

SUBJECT: Continuing the Equine Research Account Advisory Committee

COMMITTEE: Agriculture and Livestock — favorable without amendment

VOTE: 9 ayes — Patterson, R. Cuellar, Finnell, Hawley, King, Rabuck, Rusling,  
Swinford, Walker

0 nays

SENATE VOTE: On final passage, April 18 — voice vote

WITNESSES: For — None

Against — None

On — Charla Ann Baker, Sunset Advisory Commission

BACKGROUND: The Equine Research Account Advisory Committee, created in 1991, advises the director of the Texas Agricultural Experiment Station about the administration and award of grants from the Equine Research Account. The account receives a portion of the amount wagered at pari-mutuel horse racetracks and is used to fund research on the health, nutrition, breeding and economic issues of the horse racing industry and to sponsor a yearly conference on equine research. The director of the experiment station awards the grants with the advise of the advisory committee and a peer review committee, both appointed by the director. The Equine Research Advisory Committee has 11 members appointed for two-year terms from university research programs, research organizations, persons involved in horse racing and breeding and representatives of the major horse racing breed associations.

Fifteen proposals were reviewed and five grants totaling \$92,198 were awarded in fiscal 1994. The advisory committee contributed \$6,500 to the First Annual Race Horse Conference, which was held in January 1994 and co-sponsored by the Texas Agricultural Extension Service, and which involved the horse racing and breeding industries, universities and university research programs.

The Equine Research Account Advisory Committee is subject to the Sunset Act and underwent Sunset Advisory Commission review during the past interim. The committee will be abolished September 1, 1995, unless continued by the Legislature.

**DIGEST:**

SB 368 would continue the Equine Research Account Advisory Committee until September 1, 2001. SB 368 would prohibit committee members from participating in the annual evaluation, review, approval or discussion of any grant proposal if they had submitted a request for a grant during the same annual evaluation. The bill would allow up to 10 percent of the Equine Research Account annually to be spent on the operation or administration of the advisory committee or account and require the director of the experiment station to consult with the Texas Racing Commission on the use of the account.

The bill would make other changes to include and modify standard Sunset Advisory Commission provisions on appointments to and removal from the committee, standards of conduct, and public access to the committee. SB 368 would remove the Equine Research Account from the requirement that funds be consolidated into the general revenue fund.

SB 368 would take effect September 1, 1995.

**SUPPORTERS  
SAY:**

The Equine Research Account Advisory Committee should be continued, with a few changes to ensure against conflicts of interests and to implement Sunset Advisory Commission standard recommendations.

The committee serves a unique function by directing and funding equine research with a horse racing focus. Texas has the largest number of horses in the United States, and the horse breeding and horse racing industries are important parts of the state's economy. The committee provides a link between the horse racing industry and academia to ensure research is viable and productive, and the annual conference sponsored by the committee is an economical and effective way to disseminate research. Abolishing the committee would have no significant financial benefits, since the members serve without compensation and the nominal expenses currently are picked up by the Texas Agricultural Experiment Station and would be paid with funds in the Equine Research Account if SB 368 is enacted.

SB 368 would stop current practices that allow committee members to participate and vote on matters in which they have an interest and that could create an appearance of unfairness and impropriety. The committee members are allowed to submit research proposals to the committee, and while committee bylaws prohibit members from ranking their own proposals and exclude members from discussion of their own proposals, members can vote on funding recommendations that include their own proposals. This allows committee members to rank and make recommendations on their competitors' proposals. Three of the five funding proposals recommended by the committee in fiscal 1994 were submitted by committee members. SB 368 would ensure that the decisions of the committee are unbiased and remove any appearance of impropriety.

The pool of persons knowledgeable about equine research and eligible to serve on the committee is large enough to provide qualified appointees who do not want to submit funding requests.

SB 368 would allow a small portion of the account funds to be used for operation and administration. Currently, the Texas Agricultural Experiment Station absorbs the costs related to processing proposals, copying and administrative staff time, and it would be more appropriate for these costs to be covered by account funds. The expenditures for operation and administration would be limited to 10 percent of the account, ensuring that expenditures would not be excessive.

To ensure that the Racing Commission has a formal role in the use of account funds and the direction of equine research, SB 368 would require the director of the Texas Agriculture Experiment Station to consult at least annually with the Racing Commission.

**OPPONENTS  
SAY:**

Restricting committee members who submit grant requests from participating in the proposal reviews could limit the pool of persons inclined to serve on the committee, especially since some committee members must come from specific university research programs.