



Pennsylvania Thoroughbred Horsemen's Association

Lawmakers' Proposed \$50 Million Budget Cut to Race Horse Fund Will Have Major Impact at Philadelphia Park

Horsemen will need to cut race days, reduce Pennsylvania Derby from a \$1 million to \$250,000 race, cut health benefits, eliminate stakes races, and reduce breeders' awards

BENSALEM, PA – The Pennsylvania Thoroughbred Horsemen's Association today detailed the numerous changes it will have to make at Philadelphia Park as a result of the Pennsylvania legislature's current budget proposal, which would cut funds for the Race Horse Development Fund by \$50 million per year. The association said to make up the losses, drastic changes would need to be made, including cutting the number of race days, reducing health and pension benefits, eliminating the F. Eugene Dixon Cotillion and some stakes races, and reducing the amount for PA-bred owner bonus awards. The horsemen also would need to reduce the Pennsylvania Derby, the premier racing event in the state, from a \$1 million to \$250,000 race.

“Legislators have proposed a \$50 million cut per year in funding from gaming that goes to support the horseracing industry in Pennsylvania,” Michael P. Ballezzi, Executive Director of the Pennsylvania Thoroughbred Horsemen's Association. “At Philadelphia Park alone, we are projecting a \$32 million cut in funds over the next four years, which is going to have a major impact on the industry and our fans. We are going to have to make some difficult choices and cuts to make up that cut in funding.”

“These cuts will completely undermine the intent of Act 71, legislation that was specifically approved by the legislature to enhance live horse racing, breeding programs, and employment in Pennsylvania,” said Ballezzi, noting that the official title of Act 71, the legislation that legalized slot machine gaming, is the Pennsylvania Race Horse Development and Gaming Act. “Purse cuts and PA-bred owner bonus award reductions will slow or stop the growth in Pennsylvania racing and breeding by eliminating the major incentives for horsemen to race in our state or for breeders to bring their mares to the state.”

“By greatly reducing the financial incentives in Act 71, we are going to have real problems attracting new investment in the equine and agriculture industries and the loss of some of those individuals who were in the process of investing in our state,” said Ballezzi. “It is going to cost jobs and further impact our already struggling agricultural economy.”

Ballezzi projected the following cuts would be needed to make up the \$8 million per year cut in funding for the horsemen at Philadelphia Park:

- Reducing the purse from \$1 million to \$250,000 for the Pennsylvania Derby - arguably the premier racing day in the state -- greatly decreasing the event's ability to draw some of the big name horses, trainers, and owners. The race has been at the \$1 million plateau since 2007. Prior to that, the purse was \$750,000 for three years.
- A reduction in live racing days from 210 days per year to 200 days or less per year. Ballezzi noted that the reductions in race days would likely have an adverse impact on slots revenues for property tax reduction because slot play increases on race days.
- Cuts in pensions and healthcare benefits of 17 to 20 percent, impacting more than 2,000 area residents, including trainers, grooms, hot walkers, other personnel and their families. The average groom earns \$25,000 per year while the annual earnings of a trainer begin at about \$50,000.
- The elimination of the F. Eugene Dixon Cotillion (\$750,000 purse) and cancellation of some other stakes races due to the decline in available purse money.
- Reductions in bonus awards to PA-bred owners from 40 percent to as low as 30 or 25 percent. The awards provide an incentive for breeders to come to Pennsylvania, purchase land, open up farms, and use Pennsylvania agriculture products.

“These cuts are going to have a major impact on the types of events we will be able to take part in at Philadelphia Park,” said Ballezzi. “This is going to have major ripple effects through the local economy. Fewer racing days will bring fewer people out to the races and less work days for our members. Fewer headline events, such as the Derby and Cotillion will mean fewer days of substantial crowds at Philadelphia Park. And 2,000 people will be hit with higher healthcare premiums and reductions in their pensions as a result of the cuts by the legislature and governor.”

About the Pennsylvania Thoroughbred Horsemen's Association

The Pennsylvania Thoroughbred Horsemen's Association is a statewide organization representing owners and trainers at Philadelphia Park Racetrack in Bensalem, Pa..