



CENTER FOR URBAN POLICY
AND THE ENVIRONMENT

Report to the Indiana
Horse Racing Commission
on the Results of a Survey
of Licensed Horsemen



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Executive Summary

According to Indiana law, all persons participating in pari-mutuel racing in Indiana are required to be licensed. The Indiana Horse Racing Commission (Commission)'s main focus is the regulation of horsemen participating at Indiana's two pari-mutuel tracks. To determine the horsemen's view of this state agency, the Commission asked Indiana University's School of Public and Environmental Affairs Center for Urban Policy and the Environment (Center) to conduct a survey of the licensed horsemen. This report presents the results of that survey which had a response rate of 35 percent.

Overall Regulatory Effectiveness

Two-thirds of respondents indicated that the effectiveness of the regulatory efforts in Indiana is either excellent or good. When respondents were asked to compare Indiana's regulatory efforts to other states, Indiana fared well with 40 percent indicating that Indiana was better than average or the best, and another 40 percent indicating that Indiana was average.

Experience Obtaining a License

A high percentage (87 percent) of respondents indicated that they had an excellent or good experience obtaining their license. More than half (55 percent) indicated that Indiana was the best or better than average when compared to other states. Almost all (93 percent) indicated that Commission staff was very helpful or somewhat helpful to them when obtaining their license.

Blood Gas Program

More than half (58 percent) thought that Indiana's blood gas program was either very effective or somewhat effective. When asked to compare Indiana's blood gas program to other states, almost half of the respondents (45 percent) thought Indiana was the best or better than average, while another one-third (34 percent) thought Indiana's program was average.

Effectiveness of Equine Drug Testing

Approximately three-fourths of respondents indicated that Indiana's equine drug testing program was either very effective or somewhat effective. When asked to compare Indiana's equine drug testing program to other states, 44 percent thought Indiana was the best or better than average and 40 percent indicated that Indiana was average.

Strictness of Penalties

Almost half (46 percent) think Indiana's penalties for rule violations are about right, with 14 percent indicating they are too strict and 22 percent indicating they are too lenient. When compared to other states, two-thirds (67 percent) indicated Indiana's penalties are about average, with 19 percent indicating Indiana is the strictest and only 5 percent indicating Indiana is the most lenient.



Introduction

According to Indiana law, all persons participating in pari-mutuel racing in Indiana are required to be licensed. The Indiana Horse Racing Commission (Commission) issued 8,689 licenses in 2006, including licenses for owners, trainers, and drivers. While the Commission engages in other activities, such as breed development, its main focus is the regulation of horsemen participating at Indiana's two pari-mutuel tracks. To determine the horsemen's view of this state agency, the Commission asked Indiana University's School of Public and Environmental Affairs Center for Urban Policy and the Environment (Center) to conduct a survey of the 3,975 horsemen (owners, trainers, jockeys, and drivers) licensed through September 4, 2006. This report presents the results of that survey, including a description of the methodology and individual sections on the perceptions of the overall regulatory efforts, licensing, blood gas program, equine drug testing, and penalties.

Methodology

In cooperation with Commission staff, the Center developed a survey instrument. (see Appendix I). The Commission furnished a mailing list of 3,975 horsemen licensed as of September 4, 2006. The survey was mailed on October 27, 2006. A follow-up mailing was sent on November 20, 2006. Each survey was printed with an identifying number corresponding to the mailing list. This was done so that those who responded in a timely fashion would not receive the second mailing. The identifying number also prevented the possibility of horsemen responding more than once. If a survey was returned with a forwarding address, the survey was remailed. A total of 57 surveys could not be delivered as addressed. A total of 1,378 completed surveys were returned to the Center for a response rate of 35 percent, which is considered above average for a mail survey. An average response rate for a mailed survey is approximately 30 percent, with a higher rate for surveys that include an incentive. Of the surveys returned 37 percent included comments.



Overall Regulatory Efforts

Respondents were asked a set of questions about the regulatory efforts in Indiana, including the effectiveness and how they compare to other states. As Figure 1 illustrates, two-thirds of respondents indicated that the effectiveness of the regulatory efforts in Indiana is either excellent or good. As Table 1 illustrates, this is consistent across all breeds, with slightly higher ratings from those who race standardbreds.

Figure 1: Regulatory Effectiveness of the Indiana Horse Racing Commission

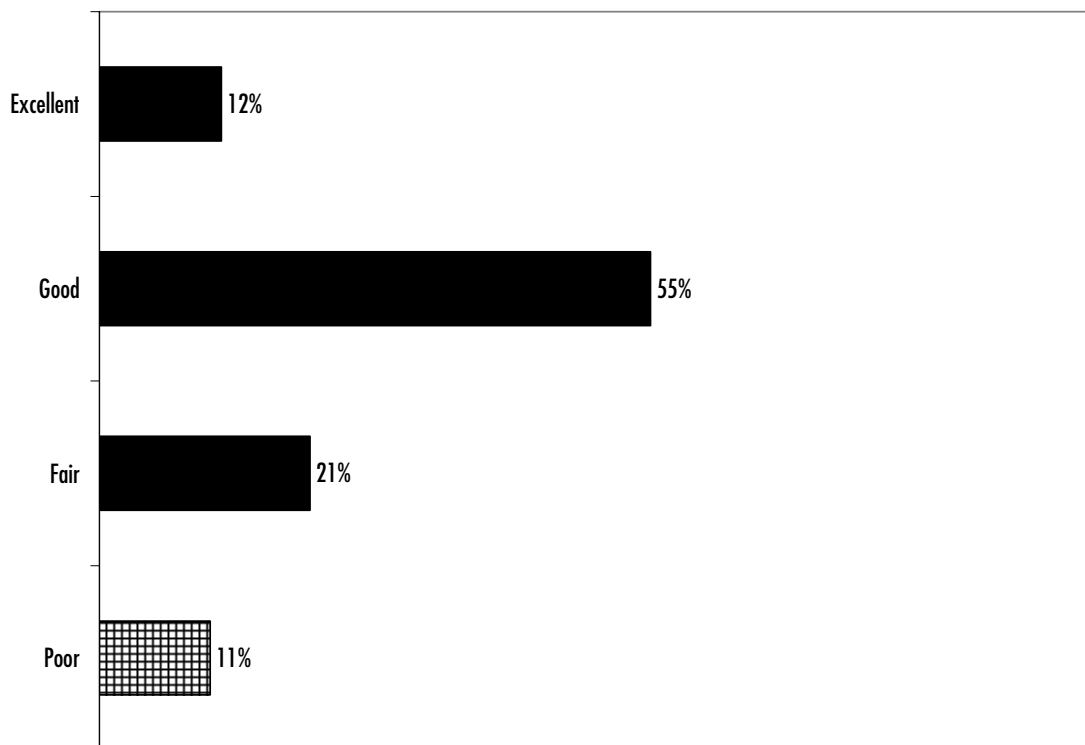


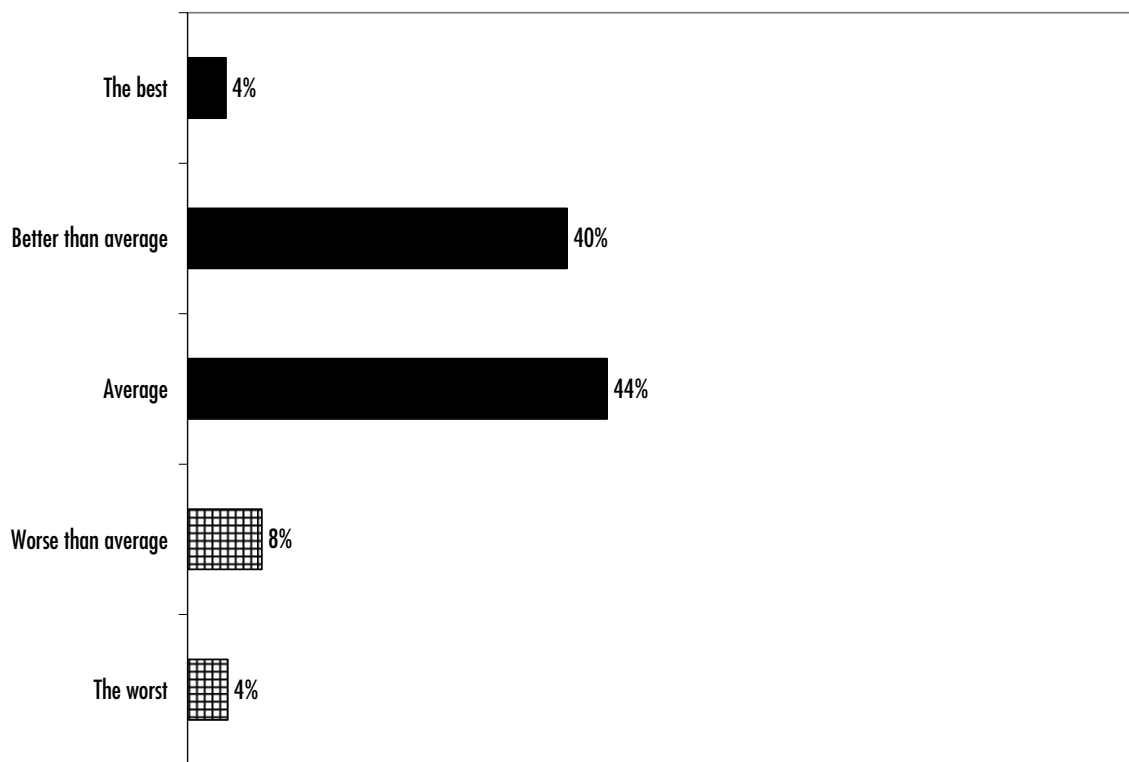
Table 1: Regulatory Effectiveness of the Commission by Breed of Horse

| | Standardbred | Thoroughbred | Quarter horse |
|-----------|--------------|--------------|---------------|
| Excellent | 14% | 10% | 11% |
| Good | 56% | 55% | 56% |
| Fair | 19% | 23% | 22% |
| Poor | 11% | 12% | 11% |



When respondents were asked to compare Indiana’s regulatory efforts to other states, Indiana fared well with 44 percent of those licensed in other states indicating that Indiana was better than average or the best, and another 44 percent indicating that Indiana was average (Figure 2). Approximately ten percent of respondents indicated they were only licensed in Indiana.

Figure 2: Indiana’s Regulatory Efforts Compared to Other States



There were comments related to the overall regulatory efforts, some positive, some negative, and some suggestions for improvement. Ten percent of all respondents had negative comments of any kind. Some of the negative comments (32 total) were focused on the Executive Director, indicating that they thought he should be replaced. This may be expected to some degree as the Commission is a regulatory body and some horsemen who participated in the survey may have been disciplined for rule violations.



Positive comments included:

- I like racing in Indiana the best. I like your breeders' awards.
- Keep up the good work! Your reg's and rules are really helping. I'm all for strict control of doping. I really appreciate Indiana's direction and leadership in this area. Congrats and keep raising the bar!!
- Indiana has a very good race program, a lot better than Illinois or Kentucky.
- Well run professional organization and running in Indiana is very enjoyable. Thank you.

Integrity '06 was implemented in 2006, to ensure greater compliance with the Commission's present rules by enhancing the deterrents and improving the ability to detect specific integrity-based regulation violations. While there were no specific questions related to *Integrity '06*, several respondents mentioned it in their comments, with most being negative. Most comments focused on the funding of *Integrity '06*, which was perceived as coming from breed development funds.

Approximately one third of the comments were suggestions, including:

- More Indiana sired/bred races
- Preference for Indiana trainers
- Put slots at the tracks so purses can be increased
- Reciprocation on fingerprints with other states
- Improved communication of requirements/rules
- More day time races
- Zero tolerance for violations and reciprocity with other states
- Change the rule requiring horses to be there five hours early
- More consistency in administration of violations and fines



Experience With Obtaining a License

As Figures 3, 4, and 5 indicate, most respondents are pleased with their experience in obtaining a racing license in Indiana. A high percentage (87 percent) indicated that they had an excellent or good experience obtaining their license, and more than half licensed in other states (59 percent) indicated that Indiana was the best or better than average when compared to other states. Almost all (93 percent) indicated that Commission staff were very helpful or somewhat helpful to them when obtaining their license.

Figure 3: Experience Obtaining a Racing License in Indiana

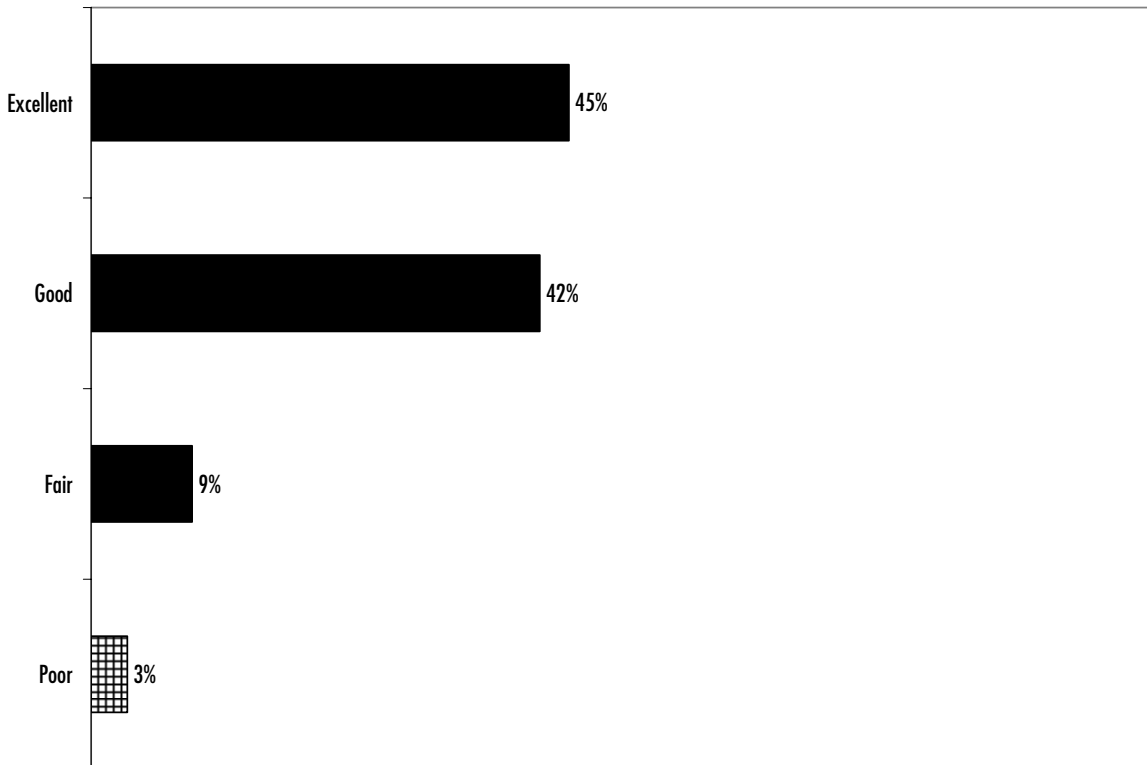


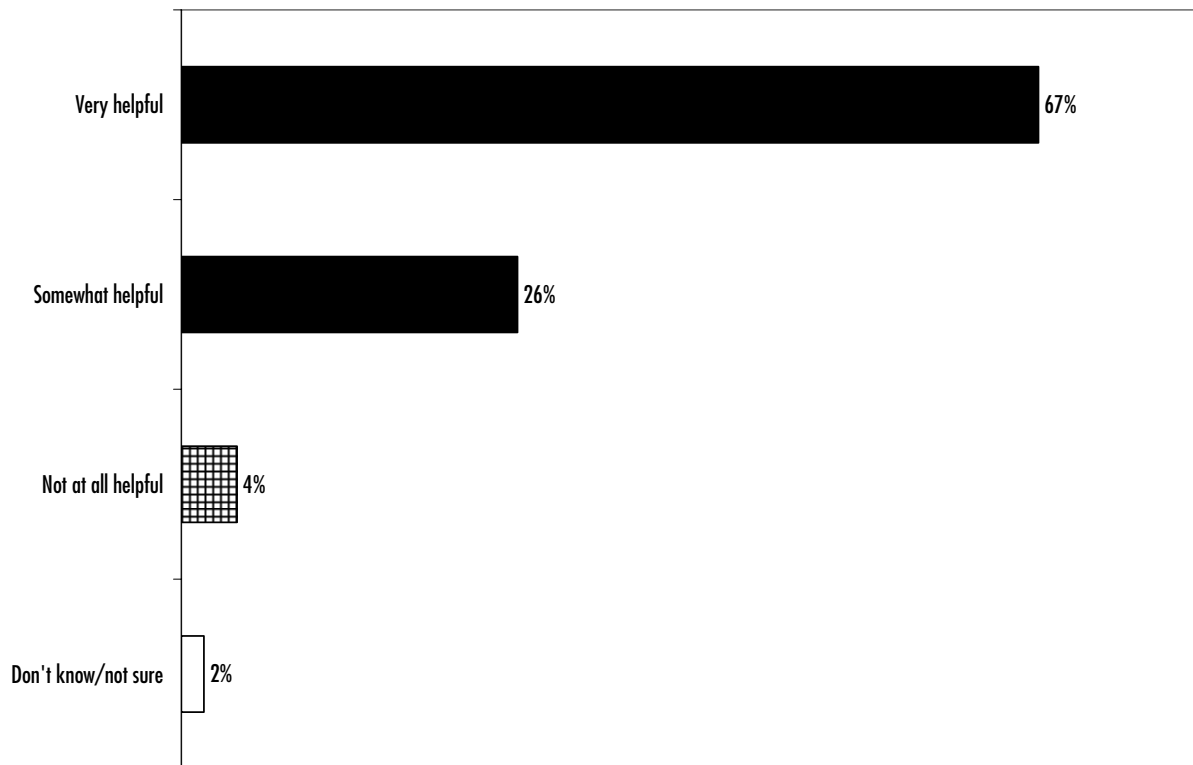


Figure 4: Experience Obtaining a Racing License in Indiana in Comparison to Other States





Figure 5: Level of Assistance of Commission Staff in Obtaining a License





Effectiveness of the Blood Gas Program

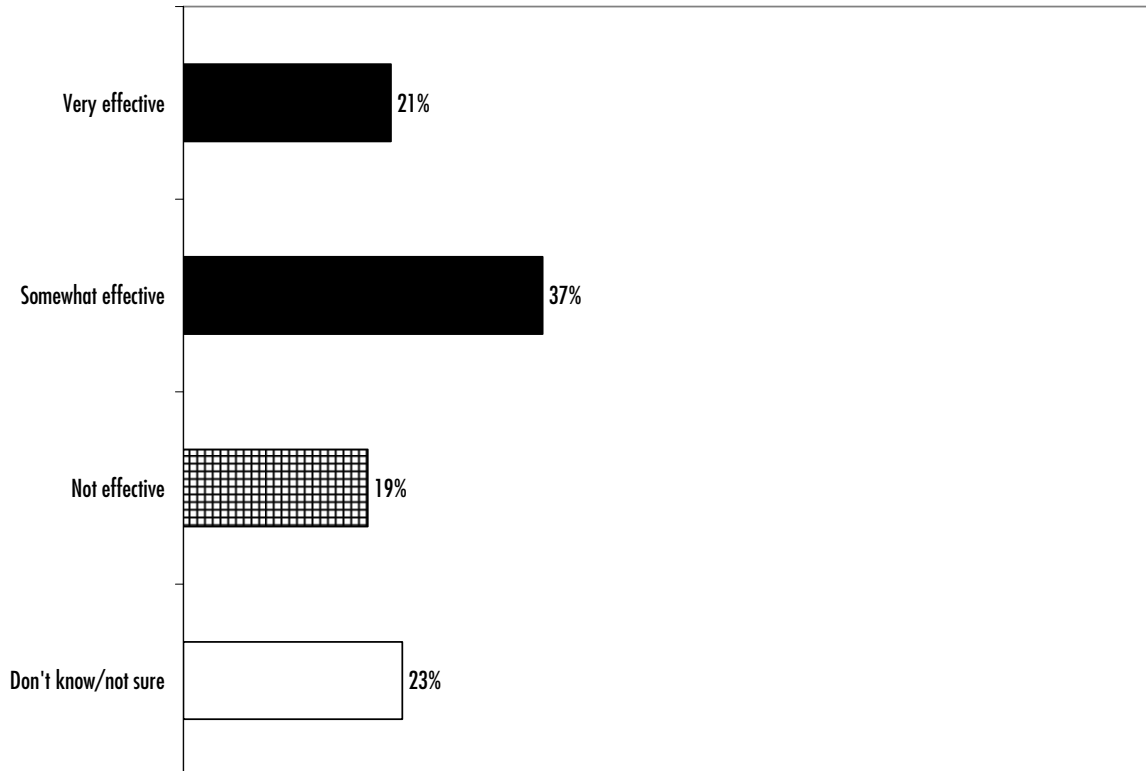
Indiana has banned the practice of giving horses a mixture usually comprised of baking soda, sugar and electrolytes known as a "milkshake." It reduces lactic acid buildup and staves off fatigue.

Milkshakes increase the amount of carbon dioxide in a horse's blood, and is tested by measuring blood gases. Indiana's blood gas program differs from industry standards in two ways. First, in Indiana the testing laboratory is on-site at the track. This allows horses testing above permissible levels to be scratched *prior* to the start of a race. Most other racing jurisdictions utilize post-race (instead of pre-race) testing. Second, the Commission runs blood gas tests on all breeds of horses. Many jurisdictions that have a blood gas program test only standardbred horses. Respondents were asked about their view of Indiana's blood gas program.



As Figure 6 indicates, more than half (58 percent) thought that the blood gas program was either very effective or somewhat effective. Almost one-quarter did not know or were not sure.

Figure 6: Effectiveness of the Blood Gas Program



As stated above, most states only test standardbred horses for blood gases. That is a possible explanation for the much higher rates of don't know/not sure and not effective among those licensed for thoroughbreds and quarter horses, when compared to standardbred (see Table 2).

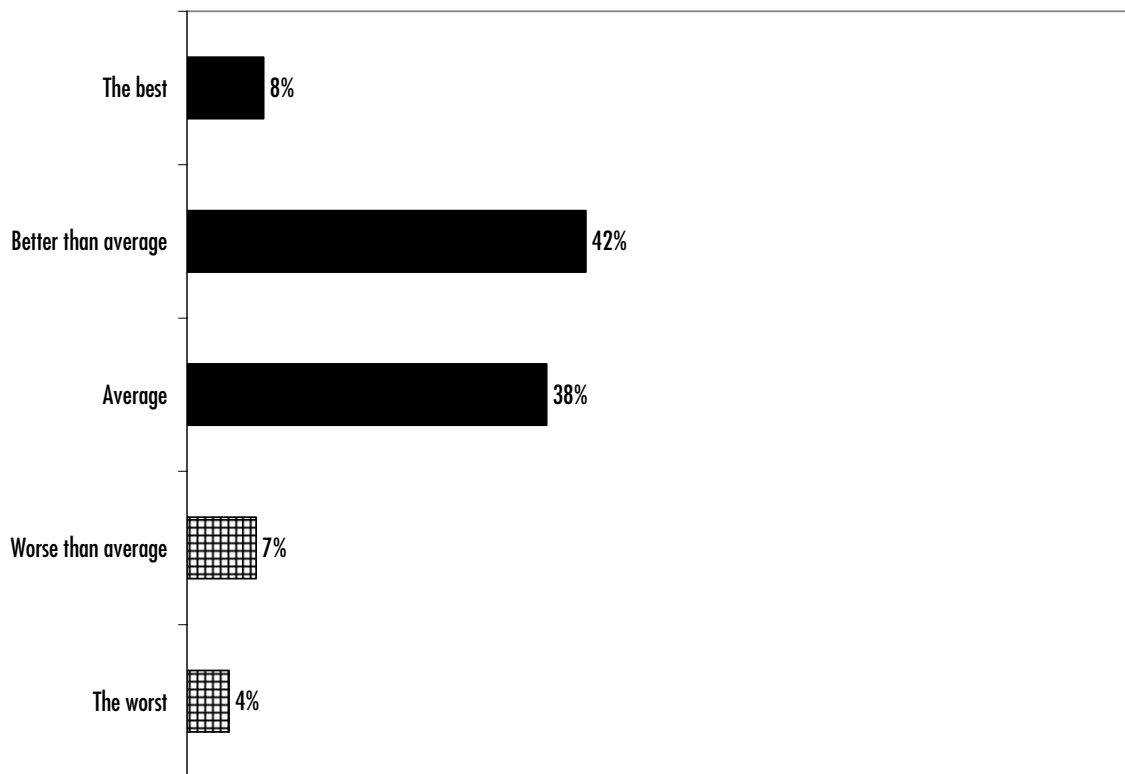
Table 2: Effectiveness of Blood Gas Program by Breed

| | Standardbred | Thoroughbred | Quarter horse |
|---------------------|--------------|--------------|---------------|
| Very effective | 27% | 15% | 18% |
| Somewhat Effective | 44% | 29% | 28% |
| Not effective | 12% | 28% | 29% |
| Don't know/not sure | 18% | 28% | 26% |



When asked to compare Indiana's blood gas program to other states, half of the respondents licensed in other states (50 percent) thought Indiana was the best or better than average, while another (38 percent) thought Indiana's program was average (Figure 7).

Figure 7: Indiana Blood Gas Program in Comparison to Other States



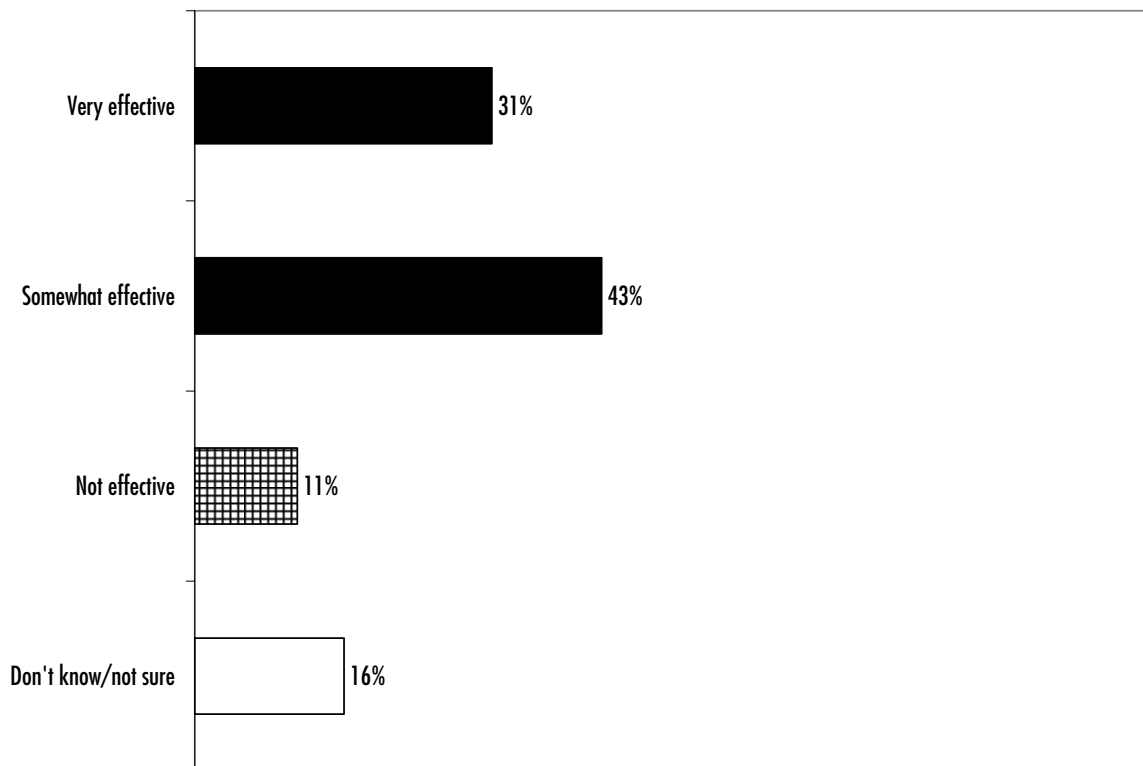


Effectiveness of Equine Drug Testing

Pari-mutuel horse racing can succeed as a legitimate sport only if its races are perceived by the wagering public to be honest, competitive contests, free from manipulation by people or drugs. With few exceptions, under regulatory restrictions, state law and Commission rules prohibit the presence of any drug in horses racing at a pari-mutuel track. Respondents were asked a set of questions about Indiana's equine drug testing program.

As Figure 8 indicates, approximately three-fourths of respondents indicated that Indiana's equine drug testing program was either very effective or somewhat effective.

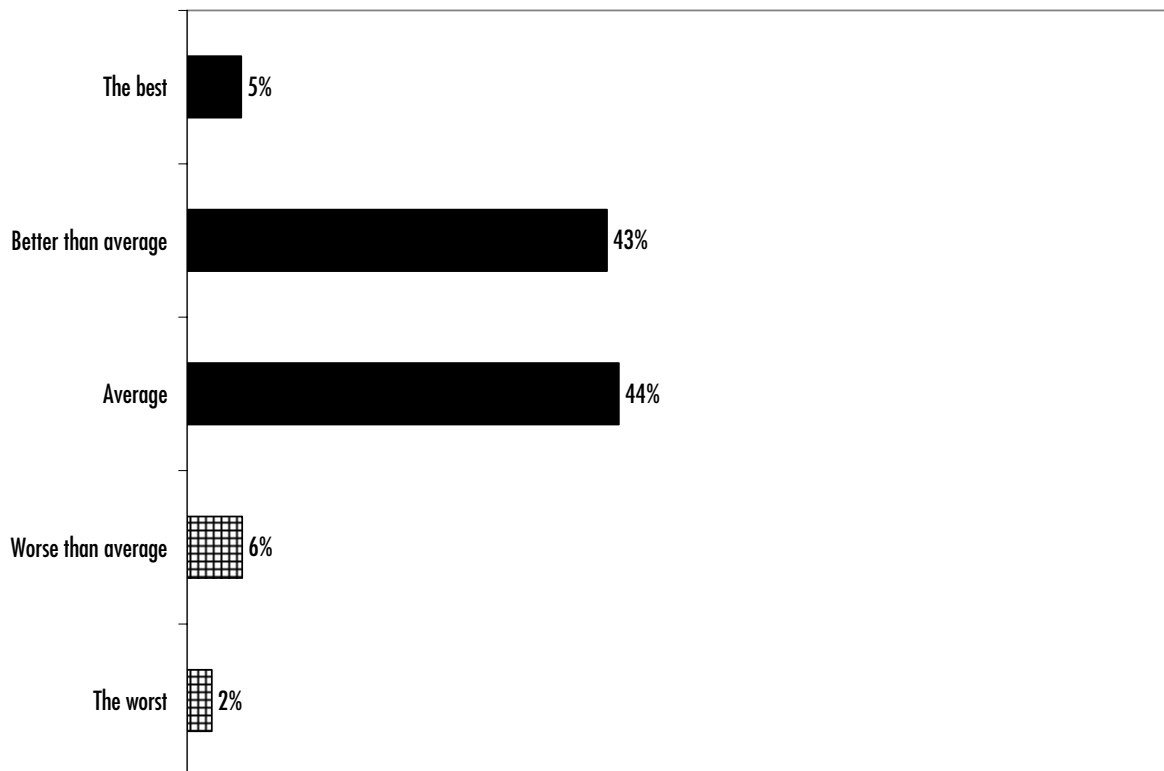
Figure 8: Effectiveness of Indiana's Equine Drug Testing Program





When asked to compare Indiana's equine drug testing program to other states, 48 percent thought Indiana was the best or better than average and 44 percent indicated that Indiana was average (Figure 9).

Figure 9: Indiana Equine Drug Testing Program in Comparison to Other States





Strictness of Penalties

As Figure 10 illustrates, almost half (46 percent) think Indiana's penalties for rule violations are about right, with 14 percent indicating they are too strict and 22 percent indicating they are too lenient. When compared to other states, three-fourths of those licensed in other states (74 percent) indicated Indiana's penalties are about average, with 21 percent indicating Indiana is the strictest and only 5 percent indicating Indiana is the most lenient (see Figure 11).

Figure 10: Strictness of Penalties for Rule Violations in Indiana

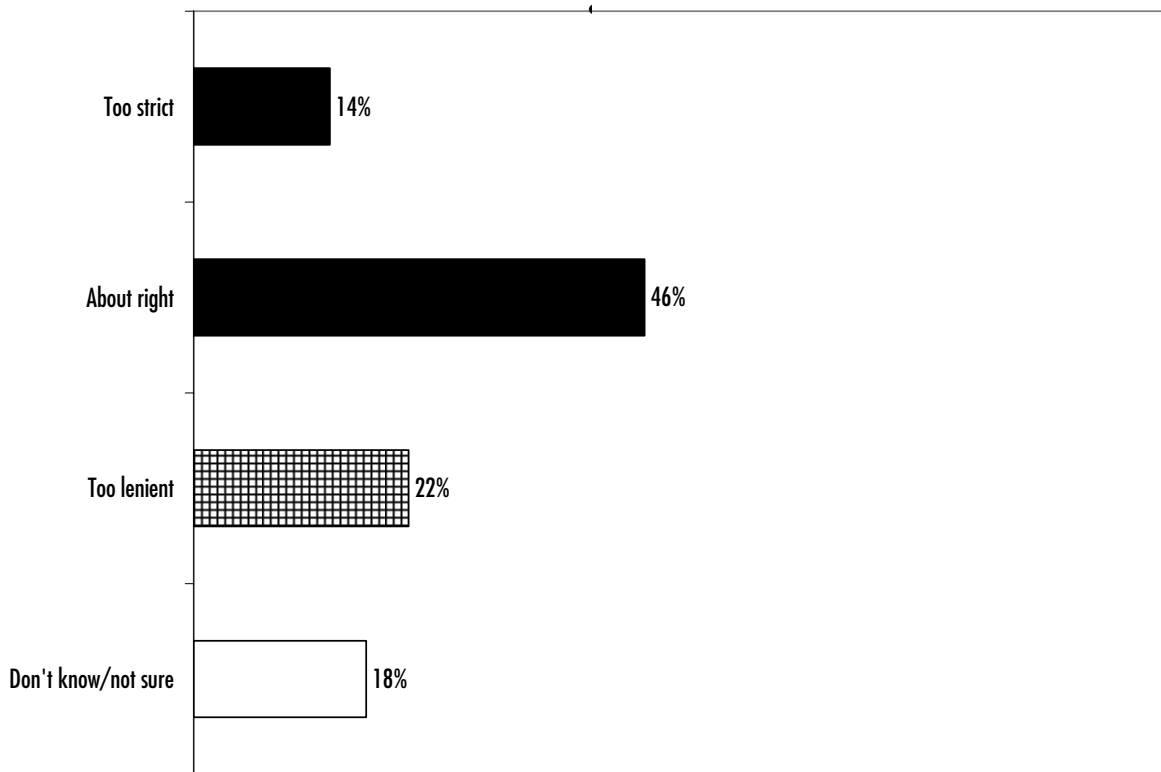




Figure 11: Indiana Penalties for Rule Violations in Comparison to Other States





Demographics

Most respondents (89 percent) are licensed in another state besides Indiana. As might be expected, the highest percents are in the surrounding states of Ohio (54 percent), Kentucky (52 percent), Illinois (31 percent), and Michigan (15 percent). As Table 3 illustrates, the states of residence follow similar patterns, with the majority from Indiana. Most respondents (74 percent) indicated that they had been involved in horse racing for more than 10 years, with 15 percent indicating 5 to 10 years, and only 11 percent have been involved less than 5 years. Approximately one-third (34 percent) indicated that horse-racing is their full-time occupation with 49 percent indicating it is a part-time occupation and 18 percent indicating it is a hobby.

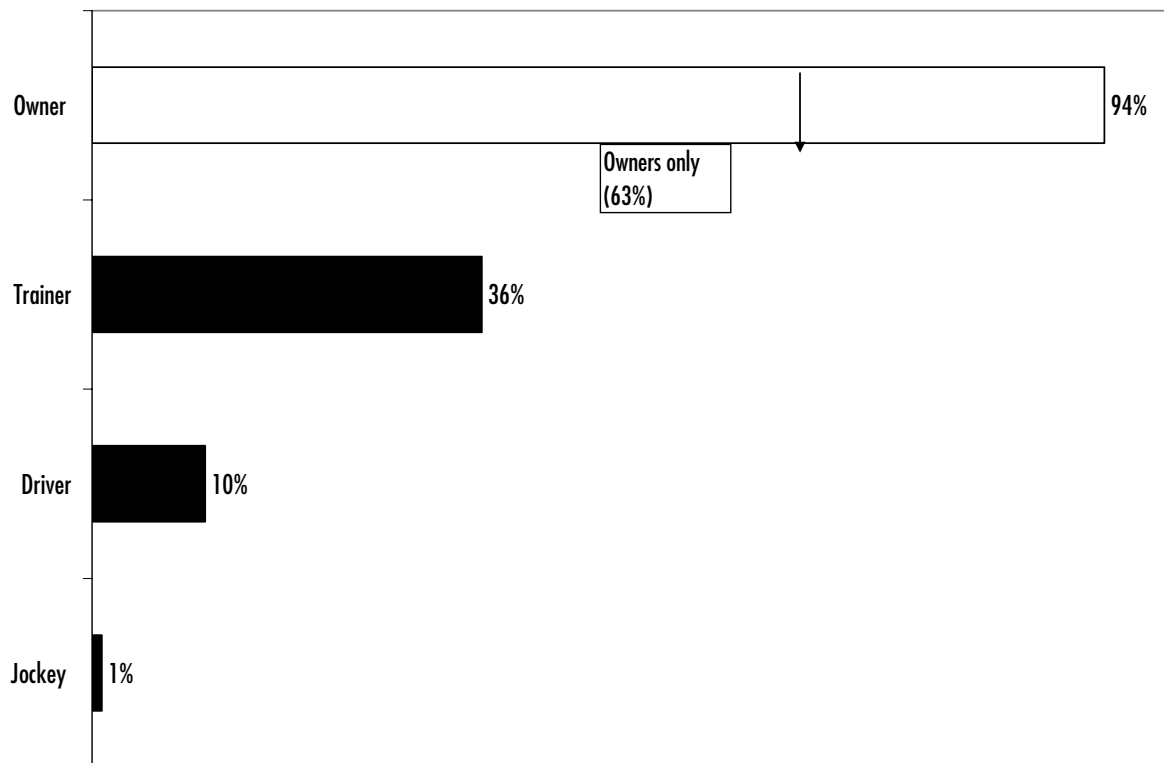
Table 3: State of Residence and Percent Licensed in Other States

| | Residence of respondents | Percent licensed in state other than Indiana |
|----------|---------------------------------|---|
| Indiana | 42% | |
| Ohio | 19% | 54% |
| Kentucky | 15% | 52% |
| Illinois | 10% | 31% |
| Michigan | 3% | 15% |
| Florida | 3% | 8% |



Most respondents indicated that they were licensed as an owner, with some of those also indicating that they were licensed as a trainer, driver and jockey. Of all respondents, 63 percent indicated that they were only licensed as owners (see Figure 12).

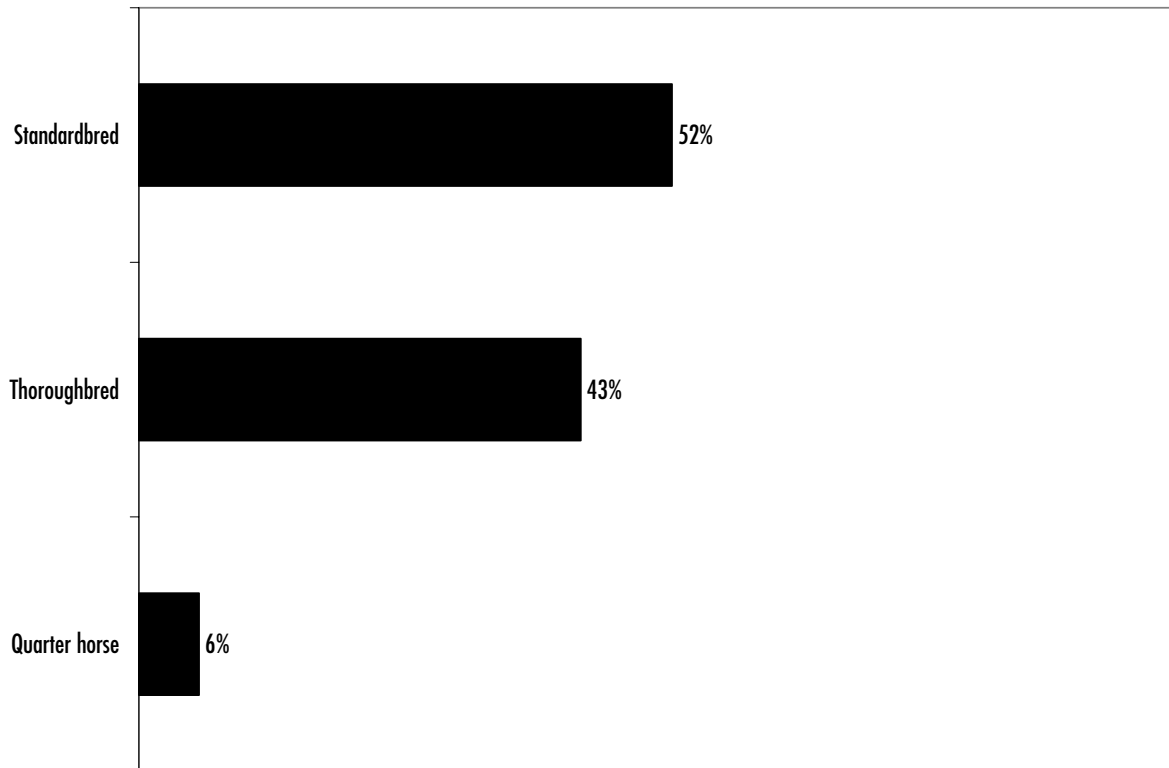
Figure 12: Categories of Licenses





As Figure 13 illustrates, most licenses were for standardbred (52 percent) or thoroughbred (43 percent) with only 6 percent for quarter horses.

Figure 13: Breed of Horse License





Appendix 1: Survey Instrument

Indiana Horse Racing Commission Survey

The Indiana Horse Racing Commission (Commission) has asked Indiana University to conduct this survey. The purpose of this survey is to help the Commission evaluate its current performance, and determine how they can better serve you and the betting public in the future. As a current licensee, your opinion is very important. Please fill out this **SHORT** survey and return it to Indiana University in the enclosed postage-paid return envelope by **November 15, 2006**. What you tell us will be kept strictly confidential. Only the researchers at Indiana University will have access to your individual answers. If you have any questions or concerns, contact Laura Littlepage by e-mail (llittlep@iupui.edu), phone (317) 261-3061, or FAX (317) 261-3050.

If you would like to explain any of your answers below, please do so in the comment section at the end of the survey.

1. How would you rate your experience with obtaining a racing license in the state of Indiana?
 Excellent good fair poor
2. When comparing your experience with obtaining a racing license in Indiana to your experience with obtaining a racing license in other states, would you say Indiana was:
 the best better than average average worse than average the worst
 I am only licensed in Indiana
3. Would you say that the Commission staff you interacted with to obtain your license were:
 very helpful somewhat helpful not at all helpful don't know/not sure
4. How effective do you think the blood gas program in Indiana is in deterring violations of Commission rules?
 very effective somewhat effective not effective don't know/not sure
5. When comparing Indiana's blood gas program to programs in other states, would you say Indiana is:
 the best better than average average worse than average the worst
 I am only licensed in Indiana
6. How would you rate the effectiveness of Indiana's equine drug testing program (the testing of horse blood and urine) in deterring violations of Commission rules?
 very effective somewhat effective not effective don't know/not sure
7. When comparing Indiana's equine drug testing program to other states, would you say Indiana is:
 the best better than average average worse than average the worst
 I am only licensed in Indiana
8. How strict do you think penalties are in Indiana for rule violations?



too strict about right too lenient don't know/not sure

9. When compared to other states, Indiana's penalties for rule violations are:

the strictest about average the most lenient I am only licensed in Indiana

10. Overall, how would you rate the effectiveness of the regulatory efforts of the Commission in the state of Indiana?

excellent good fair poor

11. When comparing your experience with the regulatory efforts in Indiana to your experience with regulatory efforts in other states, would you say Indiana is:

the best better than average average worse than average the worst
 I am only licensed in Indiana

12. In which of the following categories are you licensed? (check all that apply)

owner trainer driver
 jockey other _____

13. How would you describe your level of participation in the horse racing business?

primary occupation part-time occupation hobby (just for fun)

14. How long have you been in the horse racing business?

less than 5 years 5 to 10 years more than 10 years

15. What breed of horses are you licensed for:

standardbred thoroughbred quarter horse

16. In the last 3 years, have you been licensed in any other states, besides Indiana?

yes no not sure

If yes, what state(s): _____

17. What state do you consider your place of residence? _____

Comments: