

Texas A&M Engineering Experiment Station Summary of Budget Recommendations - House

Page III-247
John Hurtado, Director
Casey Floren, LBB Analyst

Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$58,068,809	\$68,261,969	\$10,193,160	17.6%
GR Dedicated Funds	\$842,767	\$842,767	\$0	0.0%
Total GR-Related Funds	\$58,911,576	\$69,104,736	\$10,193,160	17.3%
Federal Funds	\$221,734,920	\$222,664,938	\$930,018	0.4%
Other	\$89,987,037	\$92,204,959	\$2,217,922	2.5%
All Funds	\$370,633,533	\$383,974,633	\$13,341,100	3.6%

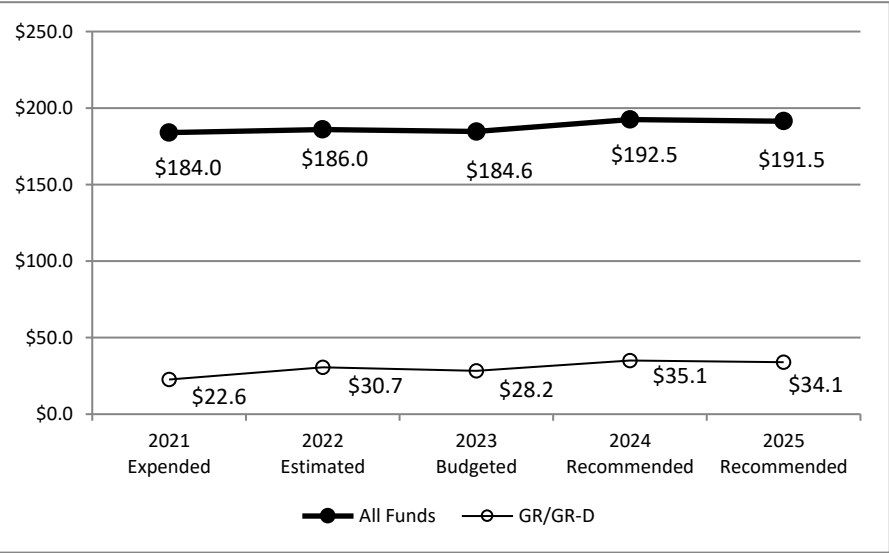
	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	987.1	842.4	(144.7)	(14.7%)

Agency Budget and Policy Issues and/or Highlights

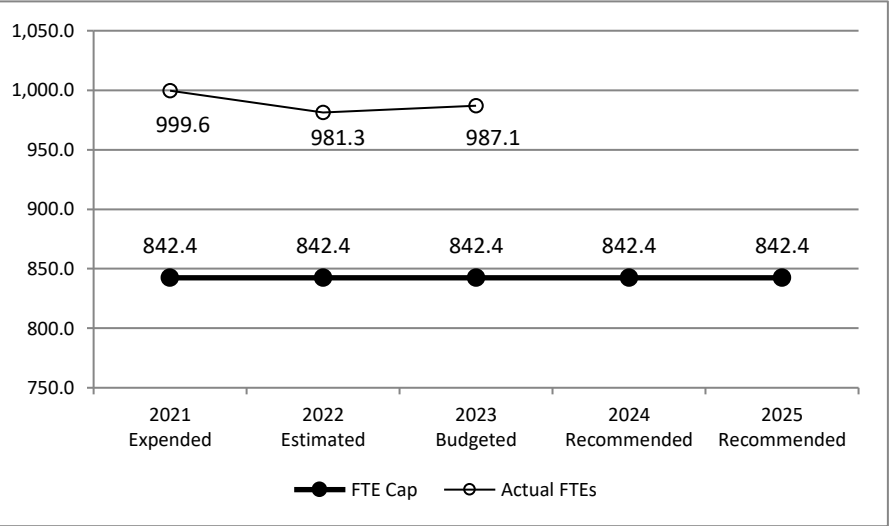
Texas A&M Engineering Experiment Station (TEES) conducts research, provides continuing education, and develops technology to assist industry and the engineering workforce. TEES performs engineering and technology research on water, defense, energy, manufacturing, and the environment across the state of Texas.

The bill pattern for this agency (2024-25 Recommended) represents an estimated 90.8% of the agency's estimated total available funds for the 2024-25 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Texas A&M Engineering Experiment Station
Summary of Funding Changes and Recommendations - House

Section 2

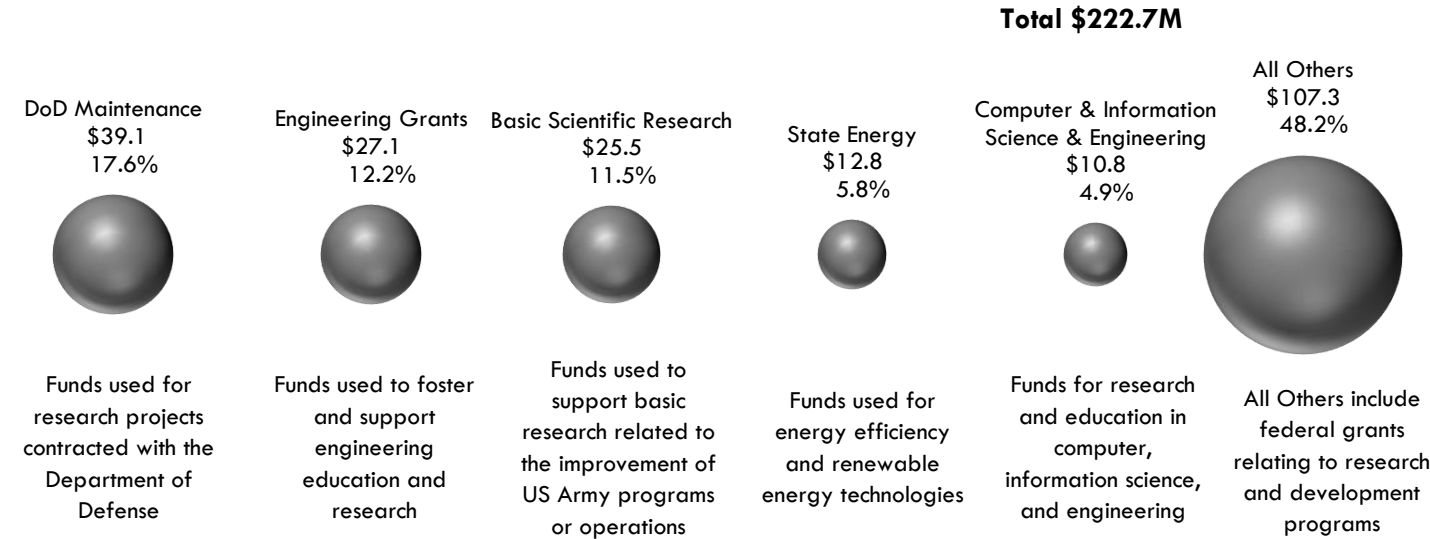
Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Reduction of \$5 million in General Revenue due to the conclusion of state appropriations for startup costs for the RGV Advanced Manufacturing Innovation (RAMI) Hub after fiscal year 2024.	(\$5.0)	\$0.0	\$0.0	\$0.0	(\$5.0)	A.3.2
B)	Increase of \$1,070,497 in General Revenue due to the updated infrastructure support formula.	\$1.1	\$0.0	\$0.0	\$0.0	\$1.1	B.1.2
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
C)	Increase of \$11,624,102 in General Revenue due to statewide salary adjustments.	\$11.6	\$0.0	\$0.0	\$0.0	\$11.6	D.1.1
D)	Reduction of \$2.5 million in General Revenue due to one-time funding for TEES's collaboration with Army Futures Command in the 2022-23 biennium.	(\$2.5)	\$0.0	\$0.0	\$0.0	(\$2.5)	A.1.1
E)	Reduction of \$1,438 in General Revenue according to the amortization schedule for debt service payments for the Center for Infrastructure Renewal.	(\$0.0)	\$0.0	\$0.0	\$0.0	(\$0.0)	B.1.3
F)	Increase of \$930,018 in available Federal Funds due to growth in federally sponsored research.	\$0.0	\$0.0	\$0.9	\$0.0	\$0.9	A.1.1, A.3.1, C.1.1
G)	Increase of \$187,790 in Indirect Cost Recovery due to higher amounts held locally.	\$0.0	\$0.0	\$0.0	\$0.2	\$0.2	A.1.1, A.2.1, A.3.1, B.1.1, B.1.2
H)	Increase of \$2,030,132 in Other Funds due to anticipated growth in industry sponsored contracts, mostly in the energy and manufacturing sectors.	\$0.0	\$0.0	\$0.0	\$2.0	\$2.0	A.1.1, A.2.1, A.3.1, B.1.1, B.1.2, C.1.1
I)	Increase of \$5 million in General Revenue for the Aerospace Scholars Program.	\$5.0	\$0.0	\$0.0	\$0.0	\$5.0	A.3.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$10.2	\$0.0	\$0.9	\$2.2	\$13.3	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		<i>\$17.7</i>	<i>\$0.0</i>	<i>\$0.9</i>	<i>\$2.2</i>	<i>\$20.8</i>	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		<i>(\$7.5)</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>(\$7.5)</i>	As Listed

NOTE: Totals may not sum due to rounding.

**Texas A&M Engineering Experiment Station
Selected Fiscal and Policy Issues - House**

1. **Infrastructure Support.** Funding to Texas A&M System agencies for infrastructure support within Brazos County is calculated using the General Academic Institutions' Infrastructure Support formula rate. The infrastructure support funds included in the recommendations for within Brazos County are calculated using the 2024-25 Texas A&M University formula rate, multiplied by the agencies' fiscal 2021 predicted square footage.
2. **Rio Grande Valley Advanced Manufacturing Innovation (RAMI) Hub.** In the Eighty-seventh Legislature, Regular Session, 2021, TEES received \$5 million in General Revenue each fiscal year for the RAMI Hub for the purpose of engaging with the Brownsville Navigation District, the Texas A&M Engineering Extension Service (TEEX), and other regional partners to establish and operate an advanced manufacturing innovation hub in the Lower Rio Grande Valley to provide workforce development for skills in-demand by the advanced manufacturing sector. TEES requested ongoing appropriations of \$10 million for the RAMI Hub for the 2024-25 biennium in the agency's base request. Recommendations include \$5 million for fiscal year 2024, based on the initial budget plan, which indicated that the hub could generate revenue for ongoing operating costs. Recommendations also include the modification of the RAMI Hub rider to provide UB authority within the biennium, as the agency reports some delays in construction due to supply chain issues (see Rider Highlights, pg. 4).

Texas A&M Engineering Experiment Station
Summary of Federal Funds (2024-25) - House



No Significant Federal Funding Changes from 2022-23

Selected Federal Fiscal and Policy Issues
Federal Funds estimates maintain funding for 2024-25 relatively level compared to 2022-23. The slight increase is attributable to an estimated increase in federal competitive grants.

**Texas A&M Engineering Experiment Station
Rider Highlights - House**

Modification of Existing Riders

8. Rio Grande Valley Advanced Manufacturing Innovation Hub. This rider directs funds from Strategy A.3.2 for the purpose of engaging with the Brownsville Navigation District, the Texas A&M Engineering Extension Service (TEEX), and other regional industrial and educational partners to establish and operate an advanced manufacturing innovation hub in the Lower Rio Grande Valley to provide workforce development credentials for skills in-demand by the advanced manufacturing sector. Recommendations include modifying this rider to reflect the amount of funds appropriated for the RAMI Hub in the 2024-25 biennium and providing authority to carry any unexpended balances from funds appropriated in fiscal year 2024 to fiscal year 2025 to account for supply chain delays.

Texas A&M Engineering Experiment Station
Items Not Included in Recommendations - House

		2024-25 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
Agency Exceptional Items Not Included (in agency priority order)							
1)	Supporting Energy Sector Resiliency. The agency is requesting funds to provide additional capacity and expertise in research around modeling risk, running simulations, and conducting independent analysis of the electric grid. The funds would be used to invest in additional equipment for enhanced simulations and computing hardware and recruit personnel to support research requested by PUC, ERCOT, the Smart Grid Advisory Council, and others.	\$10,000,000	\$10,000,000	18.0	Yes	No	\$10,000,000
2)	Domestic Semiconductor Manufacturing: Emphasis on Microchips and Microsensors. The agency is requesting funds to establish a workforce development program to provide hands-on nanofabrication and device development training; establish a program to provide prototyping service to startups, and small- and medium-sized companies; and leverage the AggieFab Nanofabrication Facility by expanding the cleanroom infrastructure with new equipment.	\$26,400,000	\$26,400,000	15.0	No	Yes	\$9,000,000
TOTAL Items Not Included in Recommendations		\$36,400,000	\$36,400,000	33.0	\$19,000,000		

Texas A&M Engineering Experiment Station
Appendices - House

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	8
B	Summary of Federal Funds	11
C	FTE Highlights	12

Texas A&M Engineering Experiment Station
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
RESEARCH PROGRAMS A.1.1	\$295,109,295	\$302,024,806	\$6,915,511	2.3%	Recommendations include: <ul style="list-style-type: none">• \$2,500,000 reduction in General Revenue due to one-time funding for Army Futures Command in the 2022-23 biennium;• \$8,843,734 reduction in General Revenue due to reallocation of funds across strategies;• \$811,412 increase in Federal Funds due to growth in sponsored research grants;• \$3,791 reduction in Interagency Contracts due to reallocation to Strategy C.1.1;• \$8,610,968 increase in Other Funds due to a reallocation of funds across strategies and anticipated growth in industry sponsored contracts, mostly in the energy and manufacturing sectors; and• \$8,840,656 increase in Indirect Cost Recovery reallocated from Strategy B.1.2.
TECHNOLOGY TRANSFER A.2.1	\$3,676,750	\$3,761,404	\$84,654	2.3%	Recommendations include: <ul style="list-style-type: none">• \$41,349 reduction in General Revenue due to a reallocation across strategies as a result of expected increase in industry sponsored project funding;• \$57,589 increase in Other Funds due to anticipated growth in industry sponsored research funds; and• \$68,414 increase in Indirect Cost Recovery reallocated from Strategy B.1.2.

Texas A&M Engineering Experiment Station					
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
WORKFORCE DEVELOPMENT A.3.1	\$13,623,809	\$18,937,002	\$5,313,193	39.0%	Recommendations include: <ul style="list-style-type: none">• \$5,000,000 increase in General Revenue for Aerospace Scholars Program;• \$1,175 reduction in General Revenue due to a reallocation across strategies as a result of an anticipated increase in industry sponsored project funding;• \$4,267 increase in Federal Funds due to relatively flat expected federal grant funding;• \$139,281 increase in Other Funds due to anticipated growth in industry sponsored research funds; and• \$170,820 increase in Indirect Cost Recovery reallocated from Strategy B.1.2.
RAMI HUB A.3.2	\$10,000,000	\$5,000,000	(\$5,000,000)	(50.0%)	Recommendations include a reduction in General Revenue due to the conclusion of state funds for RAMI Hub startup costs.
Total, Goal A, ENGINEERING RESEARCH	\$322,409,854	\$329,723,212	\$7,313,358	2.3%	
INDIRECT ADMINISTRATION B.1.1	\$9,746,727	\$9,969,798	\$223,071	2.3%	Recommendations include: <ul style="list-style-type: none">• \$786,750 reduction in General Revenue due to reallocation across strategies; and• \$1,001,519 increase in Indirect Cost Recovery and \$8,302 increase in Other Funds due to anticipated externally sponsored research support from growth in contract and grant funding.
INFRASTRUCTURE SUPPORT B.1.2	\$19,121,588	\$13,157,033	(\$5,964,555)	(31.2%)	Recommendations include: <ul style="list-style-type: none">• \$1,070,497 increase in General Revenue due to updated infrastructure formula calculation;• \$9,673,007 increase in General Revenue due to a reallocation across strategies;• \$6,814,440 reduction in Other Funds due to a reallocation across strategies; and• \$9,893,619 reduction in Indirect Cost Recovery funds, reallocated across strategies.
CENTER FOR INFRASTRUCTURE RENEWAL B.1.3	\$9,600,652	\$9,599,214	(\$1,438)	(0.0%)	Recommendations include a reduction in General Revenue per the amortization schedule for debt service payments.

Texas A&M Engineering Experiment Station					
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
Total, Goal B, INDIRECT ADMINISTRATION	\$38,468,967	\$32,726,045	(\$5,742,922)	(14.9%)	
STAFF GROUP INSURANCE C.1.1	\$9,754,712	\$9,901,274	\$146,562	1.5%	Recommendations include: <ul style="list-style-type: none">• \$114,339 increase in Federal Funds;• \$3,791 increase in Interagency Contracts; and• \$28,432 increase in Other Funds to provide the proportional share of staff group insurance premiums.
Total, Goal C, STAFF BENEFITS	\$9,754,712	\$9,901,274	\$146,562	1.5%	
SALARY ADJUSTMENTS D.1.1	\$0	\$11,624,102	\$11,624,102	100.0%	Recommendations include an increase in General Revenue for statewide salary adjustments.
Total, Goal D, SALARY ADJUSTMENTS	\$0	\$11,624,102	\$11,624,102	100.0%	
Grand Total, All Strategies	\$370,633,533	\$383,974,633	\$13,341,100	3.6%	

Texas A&M Engineering Experiment Station
Summary of Federal Funds (In Millions) - House

Program	Est 2022	Bud 2023	Rec 2024	Rec 2025	2022-23 Base	2024-25 Rec	2024-25 Rec % Total	Recommended Over/(Under) Base	% Change from Base
DoD Maintenance	\$19.4	\$19.6	\$19.5	\$19.5	\$39.0	\$39.1	17.6%	\$0.1	0.4%
Engineering Grants	\$13.4	\$13.5	\$13.5	\$13.5	\$27.0	\$27.1	12.2%	\$0.1	0.4%
Basic Scientific Research	\$12.6	\$12.7	\$12.7	\$12.7	\$25.4	\$25.5	11.5%	\$0.1	0.4%
State Energy Program	\$6.4	\$6.4	\$6.4	\$6.4	\$12.8	\$12.8	5.8%	\$0.1	0.4%
Computer and Information Science and Engineering	\$5.4	\$5.4	\$5.4	\$5.4	\$10.8	\$10.8	4.9%	\$0.0	0.4%
Air Force Defense Research Sciences	\$4.4	\$4.4	\$4.4	\$4.4	\$8.8	\$8.8	4.0%	\$0.0	0.4%
Renewable Energy Research and Development	\$3.5	\$3.5	\$3.5	\$3.5	\$7.0	\$7.0	3.1%	\$0.0	0.4%
Basic and Applied Scientific Research	\$3.3	\$3.4	\$3.4	\$3.4	\$6.7	\$6.7	3.0%	\$0.0	0.4%
Research and Technology Development	\$3.2	\$3.3	\$3.3	\$3.3	\$6.5	\$6.5	2.9%	\$0.0	0.4%
Mathematical and Physical Sciences	\$2.8	\$2.9	\$2.9	\$2.9	\$5.7	\$5.7	2.6%	\$0.0	0.4%
Nuclear Energy Research, Development and Demonstration	\$2.6	\$2.7	\$2.7	\$2.7	\$5.3	\$5.3	2.4%	\$0.0	0.4%
Conservation Research and Development	\$2.5	\$2.5	\$2.5	\$2.5	\$4.9	\$4.9	2.2%	\$0.0	0.4%
Office of Integrated Activities	\$2.4	\$2.4	\$2.4	\$2.4	\$4.8	\$4.8	2.2%	\$0.0	0.4%
Biomedical Imaging Research	\$2.0	\$2.0	\$2.0	\$2.0	\$4.1	\$4.1	1.8%	\$0.0	0.4%
Basic, Applied, and Advanced Research in Science and Engineering	\$1.8	\$1.8	\$1.8	\$1.8	\$3.6	\$3.6	1.6%	\$0.0	0.4%
Technology Transfer	\$1.8	\$1.8	\$1.8	\$1.8	\$3.6	\$3.6	1.6%	\$0.0	0.4%
Fossil Energy Research and Development	\$1.6	\$1.6	\$1.6	\$1.6	\$3.1	\$3.2	1.4%	\$0.0	0.4%
Office of Energy Research Financial Assistance Program	\$1.5	\$1.5	\$1.5	\$1.5	\$3.1	\$3.1	1.4%	\$0.0	0.4%
Education and Human Resources	\$1.3	\$1.3	\$1.3	\$1.3	\$2.6	\$2.6	1.2%	\$0.0	0.4%
Space Technology	\$1.1	\$1.1	\$1.1	\$1.1	\$2.2	\$2.2	1.0%	\$0.0	0.4%
All Other Grants ¹	\$17.4	\$17.6	\$17.6	\$17.6	\$35.0	\$35.2	15.8%	\$0.2	0.5%
TOTAL:	\$110.4	\$111.3	\$111.3	\$111.3	\$221.7	\$222.7	100.0%	\$0.9	0.4%

¹ All Other Grants include federal grants relating to research and development programs.

Texas A&M Engineering Experiment Station
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2021	Estimated 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	842.4	842.4	842.4	842.4	842.4
Actual/Budgeted	999.6	981.3	987.1	NA	NA

Notes:

- a) Actual FTEs for FY 2022 reflect the amount reported by the State Auditor's Office.
- b) FTEs above the cap are positions paid from federal awards and other externally sponsored funds, not General Revenue. These FTEs are exempt from the cap, pursuant to Art IX, Section 6.10, Limitations on State Employment Levels.