

Section 1

**Animal Health Commission
Summary of Recommendations - House**

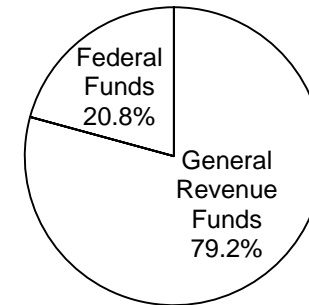
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Dr. Dee Ellis, Executive Director and State Veterinarian

Michael Wales, LBB Analyst

Method of Financing	2014-15 Base	2016-17 Recommended	Biennial Change	% Change
General Revenue Funds	\$17,237,972	\$17,044,094	(\$193,878)	(1.1%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$17,237,972</i>	<i>\$17,044,094</i>	<i>(\$193,878)</i>	<i>(1.1%)</i>
Federal Funds	\$4,338,190	\$4,464,736	\$126,546	2.9%
Other	\$575	\$0	(\$575)	(100.0%)
All Funds	\$21,576,737	\$21,508,830	(\$67,907)	(0.3%)

RECOMMENDED FUNDING
BY METHOD OF FINANCING



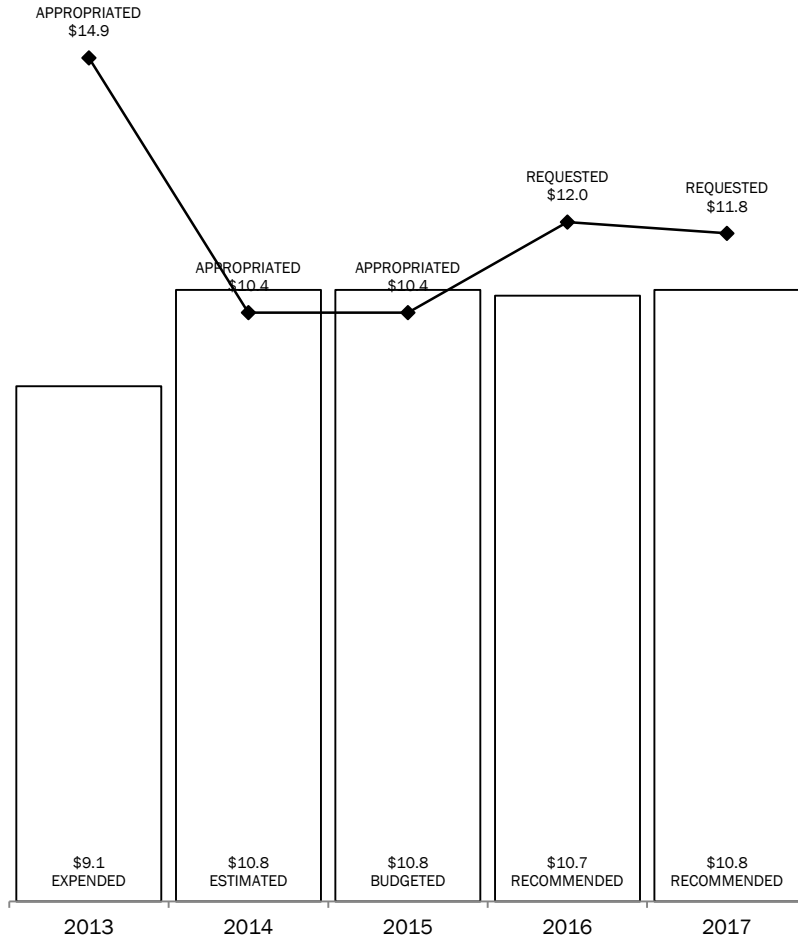
	FY 2015 Budgeted	FY 2017 Recommended	Biennial Change	% Change
FTEs	150.5	150.5	0.0	0.0%

The bill pattern for this agency (2016-17 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2016-17 biennium.

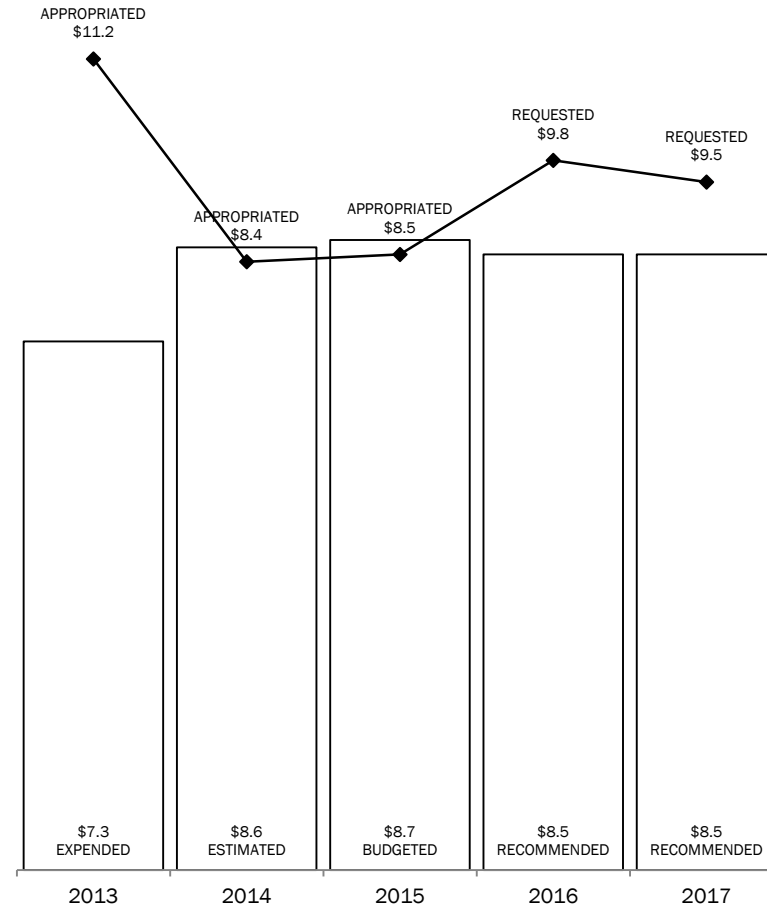
Section 1
Animal Health Commission
 2016-2017 BIENNIUM
 IN MILLIONS

TOTAL= \$21.5 MILLION

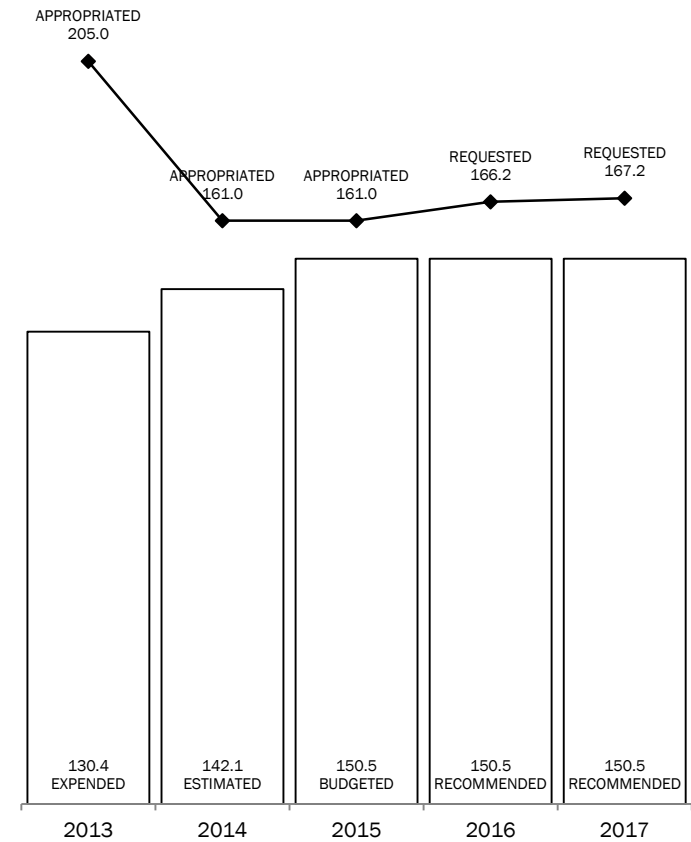
ALL FUNDS



**GENERAL REVENUE AND
 GENERAL REVENUE-DEDICATED FUNDS**



FULL-TIME-EQUIVALENT POSITIONS



Section 2

Animal Health Commission
Summary of Recommendations - House, By Method of Finance -- ALL FUNDS

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments (Optional)
FIELD OPERATIONS A.1.1	\$14,522,432	\$13,827,154	(\$695,278)	(4.8%)	The recommendations include the removal of one-time expenditures from 2014-15, including \$230,611 from A.1.1. The decrease is also partially due to creation of new strategy, A.1.4, which was previously reflected in A.1.1.
DIAGNOSTIC/EPIDEMIOLOGICAL SUPPORT A.1.2	\$2,023,230	\$2,094,326	\$71,096	3.5%	The increase in 2016-17 primarily due to higher expenditures for salaries and wages, partially offset by removal of \$32,607 for one-time expenditures in 2014-
PROMOTE COMPLIANCE A.1.3	\$823,371	\$834,714	\$11,343	1.4%	
ANIMAL EMERGENCY MANAGEMENT A.1.4	\$670,560	\$670,560	\$0	0.0%	New strategy for 2016-17 biennium.
Total, Goal A, PROTECT/ENHANCE TEXAS ANIMAL HEALTH	\$18,039,593	\$17,426,754	(\$612,839)	(3.4%)	
CENTRAL ADMINISTRATION B.1.1	\$2,051,719	\$2,128,800	\$77,081	3.8%	
INFORMATION RESOURCES B.1.2	\$968,757	\$1,486,720	\$517,963	53.5%	Increase primarily due to 2.0 additional FTEs in this strategy moved from A.1.1.
OTHER SUPPORT SERVICES B.1.3	\$516,668	\$466,556	(\$50,112)	(9.7%)	Funds reallocated to other strategies to align with personnel reassignments.
Total, Goal B, INDIRECT ADMINISTRATION	\$3,537,144	\$4,082,076	\$544,932	15.4%	
Grand Total, All Strategies	\$21,576,737	\$21,508,830	(\$67,907)	(0.3%)	

Section 3

Texas Animal Health Commission Selected Fiscal and Policy Issues - House

1. **Fee Revenue.** Recommendations include revised rider language appropriating certain fee revenues collected by the agency (see Rider Highlights - House #9). The agency currently collects 17 different fees and will collect an estimated \$1,379,634, with \$849,124 retained by the agency, in 2014-15. This amount (\$849,124) is included in the agency's base 2016-17 recommendation. Authority for all but two of the fees the agency collects under Agriculture Code §§ 161.0411, 161.060, and 161.0601 will sunset at the end of FY 2015 without legislative action extending the agency's authority to assess these or similar fees. The agency estimates that the two remaining fees will generate \$1,024,000 in 2016-17. (See also, Item Not Included in Recommendations – House, Item #4)

Recommendations appropriate up to \$424,562 each fiscal year from the remaining fees contingent upon revenues being collected to cover these amounts each year. In addition, amounts from these fees that are collected in excess of \$512,000 each fiscal year (the amount contained in the Comptroller's 2016-17 Biennial Revenue Estimate) are also appropriated to the agency. Furthermore, the rider makes an appropriation for any newly created or recreated fee revenue under statutory changes made by the Eighty-Fourth Legislature for the same purpose.

2. **Unexpended Balance Authority Within the Biennium.** Recommendations remove the rider authority previously allowing the agency to carry forward unexpended balances from the first fiscal year of the biennium to the second. Article IX, §14.05, Unexpended Balance Authority Between Fiscal Years Within the Same Biennium, provides the same authority with Legislative Budget Board approval.
3. **Supplemental Bill Request.** The agency has requested a total of \$1,152,491 from General Revenue in supplemental funding for FY 2015 for expenditures related to two disease events. The agency requested \$860,659 to establish and maintain a quarantine zone in the Rio Grande Valley region for cattle fever ticks. The ticks can be spread by livestock and wildlife, including deer and nilgai, and carry parasites that can result in death rates of up to 90 percent for previously unexposed cattle populations. The agency has also requested \$291,833 for costs related to cattle tuberculosis outbreaks in two large dairy cattle herds with more than 20,000 total animals in the panhandle region.

The agency's top priority exceptional item includes \$1,188,000 to continue the quarantine zone in 2016. (See also Items Not Included in Recommendations – House, Item #1)

Section 4

**Texas Animal Health Commission
Performance Review and Policy Report Highlights - House**

Reports & Recommendations	Report Page	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Recommended for Inclusion in Introduced Bill	Action Required During Session
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NO RELATED RECOMMENDATIONS

Section 5

Texas Animal Health Commission Rider Highlights - House

2. **Capital Budget.** Recommendations continue capital budget authority from the prior biennium in the same amounts for the same purposes. The Acquisition of Information Resource Technologies category is subdivided to reflect purchases for desktop and laptop computers.
3. **(Former) Unexpended Balance Authority: Within the Biennium.** Recommendations delete this rider. (See also Selected Fiscal and Policy Issues – House, Item #2 and Items Not Included in Recommendations – House, Item #8)
8. **(Former) Collection of Revenue from Laboratory Testing Fees Applied to Out-of-State Clients.** Recommendations delete this rider. Revisions to Rider 9 will incorporate fees collected and appropriated for the purposes this rider serves should the authority to collect the fees this rider concerns be extended in 2016-17.
9. **(Former) Cost Recovery for Animal Health Programs.** Recommendations amend this rider to appropriate all fee revenue collected above the Comptroller's Biennial Revenue Estimate (\$512,000 each year) after appropriations of \$424,562 each fiscal year are covered. The recommendation would also appropriate additional fee revenue contingent upon legislation extending authority currently set to expire at the end of the 2014-15 biennium (see Selected Fiscal and Policy Issues – House, Item #1).

Section 6

**Animal Health Commission
Items not Included in Recommendations - House**

	2016-17 Biennial Total	
	GR & GR- Dedicated	All Funds
Agency Exceptional Items - In Agency Priority Order		
1. Border Security - Animal Health: Request would provide General Revenue Funding and 21 FTEs to establish an additional regional office in South Texas to improve response to cattle fever tick and other disease issues throughout the Mexican border region. Of this amount, \$1,188,000 would be used to continue a fever tick quarantine zone established in 2015 which the agency has requested supplemental funding to support. (See also Selected Fiscal and Policy Issues - House, Item #3)	\$ 4,037,676	\$ 4,037,676
2. Feral Swine Disease Surveillance and Response: Request would provide General Revenue funding and 4 FTEs for testing of livestock and oversight of feral swine holding facilities.	\$ 600,140	\$ 600,140
3. Fleet Vehicle Replacement: Request would provide General Revenue funding to replace 34 vehicles in 2016-17. The agency states 25 of its 58 vehicles currently exceed 130,000 miles.	\$ 843,000	\$ 843,000
4. General Revenue (due to Fee Authority Expiration): Request would provide non-fee generated General Revenue funding to replace revenue from certain fees, including laboratory testing, inspection, and other services, set to sunset at the end of FY 2015. (See also Selected Fiscal and Policy Issues - House, Item #1)	\$ 246,268	\$ 246,268
5. Executive Director Salary Equity: Request for authority and General Revenue funding to move the Executive Director from Salary Group 4, currently set at \$123,624 per year, to Group 5. The agency is requesting \$56,376 each year which would fund a salary amount of \$180,000 per year.	\$ 112,752	\$ 112,752
6. Digital Records Management and Archival System: Request for General Revenue funding includes purchase and operational costs for 2016-17. Operational costs would be ongoing after the biennium.	\$ 335,000	\$ 335,000
7. ProjectONE/Centralized Accounting and Payroll/Personnel System (CAPPS): General Revenue funding and 1 FTE to provide dedicated staff to transition to new CAPPS enterprise resource planning system.	\$ 82,110	\$ 82,110

Section 6

**Animal Health Commission
Items not Included in Recommendations - House**

	2016-17 Biennial Total	
	GR & GR- Dedicated	All Funds
8. Restoration of Unexpended Balance Authority Rider: Request to reinstate rider granting unexpended balance authority within the biennium. (See also Selected Fiscal and Policy Issues - House #2 and Rider Highlights - House, Item #3)	\$ -	\$ -
9. Restore FTE Cap to 2015 Appropriated Level: Request for 5.7 FTEs in 2016 and 6.7 FTEs in 2017 to bring agency totals to 156.2 in 2016 and 157.2 in 2017. The agency's FTE cap was set at the 2015 budgeted amount of 150.5 FTEs in both fiscal years.	\$ -	\$ -
Total, Items Not Included in the Recommendations	\$ 6,256,946	\$ 6,256,946

Section 7

**Animal Health Commission
Summary of 10 Percent Biennial Base Reduction Options - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts				Included in Intro Bill?	
			GR and GR-Dedicated	All Funds	FTEs	Potential Revenue Loss		Reduction as % of Program GR/GR-D Total
1	Field Staff Reductions	Significant adverse impact to the efficacy of the commission and to the state: Reduction in Force of 10 FTEs – one Investigator, two Veterinarians, five Inspectors, two Data Entry Operators. Reductions in force of Veterinarians, Investigator, and Inspectors will greatly increase workload on remaining Veterinarians, Investigators, and Inspectors work efficiencies and effectiveness. The TAHC will have to prioritize programs and will not be able to meet all of the demands placed upon it.	\$1,177,448	\$1,177,448	10.0	\$0	7%	No
2	Epidemiology Staff Reduction	Significant adverse impact to the efficacy of the commission and to the state: Reduction in Force of 1 FTEs – one Veterinarian. □ Reduction in force of Veterinarians will greatly increase workload on remaining Veterinarians work efficiencies and effectiveness. The TAHC will have to prioritize programs and will not be able to meet all of the demands placed upon it.	\$237,640	\$237,640	1.0	\$0	1%	No
3	Indirect Administration Staff Reductions	Significant adverse impact to the efficacy of the commission and to the state: Reduction in Force of 1 FTEs – one Programmer and attrition of one Executive Assistant Reductions in force of Programmer will greatly increase workload on remaining Information Resources staff work efficiencies and effectiveness. The TAHC will have to prioritize programs and will not be able to meet all of the demands placed upon it.	\$286,158	\$286,158	2.0	\$0	2%	No
TOTAL, 10% Reduction Options			\$1,701,246	\$1,701,246	13.0	\$0		

Section 7

**Animal Health Commission
Summary of 10 Percent Biennial Base Reduction Options - House
Agency 10% Reduction Options by Category of Reduction**

