

Section 1

**Texas A&M Veterinary Medical Diagnostic Laboratory
Summary of Recommendations - House**

Page: III-232

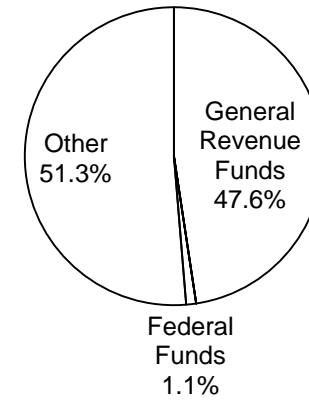
Dr. Bruce Akey, Director

Demetrio Hernandez, LBB Analyst

Method of Financing	2014-15 Base	2016-17 Recommended	Biennial Change	% Change
General Revenue Funds	\$17,763,126	\$17,843,568	\$80,442	0.5%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$17,763,126</i>	<i>\$17,843,568</i>	<i>\$80,442</i>	<i>0.5%</i>
Federal Funds	\$384,000	\$404,000	\$20,000	5.2%
Other	\$19,931,025	\$19,232,842	(\$698,183)	(3.5%)
All Funds	\$38,078,151	\$37,480,410	(\$597,741)	(1.6%)

	FY 2015 Budgeted	FY 2017 Recommended	Biennial Change	% Change
FTEs	165.0	165.0	0.0	0.0%

RECOMMENDED FUNDING
BY METHOD OF FINANCING



The bill pattern for this agency (2016-17 Recommended) represents an estimated 94.6% of the agency's estimated total available funds for the 2016-17 biennium.

Section 1

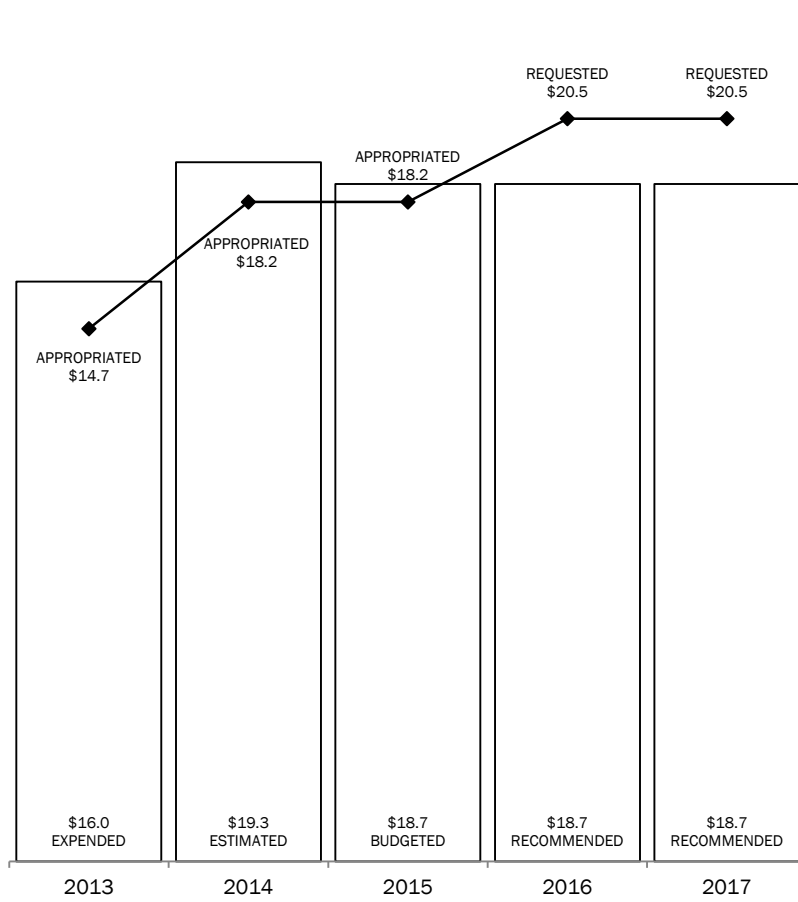
Texas A&M Veterinary Medical Diagnostic Laboratory

2016-2017 BIENNIUM

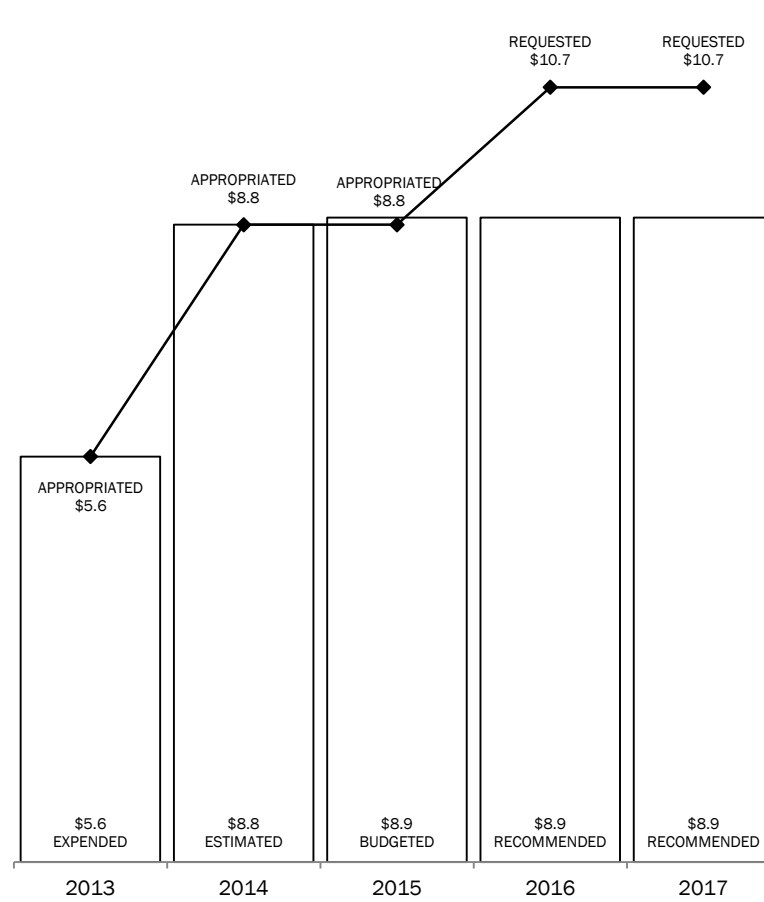
IN MILLIONS

TOTAL= \$37.4 MILLION

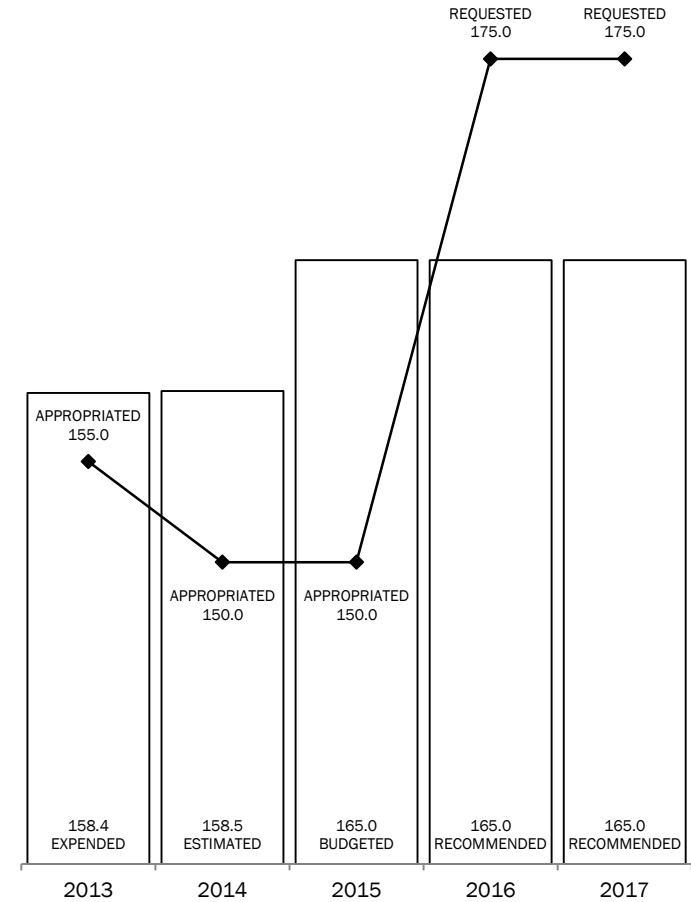
ALL FUNDS



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



FULL-TIME-EQUIVALENT POSITIONS



Section 2

Texas A&M Veterinary Medical Diagnostic Laboratory
Summary of Recommendations - House, By Method of Finance -- ALL FUNDS

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
DIAGNOSTIC SERVICES A.1.1	\$22,238,278	\$21,737,598	(\$500,680)	(2.3%)	
DRUG TESTING SERVICE A.2.1	\$2,379,930	\$2,128,064	(\$251,866)	(10.6%)	
Total, Goal A, DIAGNOSTIC AND DRUG TESTING	\$24,618,208	\$23,865,662	(\$752,546)	(3.1%)	
STAFF GROUP INSURANCE B.1.1	\$1,499,220	\$1,542,094	\$42,874	2.9%	
WORKERS' COMP INSURANCE B.1.2	\$17,042	\$16,818	(\$224)	(1.3%)	
UNEMPLOYMENT INSURANCE B.1.3	\$8,072	\$7,966	(\$106)	(1.3%)	
OASI B.1.4	\$771,393	\$780,520	\$9,127	1.2%	
OPTIONAL RETIREMENT PROGRAM B.1.5	\$7,714	\$7,600	(\$114)	(1.5%)	
Total, Goal B, STAFF BENEFITS	\$2,303,441	\$2,354,998	\$51,557	2.2%	
INDIRECT ADMINISTRATION C.1.1	\$2,852,682	\$2,857,248	\$4,566	0.2%	
INFRASTRUCTURE SUPPORT IN BRAZOS CO C.1.2	\$1,913,979	\$2,028,008	\$114,029	6.0%	
INFRASTRUCT SUPP OUTSIDE BRAZOS CO C.1.3	\$389,841	\$374,494	(\$15,347)	(3.9%)	Recommendations include a \$10,665 decrease in General Revenue related to a reallocation between A&M System agencies for infrastructure support outside Brazos County. The reallocation reflects a proportional allocation methodology based on actual square feet. Recommendations for this strategy also reflect a decrease in Other Funds (discussed below).
DEBT SERVICE - COLLEGE STATION C.2.1	\$6,000,000	\$6,000,000	\$0	0.0%	
Total, Goal C, INDIRECT ADMINISTRATION	\$11,156,502	\$11,259,750	\$103,248	0.9%	
Grand Total, All Strategies	\$38,078,151	\$37,480,410	(\$597,741)	(1.6%)	Recommendations reflect an estimated decrease of \$698,183 in anticipated Veterinary Medical Diagnostic Fee Revenue (Other Funds), offset by an increase of \$20,000 in anticipated Federal funds and a \$64,762 increase in General Revenue to biennialize the 2014-15 salary increase.

Section 3a

**Texas A&M Veterinary Medical Diagnostic Laboratory
Selected Fiscal and Policy Issues - House**

Infrastructure Support

1. Section 50 of the Special Provisions Relating Only to State Agencies of Higher Education provides that funding at Texas A&M System agencies for infrastructure support inside Brazos County is calculated using the Texas A&M University General Revenue rate. Funding amounts are adjusted to align with the formula funding decisions for the General Academic Institutions. Currently, infrastructure support inside Brazos County for the Texas A&M System agencies is funded at the 2014-15 base levels.
2. Funding for infrastructure support outside Brazos County includes a new methodology based on actual square footage. General Revenue funding for infrastructure support outside Brazos County is equal to 2014-15 funding levels and is proportionally allocated to each agency by its respective percentage of total square footage. 2014-15 appropriated amounts in this table may differ from base amounts in Section 2 due to funding reallocations by the agencies.

Recommended Infrastructure Support for Outside Brazos County (General Revenue)

Institution	2014-15 Appropriated	Actual Square Footage	Percentage of Actual Square Footage	2016-17 Appropriated	2014-15 to 2016-17 Increase/ (Decrease)
556 Texas AgriLife Research (TAR)	\$6,231,926	1,123,511	67.34%	\$6,296,812	\$64,886
555 Texas AgriLife Extension Service (TAEX)	\$1,502,600	195,083	11.69%	\$1,093,358	\$(409,242)
712 Texas Engineering Experiment Station (TEES)	\$0	286	0.02%	\$1,602	\$1,602
727 Texas Transportation Institute (TTI)	\$0	36,258	2.17%	\$203,210	\$203,210
716 Texas Engineering Extension Service (TEEX)	\$0	56,353	3.38%	\$315,836	\$315,836
576 Texas Forest Service (TFS)	\$1,465,814	231,986	13.91%	\$1,300,185	\$(165,629)
557 Texas Veterinary Medical Diagnostic Laboratory (TVMDL)	\$149,781	24,822	1.49%	\$139,116	\$(10,665)
Total	\$9,350,121	1,668,299	100.00%	\$9,350,121	\$0

Section 3b

Statutory Authority		Mission & Functions	2014-15 Base All Funds	2016-17 Rec. All Funds	2014-2015 Base GR/GR-D	2016-17 Rec. GR/GR-D	2014 Level FTEs	2016-17 Rec. FTEs
Texas A&M AgriLife Research (TAR)	Education Code, Title III, Section 88.201	Conducts research in the agricultural, environmental, and life sciences. Goals include enhancing the competitiveness of agricultural industries and natural resource conservation. AgriLife Research administers the honey bee regulation and feed and fertilizer programs. Research highlights include: ecosystem research, conservation, and sustainable agriculture.	\$ 140,482,844	\$ 141,087,174	\$ 108,064,844	\$ 108,844,528	987.7	987.7
Texas A&M AgriLife Extension Service (TAEX)	Education Code, Title III, Section 88.822	Provides training and educational programs including 4-H through county extension agents. Extension agents are supported by federal, state, and county funding. AgriLife Extension also provides wildlife and insect management services including feral hog abatement and boll weevil eradication.	\$ 133,222,282	\$ 133,702,344	\$ 86,619,858	\$ 87,108,474	1031.1	1031.1
Texas A&M Engineering Experiment Station (TEES)	Education Code, Title III, Section 88.501	Conducts engineering and technology research with a focus on interdisciplinary research. Research highlights include: energy, water, manufacturing, and the environment.	\$ 239,356,955	\$ 239,880,584	\$ 34,742,101	\$ 35,962,900	880.0	880.0
Texas A&M Transportation Institute (TTI)	Education Code, Title III, Section 88.603 & 88.803	Identifies and solves transportation problems through research. Develops and implements new technologies for current and future transportation needs. Works closely with the Texas Department of Transportation, as well as local and regional transportation agencies across the state.	\$ 118,330,085	\$ 120,086,455	\$ 4,310,847	\$ 17,211,511	434.7	434.7
Texas A&M Engineering Extension Service (TEEX)	Education Code, Title III, Section 88.501	Provides training, technical assistance, and emergency response to enhance public safety and security. Texas Task Force 1 is deployed for emergency response and search and rescue operations.	\$ 154,336,526	\$ 152,130,356	\$ 15,639,833	\$ 16,009,906	555.2	555.2
Texas A&M Forest Service (TFS)	Education Code, Title III, Section 88.102	Provides wildfire prevention, detection, and suppression services. The Texas Wildfire Protection Plan is the agency's wildfire response model.	\$ 115,072,569	\$ 113,175,193	\$ 107,382,441	\$ 105,261,131	558.2	558.2
Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL)	Education Code, Title III, Section 88.708	Provides fee-based veterinary medical diagnostic services and drug testing services which contributes to an animal and zoonotic disease surveillance system. Responds to potential high consequence and/or emerging disease events.	\$ 38,078,151	\$ 37,480,410	\$ 17,763,126	\$ 17,843,568	165.0	165.0
Total			\$938,879,412	\$937,542,516	\$374,523,050	\$388,242,018	4,611.90	4,611.90

Section 3c

**Texas A&M Veterinary Medical Diagnostic Laboratory
Performance Measure Highlights - House**

	Expended 2013	Estimated 2014	Budgeted 2015	Recommended 2016	Recommended 2017
• <i>Number of Diagnostic Services Rendered</i>	724,358	640,112	652,914	665,973	679,292
<p><i>Measure Explanation: Measures the number of disease diagnostic cases submitted and examined by Texas A&M Veterinary Medical Diagnostic Laboratory in a year. Figure in FY14 reflects a decrease in submissions due to the drought and the number of services provided to USDA as a result of budget reductions at the federal level.</i></p>					

Section 4

**Veterinary Medical Diagnostic Laboratory
Performance Review and Policy Report Highlights - House**

Reports & Recommendations	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Included in Introduced Bill	Action Required During Session
---------------------------	--------------------	-----------------	--------------	--------------------------------	--------------------------------

NO RELATED RECOMMENDATIONS

Section 5

**Texas A&M Veterinary Medical Diagnostic Laboratory
Rider Highlights - House**

None

Section 6

**Texas A&M Veterinary Medical Diagnostic Laboratory
Items not Included in Recommendations - House**

Agency Exceptional Items Not Included - In Agency Priority Order

1. Veterinary Diagnostic Residency Program

General Revenue funding for the agency to work with the Texas A&M College of Veterinary Medicine and Biomedical Sciences to expand veterinary residency programs and training opportunities. Funding provides for 10 additional FTEs, including 6 residents per year and 4 faculty and professional staff members to TVMDL and the College of Veterinary Medicine. Funding would also provide for new equipment for veterinary diagnostic medicine and veterinary public health.

2016-17 Biennial Total	
GR & GR- Dedicated	All Funds
\$ 3,500,000	\$ 3,500,000
\$ 3,500,000	\$ 3,500,000

Total, Items Not Included in the Recommendations

Section 7

Texas A&M Veterinary Medical Diagnostic Laboratory
 Summary of 10 Percent Biennial Base Reduction Options - House

Biennial Reduction Amounts

Priority	Item	Description/Impact	GR and GR-Dedicated	All Funds	FTEs	Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
1	Equipment Purchases	The reduction would defer laboratory and other equipment capital purchases. The impact would also be for livestock, poultry, and companion animal testing.	\$528,897	\$528,897		\$0	5.5%	No
2	Operating Costs and Travel	The reduction would reduce operating costs and reduce travel.	\$64,000	\$64,000		\$0	0.7%	No
3	Attrition of Employees	Elimination of 4.0 FTEs and the agency would not fill positions that become vacant in FY2016.	\$464,896	\$464,896	4.0	\$0	4.8%	No

TOTAL, 10% Reduction Options

\$1,057,793 \$1,057,793 4.0 \$0

Section 7

**Texas A&M Veterinary Medical Diagnostic Laboratory
Summary of 10 Percent Biennial Base Reduction Options**

Agency 10% Reduction Options by Category of Reduction

