-26		2026-27		2027-28		FY 2028 Agency Request	
	Opbud	Actuals	Opbud	Actuals	Opbud	Actuals	PCF Proj	Base	Expansion	Total
40105 General Fd. Appropriation	3,400.4	3,301.0	3,673.1	0.0	4,318.7	0.0	4,318.7	0.0	4,318.7	4,318.7
110 General Fund Transfers	3,400.4	3,301.0	3,673.1	0.0	4,318.7	0.0	4,318.7	0.0	4,318.7	4,318.7
40905 Other Financing Sources	0.0	159.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
112 Other Transfers	0.0	159.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
409201 Pari-Mutuel Tax	700.0	385.4	700.0	0.0	700.0	0.0	700.0	0.0	700.0	700.0
409801 Gaming Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
413302 Racing Daily License Fees	0.0	1.5	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	263.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
422902 Other Fees	3,000.0	3,361.2	3,100.0	0.0	2,200.0	0.0	2,200.0	0.0	2,200.0	2,200.0
424902 Other Intra State Services	300.0	0.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
130 Other Revenues	4,000.0	4,011.7	4,300.0	0.0	2,900.0	0.0	2,900.0	0.0	2,900.0	2,900.0
325900 Restricted FB - Gov	0.0	0.0	0.0	0.0	1,200.0	0.0	1,200.0	0.0	1,200.0	1,200.0
150 Fund Balance	0.0	0.0	0.0	0.0	1,200.0	0.0	1,200.0	0.0	1,200.0	1,200.0
TOTAL REVENUE	7,400.4	7,471.7	7,973.1	0	8,418.7	0.0	8,418.7	0.0	8,418.7	8,418.7
520100 Exempt Perm Positions P/T&F/T	748.7	682.1	765.9	1,488.3	1,208.4	0.0	1,208.4	0.0	1,208.4	1,208.4
520200 Term Positions	61.8	15.0	61.6	1.0	0.0	0.0	0.0	0.0	0.0	0.0
520300 Classified Perm Positions F/T	916.3	677.3	948.0	959.9	876.0	0.0	876.0	0.0	876.0	876.0
520600 Paid Unused Sick Leave	0.0	6.6	0.0	0.0	6.6	0.0	6.6	0.0	6.6	6.6
520700 Overtime & Other Premium Pay	15.0	88.3	15.0	0.0	15.0	0.0	15.0	0.0	15.0	15.0
520800 Annl & Comp Paid At Separation	8.1	1.2	8.1	0.0	8.1	0.0	8.1	0.0	8.1	8.1
521100 Group Insurance Premium	123.3	124.6	112.6	170.3	179.2	0.0	179.2	0.0	179.2	179.2
521200 Retirement Contributions	359.0	248.5	321.4	437.2	376.7	0.0	376.7	0.0	376.7	376.7
521300 FICA	155.3	110.3	135.4	150.8	160.9	0.0	160.9	0.0	160.9	160.9
521400 Workers' Comp Assessment Fee	0.8	0.2	0.8	0.0	0.9	0.0	0.9	0.0	0.9	0.9
521410 GSD Work Comp Insur Premium	1.2	1.1	1.1	0.0	1.2	0.0	1.2	0.0	1.2	1.2
521500 Unemployment Comp Premium	0.0	0.0	13.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
521600 Employee Liability Ins Premium	191.2	191.1	472.5	0.0	680.1	0.0	680.1	0.0	680.1	680.1
521700 RHC Act Contributions	39.1	25.8	36.2	47.0	40.8	0.0	40.8	0.0	40.8	40.8
200 Personal services and employee benef	2,619.8	2,172.2	2,892.5	3,254.5	3,553.9	0.0	3,553.9	0.0	3,553.9	3,553.9
535100 Medical Services	1,000.0	742.3	1,200.0	0.0	700.0	0.0	700.0	0.0	700.0	700.0
535200 Professional Services	216.0	52.9	216.0	0.0	216.0	0.0	216.0	0.0	216.0	216.0
535300 Other Services	1,601.4	1,529.8	1,601.4	0.0	1,701.4	0.0	1,701.4	0.0	1,701.4	1,701.4

S-9 Account Code Revenue/Expenditure Summary

(Dollars in Thousands)

Budget Department
46000 0000 0000000000

		2025-26		2025-26	2026-27	2027-28	FY 2028 Agency Request	
		Opbud	Actuals	Opbud	Opbud	PCF Proj	Base	Expansion
		2,941.6	2,411.8	3,141.6	0.0	0.0	2,718.8	0.0
300	Contractual services							2,718.8
542000	Legislator PerDiem&M-DFARollup	0.0	0.0	0.0	0.0	0.0	0.0	0.0
542100	Employee I/S Mileage & Fares	4.4	1.0	4.4	0.0	0.0	4.4	0.0
542200	Employee I/S Meals & Lodging	102.0	87.6	119.0	0.0	0.0	119.0	0.0
542300	Brd & Comm Mbr Meals & Lodging	1.5	0.6	1.5	0.0	0.0	1.5	0.0
542310	Brd & Comm Mbr Mileage & Fares	2.7	2.9	2.7	0.0	0.0	3.0	0.0
542500	Transp - Fuel & Oil	8.0	4.7	8.0	0.0	0.0	8.0	0.0
542600	Transp - Parts & Supplies	0.0	2.3	0.0	0.0	0.0	2.0	0.0
542700	Transp - Transp Insurance	0.5	0.4	0.4	0.0	0.0	0.4	0.0
542800	State Transp Pool Charges	22.4	11.9	17.0	0.0	0.0	17.0	0.0
543200	Maint - Furn, Fixt, Equipment	0.0	3.8	0.0	0.0	0.0	6.6	0.0
543500	Maint - Supplies	0.1	0.0	0.1	0.0	0.0	0.1	0.0
543820	Maintenance IT	2.3	3.7	2.3	0.0	0.0	4.0	0.0
543830	IT HW/SW Agreements	0.0	0.4	0.0	0.0	0.0	0.0	0.0
544000	Supply Inventory IT	11.8	23.6	11.8	0.0	0.0	5.0	0.0
544100	Supplies-Office Supplies	3.8	3.6	3.8	0.0	0.0	5.0	0.0
544200	Supplies-Medical,Lab,Personal	14.0	0.6	14.0	0.0	0.0	14.0	0.0
544400	Supplies-Field Supplies	0.0	0.7	0.0	0.0	0.0	4.0	0.0
544900	Supplies-Inventory Exempt	4.0	3.8	4.0	0.0	0.0	0.0	0.0
545600	Reporting & Recording	8.0	4.4	8.0	0.0	0.0	8.0	0.0
545700	ISD Services	21.6	23.3	27.0	0.0	0.0	32.8	0.0
545710	DOIT HCM Assessment Fees	8.1	7.7	8.2	0.0	0.0	8.4	0.0
545900	Printing & Photo Services	2.5	2.6	2.5	0.0	0.0	4.6	0.0
546100	Postage & Mail Services	13.0	2.1	13.0	0.0	0.0	13.0	0.0
546300	Utilities	15.0	0.0	0.0	0.0	0.0	0.0	0.0
546400	Rent Of Land & Buildings	125.0	56.5	123.0	0.0	0.0	111.0	0.0
546500	Rent Of Equipment	5.0	1.6	5.0	0.0	0.0	5.0	0.0
546610	DOIT Telecommunications	19.2	21.8	19.2	0.0	0.0	20.2	0.0
546700	Subscriptions/Dues/License Fee	13.1	16.7	13.1	0.0	0.0	17.0	0.0
546800	Employee Training & Education	5.0	4.0	5.0	0.0	0.0	5.0	0.0

State Racing Commission			State of New Mexico		
BU	PCode	Department	S-9 Account Code Revenue/Expenditure Summary		
46900	0000	0000000000	(Dollars in Thousands)		
			2025-26	2025-26	2026-27
			Opbud	Actuals	Opbud
					2027-28
					PCF Proj
					----- FY 2028 Agency Request -----
					Base Expansion Total
545900		Advertising	5.0	0.6	5.0
545900					0.0
545900					0.0
545900					5.0
546360		Insurance Premiums-non_payroll	1,400.0	946.4	1,500.0
546360					0.0
546360					1,700.0
546730		Lease Principal Payment	0.0	29.6	0.0
546730					0.0
546730					0.0
547900		Miscellaneous Expense	1.0	1.1	2.0
547900					0.0
547900					2.0
548882		Lease Interest	0.0	9.7	0.0
548882					0.0
548882					0.0
549600		Employee O/S Mileage & Fares	8.0	7.1	8.0
549600					0.0
549600					8.0
549700		Employee O/S Meals & Lodging	12.0	8.3	12.0
549700					0.0
549700					12.0
400		Other	1,839.0	1,294.8	1,939.0
400					0.0
400					2,146.0
TOTAL EXPENSE			7,400.4	5,878.8	7,973.1
810		Permanent	21.90	20.00	21.90
810					24.00
810					23.90
810		Permanent	21.90	20.00	21.90
810					24.00
810					23.90
TOTAL FTE POSITIONS			21.90	20.00	21.90
					24.00
					23.90
					0.00
					23.90

Horse Racing Regulation
BU PCode Department
46000 P681 000000

State of New Mexico
S-9 Account Code Revenue/Expenditure Summary
(Dollars in Thousands)

	2025-26 Opbud	2025-26 Actuals	2026-27 Opbud	2027-28 PCF Proj	----- FY 2028 Agency Request -----	
					Base	Expansion Total
40105 General Fd. Appropriation	3,400.4	3,301.0	3,673.1	0.0	4,318.7	0.0 4,318.7
110 General Fund Transfers	3,400.4	3,301.0	3,673.1	0.0	4,318.7	0.0 4,318.7
40905 Other Financing Sources	0.0	159.0	0.0	0.0	0.0	0.0 0.0
112 Other Transfers	0.0	159.0	0.0	0.0	0.0	0.0 0.0
409201 Pari-Mutuel Tax	700.0	385.4	700.0	0.0	700.0	0.0 700.0
409801 Gaming Tax	0.0	0.0	0.0	0.0	0.0	0.0 0.0
413302 Racing Daily License Fees	0.0	1.5	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	263.6	0.0	0.0	0.0	0.0 0.0
422902 Other Fees	3,000.0	3,361.2	3,100.0	0.0	2,200.0	0.0 2,200.0
424902 Other Intra State Services	300.0	0.0	500.0	0.0	0.0	0.0 0.0
130 Other Revenues	4,000.0	4,011.7	4,300.0	0.0	2,900.0	0.0 2,900.0
325900 Restricted FB - Gov	0.0	0.0	0.0	0.0	1,200.0	0.0 1,200.0
150 Fund Balance	0.0	0.0	0.0	0.0	1,200.0	0.0 1,200.0
TOTAL REVENUE	7,400.4	7,471.7	7,973.1	0.0	8,418.7	0.0 8,418.7
520100 Exempt Perm Positions P/T&F/T	748.7	682.1	765.9	1,488.3	1,208.4	0.0 1,208.4
520200 Term Positions	61.8	15.0	61.6	1.0	0.0	0.0 0.0
520300 Classified Perm Positions F/T	916.3	677.3	948.0	959.9	876.0	0.0 876.0
520600 Paid Unused Sick Leave	0.0	6.6	0.0	0.0	6.6	0.0 6.6
520700 Overtime & Other Premium Pay	15.0	88.3	15.0	0.0	15.0	0.0 15.0
520800 Annl & Comp Paid At Separation	8.1	1.2	8.1	0.0	8.1	0.0 8.1
521100 Group Insurance Premium	123.3	124.6	112.6	170.3	179.2	0.0 179.2
521200 Retirement Contributions	359.0	248.5	321.4	437.2	376.7	0.0 376.7
521300 F I C A	155.3	110.3	135.4	150.8	160.9	0.0 160.9
521400 Workers' Comp Assessment Fee	0.8	0.2	0.8	0.0	0.9	0.0 0.9
521410 GSD Work Comp Insur Premium	1.2	1.1	1.1	0.0	1.2	0.0 1.2
521500 Unemployment Comp Premium	0.0	0.0	13.9	0.0	0.0	0.0 0.0
521600 Employee Liability Ins Premium	191.2	191.1	472.5	0.0	680.1	0.0 680.1
521700 RHC Act Contributions	39.1	25.8	36.2	47.0	40.8	0.0 40.8
200 Personal services and employee benef	2,619.8	2,172.2	2,892.5	3,254.5	3,553.9	0.0 3,553.9
535100 Medical Services	1,000.0	742.3	1,200.0	0.0	700.0	0.0 700.0
535200 Professional Services	216.0	52.9	216.0	0.0	216.0	0.0 216.0
535300 Other Services	1,601.4	1,529.8	1,601.4	0.0	1,701.4	0.0 1,701.4

Request	2025-26		2025-26		2026-27		2027-28		FY 2028 Agency Request	
	Opbud	Actuals	Opbud		Opbud	PCF Proj	Base	Expansion	Total	
52309	Other Services - Interagency	92.0	41.9	92.0	0.0	52.0	0.0	52.0		
52400	Audit Services	26.2	40.9	26.2	0.0	43.4	0.0	43.4		
52500	Attorney Services	6.0	4.1	6.0	0.0	6.0	0.0	6.0		
300	Contractual services	2,941.6	2,411.8	3,141.6	0.0	2,718.8	0.0	2,718.8		
542000	Legislator PerDiem&M-DFARollup	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
542100	Employee I/S Mileage & Fares	4.4	1.0	4.4	0.0	4.4	0.0	4.4		
542200	Employee I/S Meals & Lodging	102.0	87.6	119.0	0.0	119.0	0.0	119.0		
542300	Brd & Comm Mbr Meals & Lodging	1.5	0.6	1.5	0.0	1.5	0.0	1.5		
542310	Brd & Comm Mbr Mileage & Fares	2.7	2.9	2.7	0.0	3.0	0.0	3.0		
542500	Transp - Fuel & Oil	8.0	4.7	8.0	0.0	8.0	0.0	8.0		
542600	Transp - Parts & Supplies	0.0	2.3	0.0	0.0	2.0	0.0	2.0		
542700	Transp - Transp Insurance	0.5	0.4	0.4	0.0	0.4	0.0	0.4		
542800	State Transp Pool Charges	22.4	11.9	17.0	0.0	17.0	0.0	17.0		
543200	Maint - Furn, Fixt, Equipment	0.0	3.8	0.0	0.0	6.6	0.0	6.6		
543500	Maint - Supplies	0.1	0.0	0.1	0.0	0.1	0.0	0.1		
543820	Maintenance IT	2.3	3.7	2.3	0.0	4.0	0.0	4.0		
543830	IT HW/SW Agreements	0.0	0.4	0.0	0.0	0.0	0.0	0.0		
544000	Supply Inventory IT	11.8	23.6	11.8	0.0	5.0	0.0	5.0		
544100	Supplies-Office Supplies	3.8	3.6	3.8	0.0	5.0	0.0	5.0		
544200	Supplies-Medical,Lab,Personal	14.0	0.6	14.0	0.0	14.0	0.0	14.0		
544400	Supplies-Field Supplies	0.0	0.7	0.0	0.0	4.0	0.0	4.0		
544900	Supplies-Inventory Exempt	4.0	3.8	4.0	0.0	0.0	0.0	0.0		
545600	Reporting & Recording	8.0	4.4	8.0	0.0	8.0	0.0	8.0		
545700	ISD Services	21.6	23.3	27.0	0.0	32.8	0.0	32.8		
545710	DOIT HCM Assessment Fees	8.1	7.7	8.2	0.0	8.4	0.0	8.4		
545900	Printing & Photo Services	2.5	2.6	2.5	0.0	4.6	0.0	4.6		
546100	Postage & Mail Services	13.0	2.1	13.0	0.0	13.0	0.0	13.0		
546300	Utilities	15.0	0.0	0.0	0.0	0.0	0.0	0.0		
546400	Rent Of Land & Buildings	125.0	56.5	123.0	0.0	111.0	0.0	111.0		
546500	Rent Of Equipment	5.0	1.6	5.0	0.0	5.0	0.0	5.0		
546610	DOIT Telecommunications	19.2	21.8	19.2	0.0	20.2	0.0	20.2		
546700	Subscriptions/Dues/License Fee	13.1	16.7	13.1	0.0	17.0	0.0	17.0		
546800	Employee Training & Education	5.0	4.0	5.0	0.0	5.0	0.0	5.0		
546900	Advertising	5.0	0.6	5.0	0.0	5.0	0.0	5.0		

Request	2025-26 Opbud	2025-26 Actuals	2026-27 Opbud	2027-28 PCF Proj	FY 2028 Agency Request	
					Base	Expansion
547360 Insurance Premiums-non_payroll	1,400.0	946.4	1,500.0	0.0	1,700.0	0.0
547730 Lease Principal Payment	0.0	29.6	0.0	0.0	0.0	0.0
549900 Miscellaneous Expense	1.0	1.1	1.0	0.0	2.0	0.0
548882 Lease Interest	0.0	9.7	0.0	0.0	0.0	0.0
549600 Employee O/S Mileage & Fares	8.0	7.1	8.0	0.0	8.0	0.0
549700 Employee O/S Meals & Lodging	12.0	8.3	12.0	0.0	12.0	0.0
400 Other	1,839.0	1,294.8	1,939.0	0.0	2,146.0	0.0
TOTAL EXPENSE	7,400.4	5,878.8	7,973.1	3,254.5	8,418.7	0.0
810 Permanent	21.90	20.00	21.90	24.00	23.90	0.00
810 Permanent	21.90	20.00	21.90	24.00	23.90	0.00
TOTAL FTE POSITIONS	21.90	20.00	21.90	24.00	23.90	0.00

State Racing Commission
BSP Code Department
4600 0000 0000000000

State of New Mexico
S-9 Account Code Revenue Summary
(Dollars in Thousands)

Provider PCode	2025-26 Opbud	2025-26 Actuals	2026-27 Opbud	2027-28 PCF Proj	FY 2028 Agency Request	
					Base	Expansion
40105 General Fd. Appropriation	3,400.4	3,301.0	0.0	0.0	4,318.7	0.0
110 General Fund Transfers	3,400.4	3,301.0	3,673.1	0.0	4,318.7	0.0
40905 Other Financing Sources	0.0	159.0	0.0	0.0	0.0	0.0
112 Other Transfers	0.0	159.0	0.0	0.0	0.0	0.0
409201 Pari-Mutuel Tax	700.0	385.4	0.0	0.0	700.0	0.0
409801 Gaming Tax	0.0	0.0	0.0	0.0	0.0	0.0
413302 Racing Daily License Fees	0.0	1.5	0.0	0.0	0.0	0.0
418902 Other Filing Fees	0.0	0.0	0.0	0.0	0.0	0.0
422302 Horse Inspection Fees	0.0	263.6	0.0	0.0	0.0	0.0
422902 Other Fees	3,000.0	3,361.2	0.0	0.0	2,200.0	0.0
424902 Other Intra State Services	300.0	0.0	0.0	0.0	0.0	0.0
130 Other Revenues	4,000.0	4,011.7	4,300.0	0.0	2,900.0	0.0
325900 Restricted FB - Gov	0.0	0.0	0.0	0.0	1,200.0	0.0
150 Fund Balance	0.0	0.0	0.0	0.0	1,200.0	0.0
TOTAL REVENUE	7,400.4	7,471.7	7,973.1	0	8,418.7	0.0

Horse Racing Regulation
BU PCode Department
4600 P681 000000

State of New Mexico
S-9 Account Code Revenue Summary
(Dollars in Thousands)

	Provider PCode	2025-26		2025-26 Actuals	2026-27		2027-28 PCF Proj	----- FY 2028 Agency Request -----		
		Opbud			Opbud			Base	Expansion	Total
40105 General Fd. Appropriation		3,400.4	3,301.0	3,301.0	3,673.1	0.0	0.0	4,318.7	0.0	4,318.7
110 General Fund Transfers		3,400.4	3,301.0	3,301.0	3,673.1	0.0	0.0	4,318.7	0.0	4,318.7
40905 Other Financing Sources		0.0	159.0	159.0	0.0	0.0	0.0	0.0	0.0	0.0
112 Other Transfers		0.0	159.0	159.0	0.0	0.0	0.0	0.0	0.0	0.0
409201 Pari-Mutuel Tax		700.0	385.4	700.0	700.0	0.0	0.0	700.0	0.0	700.0
409801 Gaming Tax		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
413302 Racing Daily License Fees		0.0	1.5	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
422302 Horse Inspection Fees		0.0	263.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
422902 Other Fees		3,000.0	3,361.2	3,100.0	3,100.0	0.0	0.0	2,200.0	0.0	2,200.0
424902 Other Intra State Services		300.0	0.0	500.0	500.0	0.0	0.0	0.0	0.0	0.0
130 Other Revenues		4,000.0	4,011.7	4,300.0	4,300.0	0.0	0.0	2,900.0	0.0	2,900.0
325900 Restricted FB - Gov		0.0	0.0	0.0	0.0	0.0	0.0	1,200.0	0.0	1,200.0
150 Fund Balance		0.0	0.0	0.0	0.0	0.0	0.0	1,200.0	0.0	1,200.0
TOTAL REVENUE		7,400.4	7,471.7	7,973.1	7,973.1	0.0	0.0	8,418.7	0.0	8,418.7

State Racing Commission			State of New Mexico		
BU	PCode	Department	S-9 Account Code Expenditure Summary		
46900	0000	0000000000	(Dollars in Thousands)		
			2025-26	2025-26	2026-27
			Opbud	Actuals	Opbud
			748.7	682.1	765.9
					1,488.3
					2027-28
					PCF Proj
					Base
					Expansion
					Total
501100	Exempt Perm Positions P/T&F/T				1,208.4
501200	Term Positions				0.0
502300	Classified Perm Positions F/T				876.0
520600	Paid Unused Sick Leave				6.6
520700	Overtime & Other Premium Pay				15.0
520800	Annl & Comp Paid At Separation				8.1
521100	Group Insurance Premium				179.2
521200	Retirement Contributions				376.7
521300	F I L A				160.9
521400	Workers' Comp Assessment Fee				0.9
521410	GSD Work Comp Insur Premium				1.2
521500	Unemployment Comp Premium				0.0
521600	Employee Liability Ins Premium				680.1
521700	RHC Act Contributions				40.8
200	Personal services and employee benefits				3,553.9
535100	Medical Services				700.0
535200	Professional Services				216.0
535300	Other Services				1,701.4
535309	Other Services - Interagency				52.0
535400	Audit Services				43.4
535500	Attorney Services				6.0
300	Contractual services				2,718.8
542000	Legislator PerDiem&M-DFARollup				0.0
542100	Employee I/S Mileage & Fares				4.4
542200	Employee I/S Meals & Lodging				119.0
542300	Brd & Comm Mbr Meals & Lodgin				1.5
542310	Brd & Comm Mbr Mileage & Fares				3.0
542500	Transp - Fuel & Oil				8.0
542600	Transp - Parts & Supplies				2.0
542700	Transp - Transp Insurance				0.4
542800	State Transp Pool Charges				17.0
543200	Maint - Furn, Fixt, Equipment				6.6

	2025-26 Opbud	2025-26 Actuals	2026-27 Opbud	2027-28 PCF Proj	FY 2028 Agency Request		
					Base	Expansion	Total
543500 Maint - Supplies	0.1	0.0	0.1	0.0	0.1	0.0	0.1
543820 Maintenance IT	2.3	3.7	2.3	0.0	4.0	0.0	4.0
543830 IT HW/SW Agreements	0.0	0.4	0.0	0.0	0.0	0.0	0.0
544000 Supply Inventory IT	11.8	23.6	11.8	0.0	5.0	0.0	5.0
544100 Supplies-Office Supplies	3.8	3.6	3.8	0.0	5.0	0.0	5.0
544200 Supplies-Medical,Lab,Personal	14.0	0.6	14.0	0.0	14.0	0.0	14.0
544400 Supplies-Field Supplies	0.0	0.7	0.0	0.0	4.0	0.0	4.0
544900 Supplies-Inventory Exempt	4.0	3.8	4.0	0.0	0.0	0.0	0.0
545600 Reporting & Recording	8.0	4.4	8.0	0.0	8.0	0.0	8.0
545700 ISD Services	21.6	23.3	27.0	0.0	32.8	0.0	32.8
545710 DOIT HCM Assessment Fees	8.1	7.7	8.2	0.0	8.4	0.0	8.4
545900 Printing & Photo Services	2.5	2.6	2.5	0.0	4.6	0.0	4.6
546100 Postage & Mail Services	13.0	2.1	13.0	0.0	13.0	0.0	13.0
546300 Utilities	15.0	0.0	0.0	0.0	0.0	0.0	0.0
546400 Rent Of Land & Buildings	125.0	56.5	123.0	0.0	111.0	0.0	111.0
546500 Rent Of Equipment	5.0	1.6	5.0	0.0	5.0	0.0	5.0
546610 DOIT Telecommunications	19.2	21.8	19.2	0.0	20.2	0.0	20.2
546700 Subscriptions/Dues/License Fee	13.1	16.7	13.1	0.0	17.0	0.0	17.0
546800 Employee Training & Education	5.0	4.0	5.0	0.0	5.0	0.0	5.0
546900 Advertising	5.0	0.6	5.0	0.0	5.0	0.0	5.0
547360 Insurance Premiums-non_payroll	1,400.0	946.4	1,500.0	0.0	1,700.0	0.0	1,700.0
547730 Lease Principal Payment	0.0	29.6	0.0	0.0	0.0	0.0	0.0
547900 Miscellaneous Expense	1.0	1.1	1.0	0.0	2.0	0.0	2.0
548882 Lease Interest	0.0	9.7	0.0	0.0	0.0	0.0	0.0
549600 Employee O/S Mileage & Fares	8.0	7.1	8.0	0.0	8.0	0.0	8.0
549700 Employee O/S Meals & Lodging	12.0	8.3	12.0	0.0	12.0	0.0	12.0
400 Other	1,839.0	1,294.8	1,939.0	0.0	2,146.0	0.0	2,146.0
TOTAL EXPENSE	7,400.4	5,878.8	7,973.1	3,254.54	8,418.7	0.0	8,418.7

Horse Racing Regulation
Budget Code P681
Department 000000

State of New Mexico
S-9 Account Code Expenditure Summary
(Dollars in Thousands)

	2025-26 Opbud	2025-26 Actuals	2026-27 Opbud	2027-28 PCF Proj	----- FY 2028 Agency Request -----	
					Base	Expansion Total
501100 Exempt Perm Positions P/T&F/T	748.7	682.1	765.9	1,488.3	1,208.4	1,208.4
502200 Term Positions	61.8	15.0	61.6	1.0	0.0	0.0
503300 Classified Perm Positions F/T	916.3	677.3	948.0	959.9	876.0	876.0
520600 Paid Unused Sick Leave	0.0	6.6	0.0	0.0	6.6	6.6
520700 Overtime & Other Premium Pay	15.0	88.3	15.0	0.0	15.0	15.0
520800 Annl & Comp Paid At Separation	8.1	1.2	8.1	0.0	8.1	8.1
521100 Group Insurance Premium	123.3	124.6	112.6	170.3	179.2	179.2
521200 Retirement Contributions	359.0	248.5	321.4	437.2	376.7	376.7
521300 F I C A	155.3	110.3	135.4	150.8	160.9	160.9
521400 Workers' Comp Assessment Fee	0.8	0.2	0.8	0.0	0.9	0.9
521410 GSD Work Comp Insur Premium	1.2	1.1	1.1	0.0	1.2	1.2
521500 Unemployment Comp Premium	0.0	0.0	13.9	0.0	0.0	0.0
521600 Employee Liability Ins Premium	191.2	191.1	472.5	0.0	680.1	680.1
521700 RHC Act Contributions	39.1	25.8	36.2	47.0	40.8	40.8
200 Personal services and employee	2,619.8	2,172.2	2,892.5	3,254.5	3,553.9	3,553.9
535100 Medical Services	1,000.0	742.3	1,200.0	0.0	700.0	700.0
535200 Professional Services	216.0	52.9	216.0	0.0	216.0	216.0
535300 Other Services	1,601.4	1,529.8	1,601.4	0.0	1,701.4	1,701.4
535309 Other Services - Interagency	92.0	41.9	92.0	0.0	52.0	52.0
535400 Audit Services	26.2	40.9	26.2	0.0	43.4	43.4
535500 Attorney Services	6.0	4.1	6.0	0.0	6.0	6.0
300 Contractual services	2,941.6	2,411.8	3,141.6	0.0	2,718.8	2,718.8
542000 Legislator PerDiem&M-DFARollup	0.0	0.0	0.0	0.0	0.0	0.0
542100 Employee I/S Mileage & Fares	4.4	1.0	4.4	0.0	4.4	4.4
542200 Employee I/S Meals & Lodging	102.0	87.6	119.0	0.0	119.0	119.0
542300 Brd & Comm Mbr Meals & Lodgin	1.5	0.6	1.5	0.0	1.5	1.5
542310 Brd & Comm Mbr Mileage & Fares	2.7	2.9	2.7	0.0	3.0	3.0
542500 Transp - Fuel & Oil	8.0	4.7	8.0	0.0	8.0	8.0
542600 Transp - Parts & Supplies	0.0	2.3	0.0	0.0	2.0	2.0
542700 Transp - Transp Insurance	0.5	0.4	0.4	0.0	0.4	0.4
542800 State Transp Pool Charges	22.4	11.9	17.0	0.0	17.0	17.0
543200 Maint - Furn, Fixt, Equipment	0.0	3.8	0.0	0.0	6.6	6.6
543500 Maint - Supplies	0.1	0.0	0.1	0.0	0.1	0.1

	2025-26		2025-26		2026-27		2027-28		FY 2028 Agency Request	
	Opbud	Actuals	Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total	Total
543820 Maintenance IT	2.3	3.7	2.3	3.7	0.0	0.0	4.0	0.0	4.0	4.0
543830 IT HW/SW Agreements	0.0	0.4	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0
543900 Supply Inventory IT	11.8	23.6	11.8	23.6	0.0	0.0	5.0	0.0	5.0	5.0
544100 Supplies-Office Supplies	3.8	3.6	3.8	3.6	0.0	0.0	5.0	0.0	5.0	5.0
544200 Supplies-Medical,Lab,Personal	14.0	0.6	14.0	0.6	0.0	0.0	14.0	0.0	14.0	14.0
544400 Supplies-Field Supplies	0.0	0.7	0.0	0.7	0.0	0.0	4.0	0.0	4.0	4.0
544900 Supplies-Inventory Exempt	4.0	3.8	4.0	3.8	0.0	0.0	0.0	0.0	0.0	0.0
545600 Reporting & Recording	8.0	4.4	8.0	4.4	0.0	0.0	8.0	0.0	8.0	8.0
545700 ISD Services	21.6	23.3	27.0	23.3	0.0	0.0	32.8	0.0	32.8	32.8
545710 DOIT HCM Assessment Fees	8.1	7.7	8.2	7.7	0.0	0.0	8.4	0.0	8.4	8.4
545900 Printing & Photo Services	2.5	2.6	2.5	2.6	0.0	0.0	4.6	0.0	4.6	4.6
546100 Postage & Mail Services	13.0	2.1	13.0	2.1	0.0	0.0	13.0	0.0	13.0	13.0
546300 Utilities	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
546400 Rent Of Land & Buildings	125.0	56.5	123.0	56.5	0.0	0.0	111.0	0.0	111.0	111.0
546500 Rent Of Equipment	5.0	1.6	5.0	1.6	0.0	0.0	5.0	0.0	5.0	5.0
546610 DOIT Telecommunications	19.2	21.8	19.2	21.8	0.0	0.0	20.2	0.0	20.2	20.2
546700 Subscriptions/Dues/License Fee	13.1	16.7	13.1	16.7	0.0	0.0	17.0	0.0	17.0	17.0
546800 Employee Training & Education	5.0	4.0	5.0	4.0	0.0	0.0	5.0	0.0	5.0	5.0
546900 Advertising	5.0	0.6	5.0	0.6	0.0	0.0	5.0	0.0	5.0	5.0
547360 Insurance Premiums-non_payroll	1,400.0	946.4	1,500.0	946.4	0.0	0.0	1,700.0	0.0	1,700.0	1,700.0
547730 Lease Principal Payment	0.0	29.6	0.0	29.6	0.0	0.0	0.0	0.0	0.0	0.0
547900 Miscellaneous Expense	1.0	1.1	1.0	1.1	0.0	0.0	2.0	0.0	2.0	2.0
548882 Lease Interest	0.0	9.7	0.0	9.7	0.0	0.0	0.0	0.0	0.0	0.0
549600 Employee O/S Mileage & Fares	8.0	7.1	8.0	7.1	0.0	0.0	8.0	0.0	8.0	8.0
549700 Employee O/S Meals & Lodging	12.0	8.3	12.0	8.3	0.0	0.0	12.0	0.0	12.0	12.0
400 Other	1,839.0	1,294.8	1,939.0	1,294.8	0.0	0.0	2,146.0	0.0	2,146.0	2,146.0
TOTAL EXPENSE	7,400.4	5,878.8	7,973.1	5,878.8	3,254.54	0.0	8,418.7	0.0	8,418.7	8,418.7

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 FY26	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 FY26	648,600
Other (explain in detail)	0

Deduct:

Liabilities not reflected in FCD Reports at close of FY26	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	(216,500)
Other (explain in detail)	(432,100)
FY26 revision not reflected in liabilities	0
Total Adjustments	(600,000)

ADJUSTED UNRESERVED, UNDESIGNATED FUND BALANCE at close of FY26	0
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Add:

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

Projected total expenditures for FY27	(600,000)
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ADJUSTED UNRESERVED/UNDESIGNATED FUND BALANCE at close of FY27	0
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Add:

Projected revenue/sources (less fund balance requested) for FY28	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 FY28	0
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APPROPRIATION REQUEST

FORM S-10 FUND BALANCE PROJECTION

(In Whole Dollars)

Agency:	State Racing Commission	Business Unit:	46900
Fund Name:	SB336/HISA Jockey Insurance	Fund Number:	19210
Legal Auth.	Laws of 2023, Chapter 122, Senate Bill 336 and Laws of 2025, Chapter		

BEGINNING BALANCE

Unreserved, undesignated fund balance (not cash balance) from SHARE NMS006GL Balance Sheet Report at close of FY26	0
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ADJUSTMENTS

Add:

Interfund receivables, accounts receivables, and other assets not reflected in fund balance from FCD Reports at close of FY26	3,361,200
Other (explain in detail)	0

Deduct:

Liabilities not reflected in FCD Reports at close of FY26	(2,451,800)
Fund balance designated by law for future expenditure (non-reverting funds)	(909,400)
Amount due to State General Fund or other fund designated by statute	0
Other (explain in detail)	0
FY26 revision not reflected in liabilities	0

Total Adjustments	0
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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 budgeted) for FY27	3,400,000
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Deduct:

Projected total expenditures for FY27	(2,500,000)
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ADJUSTED UNRESERVED/UNDESIGNATED FUND BALANCE at close of FY27	900,000
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Add:

Projected revenue/sources (less fund balance requested) for FY28	0
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Deduct:

Total expenditures budgeted in appropriation request	0
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ADJUSTED UNRESERVED/UNDESIGNATED FUND BALANCE at close of FY28	900,000
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State of New Mexico
Rate Report - Selected Line Items for Rates
(Dollars in Thousands)

-----FY 2028-----									
Org Unit	Line	2025-26		2026-27		Request		Recommendation	
		Actuals	OpBud	Base	Expansion	Base	Expansion	Base	Expansion
46900 P681 Horse Racing Regulation	521410 GSD Work Comp Insur Premium	1.12	1.1	1.2	0	0	0	0.0	0.0
	521500 Unemployment Comp Premium	0	13.9	0	0	0	0	0.0	0.0
	521600 Employee Liability Ins Premium	191.11	472.5	680.1	0	0	0	0.0	0.0
	535400 Audit Services	40.9	26.2	43.4	0	0	0	0.0	0.0
	542700 Transp - Transp Insurance	0.42	0.4	0.4	0	0	0	0.0	0.0
	542800 State Transp Pool Charges	11.91	17	17	0	0	0	0.0	0.0
	545700 ISD Services	23.25	27	32.8	0	0	0	0.0	0.0
	545710 DOIT HCM Assessment Fees	7.67	8.2	8.4	0	0	0	0.0	0.0
	546610 DOIT Telecommunications	21.83	19.2	20.2	0	0	0	0.0	0.0
		298.19	585.5	803.5	0	0	0	0.0	0.0
46900 P681 Horse Racing Regulation		298.19	585.5	803.5	0	0	0	0.0	0.0

State of New Mexico

Rate Report - Selected Line Items for Rates

(Dollars in Thousands)

Totals by Line Item									
BusUnit	Line Item	2025-26		2026-27		Request		Recommendation	
		Actuals	Opbud	Opbud	Opbud	Base	Expansion	Base	Expansion
46900	521410	1.12	1.1	1.1	1.2	0	0	0	0
	521500	0	13.9	13.9	0	0	0	0	0
	521600	191.11	472.5	472.5	680.1	0	0	0	0
	535400	40.9	26.2	26.2	43.4	0	0	0	0
	542700	0.42	0.4	0.4	0.4	0	0	0	0
	542800	11.91	17	17	17	0	0	0	0
	545700	23.25	27	27	32.8	0	0	0	0
	545710	7.67	8.2	8.2	8.4	0	0	0	0
	546610	21.83	19.2	19.2	20.2	0	0	0	0
	Grand Total	298.19	585.5	585.5	803.5	0	0	0	0

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- I 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 confirmed 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

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 2 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 9. 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 agency 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 \$1,700 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.

Overview of Request:

200 – Personnel Services – On August 14, 2026, the agency requested approval from the Governor's office for the reclassification and recruitment of two positions that have not received funding as they have been used as vacancy savings for the agency to remain flat to prior year budget. The agency requested the reclassification of a veterinarian position to a veterinarian technician (or something similar). Veterinarians spend a lot of time taking blood, urine and other samples from racehorses that having a technician to do such "routine" work and enter information into the equine databases (patient charts) creates more efficiencies so that a higher paid veterinarian can spend more time with the equine athlete. The agency also requested to hire a vacant Investigator position so that it can investigate more cases and have them heard in front of stewards and hearing officers. This is a performance measure for the agency as well. In addition to these two positions, the agency moved the funding for an MOU out of the 300 category into the 200 category. The agency has an MOU with Gaming Control Board to utilize its HR services. The Gaming Control Board and the agency agreed to have twenty-five percent of the salary for this individual. Since the money was budgeted in the contractual category, the funding was reduced in the contractual and added to the personnel services lines of 520300, 521100, 521200, and 521300 in the amount of \$40,000.00. Finally, executive agencies were asked to include a 10% increase for health insurance costs. Finally, the last issue to address in the Personnel Services category is the increase of liability insurance. Each year, the insurance increases by a minimum of \$200,000 due to ongoing litigation. The agency continues to win a majority of the litigation brought forth but nonetheless, the premiums continue to increase.

300 – Contractual Category – The appropriation in the contractual category has increased due to an increase in the agency's audit rate. However, the category decreased by \$40,000 due to the MOU for HR shared services moving into the Personnel Services category. Finally, the agency is no longer requesting funding from the purse fund. The agency has never utilized any of that requested funding given the funding is not authorized for this purpose. In FY26, the agency requested \$500,000; however, going forward, this will no longer occur.

400 – Other Category – The appropriation request in the other category remained flat with the FY27 operating budget. The category saw small increases due to DoIT and GSD rate increases.

In FY26, the agency generated \$805,701.70 in revenue for the General Fund and Current Year School Fund through pari-mutuel taxes, fines, and licensing. In conclusion, the New Mexico Racing Commission is requesting additional funding for positions that the agency has held vacant for a few years. The reason for the remainder of the increase is due to a 10% health insurance cost increase and GSD/DoIT rate increases. The agency has accomplished a significant number of its goals and statutory mandates with a small team and budget. With the hiring of a veterinarian technician and an additional investigator, the agency hopes to further enhance the safety and welfare of the equine athlete and increase the trust in the state's horseracing industry.

Programmatic Changes:

The New Mexico Racing Commission is on its third year with the signing of the federal HISA (Horseracing 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 budget that is 17% over FY27 operating budget. Although this looks like a high increase, a lot of the increase is due to GSD/DoIT increased costs. The agency's liability insurance has increased by more than \$200,000 from FY27 to FY28. This increase could be salaries for a few positions that the agency needs to hire. The agency is also taking a 10% vacancy rate to remain flat with the FY27 operating budget. In addition, the agency requested funding for two positions which reduced our vacancy rate in FY27 from 15% to 10% in FY28. Finally, the agency also moved an MOU from the contractual category into the personnel services category. All the above makes it seem as if the agency is overinflating the budget in the personnel services category; however, it was simply moving the budget and requesting funding for two positions so that the agency can more efficiently regulate the horseracing industry in New Mexico. The remaining increases in the contractual and other categories are due to GSD/DoIT rate increases.

Prov PCode	Prov Fund	Prov Account	Prov Account Name	Rec PCode	Rec Fund	Rec Account	Rec Account Name	2025-26 Actual Transfers	2026-27 Adopted Transfers	2027-28 Agency GF	2027-28 Agency OSF	2027-28 Agency ISF/IAT	2027-28 Agency FF	2027-28 Total Request	Justification
681	19200	535309	Other Service	P004	06100	425909	Other Service	0	60	52	0	0	0	52	MOU with SLD laboratories for storage of samples based on FY26 actuals.
Sum:									60	52	0	0	0	52	

REV EXP COMPARISON

(Dollars in Thousands)

46900 - State Racing Commission

	General Fund	Other Funds	Other Transfers	Federal Funds	Total
SOURCES	4,318.7	4,100.0	0.0	0.0	8,418.7
Personal services and employee benefits	3,553.9	0.0	0.0	0.0	3,553.9
Contractual services	318.8	2,400.0	0.0	0.0	2,718.8
Other	446.0	1,700.0	0.0	0.0	2,146
USES Total:	4,318.7	4,100.0	0.0	0.0	8,418.7
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	4,318.7	4,100.0	0.0	0.0	8,418.7
Personal services and employee benefits	3,553.9	0.0	0.0	0.0	3,553.9
Contractual services	318.8	2,400.0	0.0	0.0	2,718.8
Other	446.0	1,700.0	0.0	0.0	2,146
USES Total:	4,318.7	4,100.0	0.0	0.0	8,418.7
Net:	0.0	0.0	0.0	0.0	0.0

Fund	Account	2025-26		2026-27		2027-28		FY 2028 Agency Request				Justification
		Actuals	Opbud	PCF Proj	GF	OSF	ISF/IAT	FF	Total			
00000	520300	0.0	0.0	87.1	0.0	0.0	0.0	0.0	0.0	0.0	Expenditures in this account are designated for Governor Exempt employees, which consist of the following positions: an Executive Director, seven Steward positions, two Racing Clerks, and three newly created Veterinarian positions. Agency is taking a 10% vacancy rate (equals approximately 2.5 position vacant). The agency does not have a high turnover rate, so a 10% vacancy rate is realistic. PLEASE NOTE: The Steward positions are filled for each live race meet. These positions may appear in our budget request as vacant positions, but are in fact not. State Statute requires that these positions be filled at the beginning of a live race meet. In addition, many of the veterinarian positions are not full-time employees. Only one Gov-x vet is full-time, others are budgeted at half the year/part-time.	
	521100	0.0	0.0	6.14	0.0	0.0	0.0	0.0	0.0	0.0		
	521200	0.0	0.0	16.57	0.0	0.0	0.0	0.0	0.0	0.0		
	521300	0.0	0.0	5.34	0.0	0.0	0.0	0.0	0.0	0.0		
	521700	0.0	0.0	2.15	0.0	0.0	0.0	0.0	0.0	0.0		
	520100	682.1	765.9	1,488.35	1,208.4	0.0	0.0	0.0	1,208.4	0.0		
19200	520200	15.0	61.6	1.02	0.0	0.0	0.0	0.0	0.0	0.0	Expenditure in this account is designed for a Term Licensing Clerk position that will work live race meets at SunRay Park and Zia Park. Due to other staffing priorities, this position will not be filled this fiscal year.	
19200	520300	677.3	948.0	872.77	876.0	0.0	0.0	0.0	0.0	876.0	6.6 Expenditures in this account is designed for the Sick Leave Buyback program for employees who exceed over 600 hours in their sick leave balances. In FY26, the agency had 3 employees that participated in this program. Budget is reflecting FY26 actuals.	
19200	520600	6.6	0.0	0	6.6	0.0	0.0	0.0	0.0	0.0		

Fund	Account	2025-26 Actuals	2026-27 Opbud	2027-28 PCF Proj	FY 2028 Agency Request				Total	Justification
					GF	OSF	ISF/IAT	FF		
19200	520700 Overtime & Other Premium Pay	88.3	15.0	0	15.0	0.0	0.0	0.0	15.0	Expenditures in this account is designed for payment of overtime. Employees who are required to work over their 80 hour work schedule, must obtain a prior approval from their Manager, with the final approval of the Agency Executive Director. Overtime is usually paid out for holidays or if a special circumstance arises within the agency. PLEASE NOTE: The agency has paid out many of the overtime hours in FY26, and plans to keep better control over this area going forward.
	520800 Annl & Comp Paid At Separation	1.2	8.1	0	8.1	0.0	0.0	0.0	8.1	Expenditures in this account is designed for an employee that may transfer or terminate employment with the agency.
19200	521100 Group Insurance Premium	124.6	112.6	164.15	179.2	0.0	0.0	0.0	179.2	Group Insurance expenditure in this account is projected via the SHARE system report for each employee. As recommended by DFA, the agency is including a 10% increase for insurance rates. Agency is taking a 10% vacancy rate (equals approximately 2.5 position vacant). There was an increase in employee liability that would force the agency to take an unrealistic vacancy rate. The agency does not have a high turnover rate, so a 10% vacancy rate is realistic. PLEASE NOTE: This line item is also increased by \$5.0 due to an MOU with Gaming Control Board. The expense is for 25% of shared HR services since the agency does not have an HR position. The contract was in 535309 in FY26 and FY27; however, Gaming Control Board wants the HR salary to be paid, so that is why the 535309 line is short \$40.0 and the 200 category lines 520300, 521100, 521200, and 521300 are increased in FY28.

Horse Racing Regulation
BU PCode
46900 P681

State of New Mexico
E4 PCode Detail
(Dollars in Thousands)

Fund	Account	2025-26 Actuals	2026-27 Opbud	2027-28 PCF Proj	FY 2028 Agency Request				Total	Justification
					GF	OSF	ISF/IAT	FF		
19200	521200 Retirement Contributions	248.5	321.4	420.62	376.7	0.0	0.0	0.0	376.7	Retirement expenditure in this account is projected via the BFM system. The projected budget is based on data entered into the system. Agency is taking a 10% vacancy rate (equals approximately 2.5 position vacant). There was an increase in employee liability that would force the agency to take an unrealistic vacancy rate. The agency does not have a high turnover rate, so a 10% vacancy rate is realistic. PLEASE NOTE: This line item is also increased by \$5.0 due to an MOU with Gaming Control Board. The expense is for 25% of shared HR services since the agency does not have an HR position. The contract was in 535309 in FY26 and FY27; however, Gaming Control Board wants the HR salary to be paid, so that is why the 535309 line is short \$40.0 and the 200 category lines 520300, 521100, 521200, and 521300 are increased in FY28.
19200	521300 F I C A	110.3	135.4	145.45	160.9	0.0	0.0	0.0	160.9	FICA expenditure in this account is projected via the BFM system. The projected budget is based on data entered into the system. Agency is taking a 10% vacancy rate (equals approximately 2.5 position vacant). There was an increase in employee liability that would force the agency to take an unrealistic vacancy rate. The agency does not have a high turnover rate, so a 10% vacancy rate is realistic. PLEASE NOTE: This line item is also increased by \$5.0 due to an MOU with Gaming Control Board. The expense is for 25% of shared HR services since the agency does not have an HR position. The contract was in 535309 in FY26 and FY27; however, Gaming Control Board wants the HR salary to be paid, so that is why the 535309 line is short \$40.0 and the 200 category lines 520300, 521100, 521200, and 521300 are increased in FY28.
19200	521400 Workers' Comp Assessment Fee	0.2	0.8	0	0.9	0.0	0.0	0.0	0.9	Worker's Comp amount 23.9 FTE * \$10.20 per FTE
19200	521410 GSD Work Comp Insur Premium	1.1	1.1	0	1.2	0.0	0.0	0.0	1.2	GSD Workers' Comp Amount requested is consistent with the published schedule. If an alternative amount is being requested, a justification must be provided.

Horse Racing Regulation
BU PCode
46900 P681

State of New Mexico
E4 PCode Detail
(Dollars in Thousands)

Fund and Account		FY 2028 Agency Request										Total	Justification
		2025-26 Actuals	2026-27 Opbud	2027-28 PCF Proj	GF	OSF	ISF/IAT	FF					
19200	521500	Unemployment Comp Premium		0.0	13.9	0	0.0	0.0	0.0	0.0	0.0	0.0	Unempl Lblty amount requested is consistent with the published schedule. If an alternative amount is being requested, a justification must be provided. Nothing was provided to us from GSD.
19200	521600	Employee Liability Ins Premium		191.1	472.5	0	680.1	0.0	0.0	0.0	0.0	680.1	Empl Lblty amount requested is consistent with the published schedule. Increase is due to litigation the agency has had with previous employees. This particular line has been increasing by more than \$200,000 each fiscal year. This is the reason for such a huge increase in our budget request.
19200	521700	RHC Act Contributions		25.8	36.2	44.88	40.8	0.0	0.0	0.0	0.0	40.8	Retiree Health Care expenditure in this account is projected via the BFM system. Agency is taking a 10% vacancy rate (equals approximately 2.5 position vacant). There was an increase in employee liability that would force the agency to take an unrealistic vacancy rate. The agency does not have a high turnover rate, so a 10% vacancy rate is realistic.
	200	Personal services and employee benef		2,172.2	2,892.5	3,254.54	3,553.9	0.0	0.0	0.0	0.0	3,553.9	
19200	542000	Legislator PerDiem&M-DFARollup		0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	
19200	542100	Employee I/S Mileage & Fares		1.0	4.4	0	4.4	0.0	0.0	0.0	0.0	4.4	Expenditure projection is based on FY27 budget to keep the budget flat as mandated by DFA.
19200	542200	Employee I/S Meals & Lodging		87.6	119.0	0	119.0	0.0	0.0	0.0	0.0	119.0	Expenditure is based on FY27 budget to keep the budget request flat as mandated by DFA. Expenditures in this category is for employee travel to race tracks for meetings and investigative duties and the addition of an auditor required per rules to travel to racetracks for site visits. Increase is due to the payment of hotels for visiting stewards who are not New Mexico residents. There is a shortage on accredited stewards in the industry, and the only way NMRC can recruit stewards who have mortgages in other states is paying for temporary housing. Hotels are expensive but a better alternative given the housing market.
19200	542300	Brd & Comm Mbr Meals & Lodging		0.6	1.5	0	1.5	0.0	0.0	0.0	0.0	1.5	Expenditure is based on FY27 budget to remain flat. The Commission reimburses a Commissioner to attend monthly meetings in Albuquerque
19200	542310	Brd & Comm Mbr Mileage & Fares		2.9	2.7	0	3.0	0.0	0.0	0.0	0.0	3.0	Expenditure is based on FY27 budget to remain flat. The Commission reimburses a Commissioner to attend monthly meetings in Albuquerque

Request		FY 2028 Agency Request										Justification
Fund	Account	2025-26 Actuals	2026-27 Opbud	2027-28 PCF Proj	GF	OSF	ISF/IAT	FF	Total			
19200	542500 Transp - Fuel & Oil	4.7	8.0	0	8.0	0.0	0.0	0.0	0.0	8.0	Expenditure is based on FY27 actuals plus a slight increase due to increasing gas prices.	
19200	542600 Transp - Parts & Supplies	2.3	0.0	0	2.0	0.0	0.0	0.0	0.0	2.0	Expenditure is allocated for vehicle maintenance as required by State Transportation agreement for monthly maintenance of leased State vehicles.	
19200	542700 Transp - Transp Insurance	0.4	0.4	0	0.4	0.0	0.0	0.0	0.0	0.4	Trans Ins amount requested is consistent with the published schedule.	
19200	542800 State Transp Pool Charges	11.9	17.0	0	17.0	0.0	0.0	0.0	0.0	17.0	Expenditure projections is based on rates posted for vehicle leased through State Transportation, provided with annual budget appropriation request. Agency is replacing two trucks that are 9 years old for two SUVs to better assist employees in the field and store supplies safely in the field from theft and weather. Amount is also indicating a replacement fee per FY28 Leased passenger rates	
19200	543200 Maint - Furn, Fixt, Equipment	3.8	0.0	0	6.6	0.0	0.0	0.0	0.0	6.6	Replace office furniture especially chairs in lobby/waiting area.	
19200	543500 Maint - Supplies	0.0	0.1	0	0.1	0.0	0.0	0.0	0.0	0.1	Clorox wipes and masks that employees may use in the field	
19200	543820 Maintenance IT	3.7	2.3	0	4.0	0.0	0.0	0.0	0.0	4.0	Internet box maintenance used at racetracks to provide secure internet connections to staff that reside at racetracks. The two boxes travel from track to track almost monthly. Amount based on FY26 actuals with a slight increase as software tax increases yearly.	
19200	543830 IT HW/SW Agreements	0.4	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0		
19200	544000 Supply Inventory IT	23.6	11.8	0	5.0	0.0	0.0	0.0	0.0	5.0	Expenditure request is for replacement of IT equipment such printers out at the racetracks. The agency replaced many laptops in FY26, so this amount is minimal for FY28.	
19200	544100 Supplies-Office Supplies	3.6	3.8	0	5.0	0.0	0.0	0.0	0.0	5.0	Expenditure used for agency supplies and for five field offices.	
19200	544200 Supplies-Medical, Lab, Personal	0.6	14.0	0	14.0	0.0	0.0	0.0	0.0	14.0	Expenditure for urine test cups, evidence bags, breathalyzer tubes etc. used in investigations. The agency has begun its human drug testing program and will need human drug testing kits in addition to breathalyzer tubes for testing.	
19200	544400 Supplies-Field Supplies	0.7	0.0	0	4.0	0.0	0.0	0.0	0.0	4.0	Expenditure used for supplies associated with investigations.	
19200	544900 Supplies-Inventory Exempt	3.8	4.0	0	0.0	0.0	0.0	0.0	0.0	0.0	The agency does not anticipate any expenditures for this line item in FY28.	

Fund	Account	2025-26		2026-27		2027-28		FY 2028 Agency Request					Justification
		Actuals	Opbud	PCF Proj	GF	OSF	ISF/IAT	FF	Total				
19200	545600 Reporting & Recording	4.4	8.0	0	8.0	0.0	0.0	0.0	0.0	8.0	The agency maintains a court reporter for high profile cases (drug positives) to ensure legal case transcripts are accurate and concise.		
	545700 ISD Services	23.3	27.0	0	32.8	0.0	0.0	0.0	0.0	32.8	DoIT ISD Services amount requested is directed to be consistent with the published schedule.		
19200	545710 DOIT HCM Assessment Fees	7.7	8.2	0	8.4	0.0	0.0	0.0	0.0	8.4	DoIT HRMS Services amount requested is directed to be consistent with the published schedule.		
19200	545900 Printing & Photo Services	2.6	2.5	0	4.6	0.0	0.0	0.0	0.0	4.6	Expenditure is used for agency parking stickers for racetrack access. Also printing of business cards, jockey infraction and various other customized forms that are used to regulate the industry.		
19200	546100 Postage & Mail Services	2.1	13.0	0	13.0	0.0	0.0	0.0	0.0	13.0	Agency postage and delivery of packages, equine tests, notices, accounts payable, certified mail, etc.		
19200	546400 Rent Of Land & Buildings	56.5	123.0	0	111.0	0.0	0.0	0.0	0.0	111.0	Expenditure is allocated for office space. The agency has gone through the renewal process for the building. As many other items in the economy, our rent will increase annually due to renovations and also inflation.		
19200	546500 Rent Of Equipment	1.6	5.0	0	5.0	0.0	0.0	0.0	0.0	5.0	Expenditure is used for mail equipment and rental of copiers for main office and field offices. The agency will be getting a new Xerox machine in March of 2027, and we are unaware of what the new lease will be.		
19200	546610 DOIT Telecommunications	21.8	19.2	0	20.2	0.0	0.0	0.0	0.0	20.2	DoIT Telecomm amount requested is directed to be consistent with the published schedule. If an alternative amount is being requested, a justification must be provided.		
19200	546700 Subscriptions/Dues/License Fee	16.7	13.1	0	17.0	0.0	0.0	0.0	0.0	17.0	Expenditure is used for dues paid to ARCI for access to national data base, technical support and agency's license database (used to license race track owners, jockeys, trainers, etc.). Consistent with FY26 actuals plus a slight increase.		
19200	546800 Employee Training & Education	4.0	5.0	0	5.0	0.0	0.0	0.0	0.0	5.0	Agency is looking for online training, but anticipates training fees/course fees for employees to continue industry specific training/requirements. Amount is consistent with FY27 budget.		

		FY 2028 Agency Request							
Fund	Account	2025-26 Actuals	2026-27 Opbud	2027-28 PCF Proj	GF	OSF	ISF/IAT	FF	Justification
19200	546900 Advertising	0.6	5.0	0	0	5.0	0.0	0.0	5.0 Expenditure is based on projection of State Records and Archives fee increase. Expenses are for advertising of agency meetings and publications of modified or updated rules and regulations. Budget is also consistent with FY27.
19200	547730 Lease Principal Payment	29.6	0.0	0	0	0.0	0.0	0.0	0.0 Allocation is due to AUD entries at the end of the fiscal year to separate building lease and principal per GASB87.
19200	547900 Miscellaneous Expense	1.1	1.0	0	0	2.0	0.0	0.0	2.0 Expenditures include baggage fees and water cooler fees
19200	548882 Lease Interest	9.7	0.0	0	0	0.0	0.0	0.0	0.0 Allocation per GASB 87 for building and Xerox interest and principal payment.
19200	549600 Employee O/S Mileage & Fares	7.1	8.0	0	0	8.0	0.0	0.0	8.0 OS travel is reserved for employees that attend ARCI Annual Conference and the Racing Symposium. OS travel has been essential to ensure goals are met and the agency maintains its National status as a member of ARCI. Will also be required for auditor attendance at annual Audit Symposium. Travel expenditures have increased due to representation at federal HISA meetings to ensure New Mexico racing has a voice represented for federal decision making
19200	549700 Employee O/S Meals & Lodging	8.3	12.0	0	0	12.0	0.0	0.0	12.0 OS travel is reserved for employees that attend ARCI Annual Conference and the Racing Symposium. OS travel has been essential to ensure goals are met and the agency maintains its National status as a member of ARCI. Will also be required for auditor attendance at annual Audit Symposium. Travel expenditures have increased due to representation at federal HISA meetings to ensure New Mexico racing has a voice represented for federal decision making
19210	547360 Insurance Premiums-non_payroll	946.4	1,500.0	0	0	0.0	1,700.0	0.0	1,700.0 To expend fund balance on Jockey/ Exercise Insurance
	400 Other	1,294.8	1,939.0	0	0	446.0	1,700.0	0.0	2,146.0
TOTAL EXPENSE		3,467.0	4,831.5			3,999.9	1,700.0	0.0	5,699.9

FY 2028 Agency Request									
Fund	Account	#	Contract Purpose	Actuals	GF	OSF	ISF/IAT	FF	Justification
12140	535100 Medical Services	1000		432.1	0.0	700.0	0.0	0.0	Projections in this account are designated for medical expenses associated with Equine Drug Testing expenditures. Which consists of testing laboratory expenses and the proposed implementation of a Morning Workout testing program. The projected expenditures for FY28 include: Testing Laboratory- \$700.0, The \$700.0 are generated by the agency throughout the fiscal year.
12141	535100 Medical Services	1000		0.0	0.0	0.0	0.0	0.0	This request will no longer be requested since the agency has never used the funding from the purse fund.
19200	535100 Medical Services	1000		310.2	0.0	0.0	0.0	0.0	In FY26 and FY27, medical director, veterinarian and equine hearing officer contracts were being reported in 535100; however, since the contracts are "professional services" budget is now being requested in 535200.
19200	535200 Professional Services	1000		52.9	216.0	0.0	0.0	0.0	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 Other Services	1000		24.4	1.4	0.0	0.0	0.0	Projected expenditure is based on FY27 actuals used for interpreter (utilized for Spanish speaking attendees at meetings and hearings).
19200	535309 Other Services - Interagency	1000		41.9	0.0	0.0	0.0	0.0	Projected expenditure is used for HR Services as the Commission does not have an HR person. The expense for the HR MOU is coming from the 200 category, so an increase to the 200 category in the amount of \$40,000 to various lines that include: 520300, 521100, 521200, and 521300. FY27 MOU was \$37,000, so estimating a slight increase for FY28. Also included is MOU with SLD for storage of equine testing samples. No projected increase at this time. MOU with SLD \$52,000.

		FY 2028 Agency Request						Justification
		Actuals	GF	OSF	ISF/IAT	FF	Total	
19200	535400 Audit Services	40.9	43.4	0.0	0.0	0.0	43.4	Projected expenditure is based on schedule amount provided to agency by SBD used for agency's financial audit due Nov 1st.
19200	535500 Attorney Services	4.1	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 FY27 operating budget.
19210	535300 Other Services	1,505.4	0.0	1,700.0	0.0	0.0	1,700.0	Projected expenditure is based on FY27 actuals. \$1,700.0 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. The agency is anticipating a slight increase of \$100,000 for HISA fees. Assessment fees continue to increase each January.
TOTAL EXPENSE		2,411.8	266.8	2,400.0	0.0	0.0	2,666.8	

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:		2025-26 Target	2025-26 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	Yes	Target has been met in FY26.
Explanatory	Amount collected from pari-mutuel revenues and license fees to the general fund, in millions	N/A	\$805,702	N/A	Target was met in FY26 as the agency reverted \$805,701.70 back to the general fund and current year school fund.
Explanatory	Average number of days to bring case to prosecution	N/A	180	N/A	The target has not been met due to the limited availability of prosecutors and hearing officers. In addition there have been multiple requests for continuation of the hearing process by opposing counsel.
Explanatory	Average regulatory cost per live race day at each racetrack	N/A	\$8,982.0	N/A	Target was not met due to increasing costs for travel, gas, and increased contracts to obtain veterinarians.
Explanatory	Number of days to collect penalty fees from licensees and deposit in the school fund	N/A	14	N/A	Target was not met due to various fines not being collected as they are in the appeals process.
Explanatory	Number of horse fatalities per one thousand starts	N/A	2	N/A	The target was not met for FY26 due to one racetrack having 6 times the national average inflating the annual number. Another racetrack had 5 times the national average contributing to the inflation of the national average. If these two tracks would have not had any breakdowns, the remainder of the tracks would have been well below the national average.
Outcome	Average number of work days from receipt of a complete individual application and questionnaire to conclusion of a criminal background check	7	4	No	Target has been met in FY26.
Outcome	Number of breathalyzer tests administered per race meet	75	170	Yes	Target was not met due to flooding where testing was not being conducted during that time.
Outcome	Number of equine tests per live race	4	4	Yes	Target has been met for FY26 at 4 equine tests are being conducted per race. Target will increase in FY27 due to the collection of a starter fee which allows the equine test fund additional funding to test more samples.
Outcome	Number of out-of-competition samples tested	850	621	No	Target was not met until the agency implemented a testing fee to get additional revenue into the equine test fund.

DFA Performance Based Budgeting Data System

Annual Performance Report

Program: P681 Horse Racing Regulation

Performance Measures:		2025-26 Target	2025-26 Result	Met Target	Year End Result Narrative
Outcome	Number of race tracks audited	1	0	No	Target was not met due to spending a majority of contractual funding on veterinarians. The agency has faced lots of issues attracting and retaining veterinarians at a reasonable price.
Outcome	Percent of cases won at the district court level	100%	100%	Yes	The target has been met for FY26.
Outcome	Percent of equine samples testing positive for illegal substances	0	1%	Yes	Target has been met. FY26 has .95% equine samples testing positive for illegal substances which is less than the 1% target.
Outcome	Percent of horses inspected before a race	100%	100%	Yes	Target has been met for FY26.
Outcome	Percent of out-of-competition samples testing positive for illegal substances	3%	9%	Yes	Target was not met. Funding in FY25 was really low, so many individuals took more risk thinking their horse would not be tested. In FY26, the agency implemented the testing fee and started to test more.
Outcome	Percent of penalty fees collected annually from licensee to the school fund	75.0%	28.1%	No	The target was not met. The agency feels that the state of the economy may play into this percentage. Due to higher costs and lower wages.

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:		2024-25 Actual	2025-26 Actual	2026-27 Budget	2027-28 Request	2027-28 Recomm
Outcome	Percent of equine samples testing positive for illegal substances	1%	1%	1%	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	804	621	750	850	
Outcome	Number of race tracks audited	0	0	1	0	
Outcome	Number of breathalyzer tests administered per race meet	194	170	200	200	
Outcome	Percent of cases won at the district court level	100%	100%	100%	100%	
Outcome	Percent of horses inspected before a race	99%	100%	100%	100%	
Outcome	Percent of out-of-competition samples testing positive for illegal substances	11%	9%	5%	5%	
Outcome	Percent of penalty fees collected annually from licensee to the school fund	42.0%	28.1%	80.0%	50.0%	
Explanatory	Amount collected from pari-mutuel revenues and license fees to the general fund, in millions	\$626	\$805,702	N/A	N/A	
Explanatory	Average regulatory cost per live race day at each racetrack	\$7,000.0	\$8,982.0	N/A	N/A	
Explanatory	Number of days to collect penalty fees from licensees and deposit in the school fund	14	14	N/A	N/A	
Explanatory	Average number of days to bring case to prosecution	120	180	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
FY28 APPROPRIATION REQUEST
SEPTEMBER 1, 2026**

FY28

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

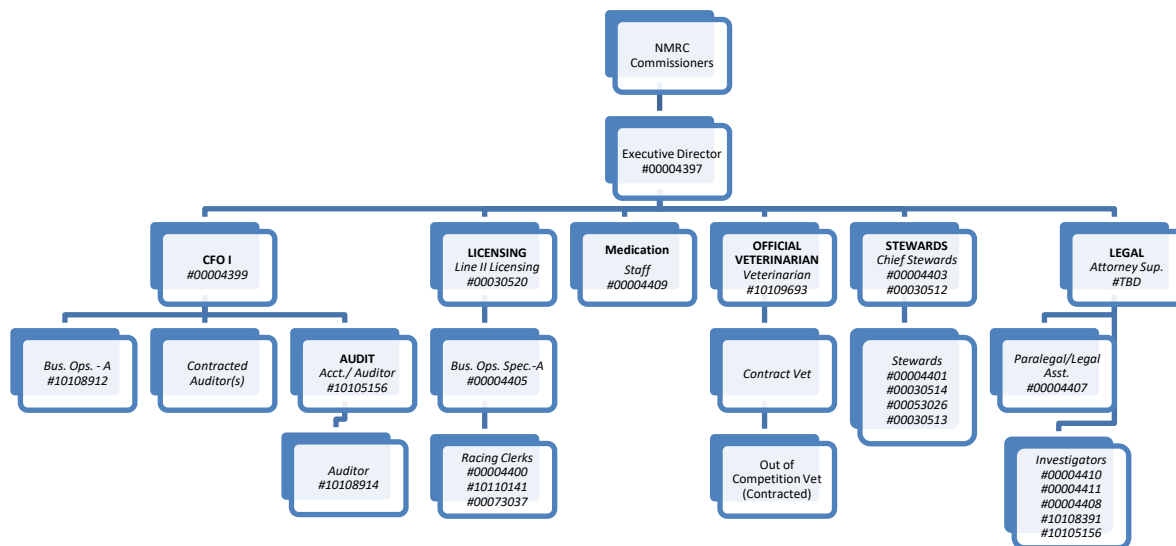
- Ismael "Izzy" Trejo



COMMISSION STAFF

The Commission currently has 21 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 28 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.

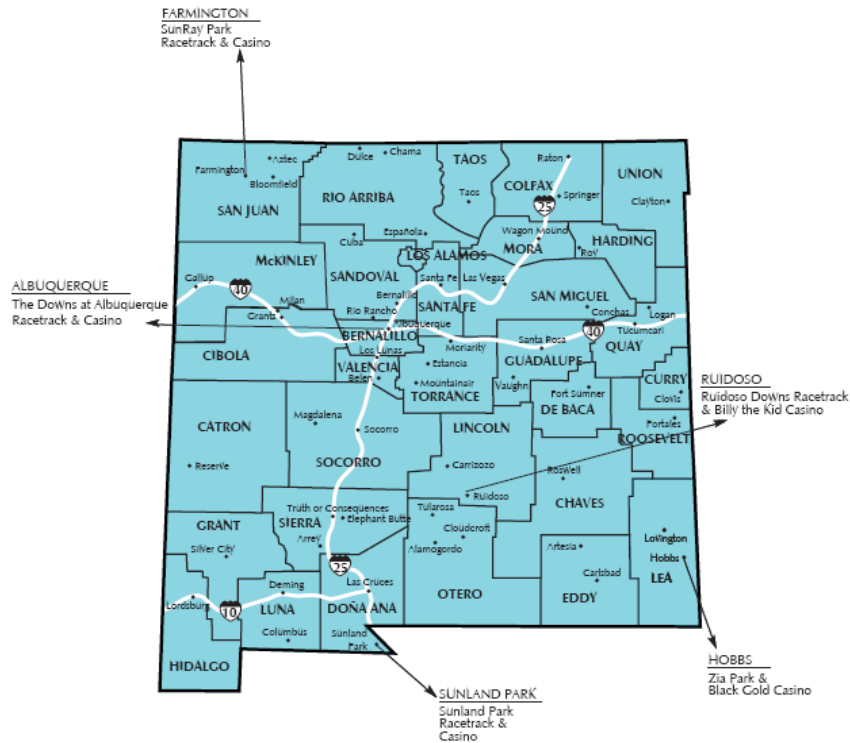
The FY28 appropriation request will focus on ways that will assist the agency with its goals, including the addition of a deputy director, a racetrack financial oversight mechanism, investigators, and a veterinary team to help enhance regulation and the welfare of racehorses. The agency will continue 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 FY26, 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 include 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 FY28 appropriation will continue to concentrate on improvement of current programs and the addition of a team of regulatory veterinarians, which includes a veterinarian technician, 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 ten 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 Executive Board of Directors, giving New Mexico representation at the national level of regulators. In 2026, Director Trejo was awarded the prestigious “Len Foote” Award, given to the top regulator in North America. He is often invited to speak and teach at industry conferences to discuss how the NMRC has guided the New Mexico racing industry from one that was often dismissed and ridiculed due to deep woven corruption on a national level due to the lack of enforcement 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 vet techs to ensure the safety of the equine athlete. This is at the forefront of the Commission’s purpose. The agency has 5 veterinarian positions, one classified and 4 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 from the same pool of veterinarians. New Mexico is in the middle of that competition for regulatory vets. Despite having the current number of veterinarian positions, the agency has had difficulty retaining regulatory veterinarians due to logistical issues with procurement and the reality of 12–16-hour workdays.

As just mentioned, 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 7 years, the percentage of post-race positive drug/medication violations has been below 1% of total samples analyzed. That means approximately 99% of horses that are selected for post-race analysis are racing clean. 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 2019-2025, 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 in 2024.

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 10th 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. Since 2008, the thoroughbred annual foal crop has declined 75%. 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 racing 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 5 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 for 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 ensure 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 last 7 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 about 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.

FY28 GOALS AND OBJECTIVES

Management has identified the following as targets for fiscal year 2028 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. In the summer of 2026, the agency introduced a new program that spotlights the physiological well-being of the horse through Troponin and thyroid readings. These are two key indicators of a horse's well-being and health status. If a horse has readings that are above traditional equine baseline readings, our veterinarians will place the horse on what is called a "vets' list". If a horse is placed on this list, it is unable to compete in a race. The horse will not be removed from the vets list until readings of either type of blood test return to normal levels. In essence, we are utilizing science rather than being fully dependent on drug testing in order to protect racehorses from poor judgment of their trainers and owners that administer unknown substances that cause the heart and thyroid to be inconsistent with a normal read. 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/Prediction Markets/-** 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, 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 ability to focus on IPRA's which is significant in number for such a small agency.

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 requested 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 utilize 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 incorporated 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 whether 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.

FY28 APPROVED PERFORMANCE MEASURES

A. Outcome

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

B. Explanatory

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

C. *Efficiency*

- ✓ Average number of days to refer investigation cases for administrative prosecution

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 FY28 Appropriation Request includes a 17.6% increase over the FY27 to hire additional FTE that are essential to the agency being efficient into the future.

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.