

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

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Dr. Bruce L. Akey, Director

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Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$17,386,122	\$17,340,509	(\$45,613)	(0.3%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$17,386,122</i>	<i>\$17,340,509</i>	<i>(\$45,613)</i>	<i>(0.3%)</i>
Federal Funds	\$693,444	\$693,444	\$0	0.0%
Other	\$23,340,704	\$22,507,258	(\$833,446)	(3.6%)
All Funds	\$41,420,270	\$40,541,211	(\$879,059)	(2.1%)

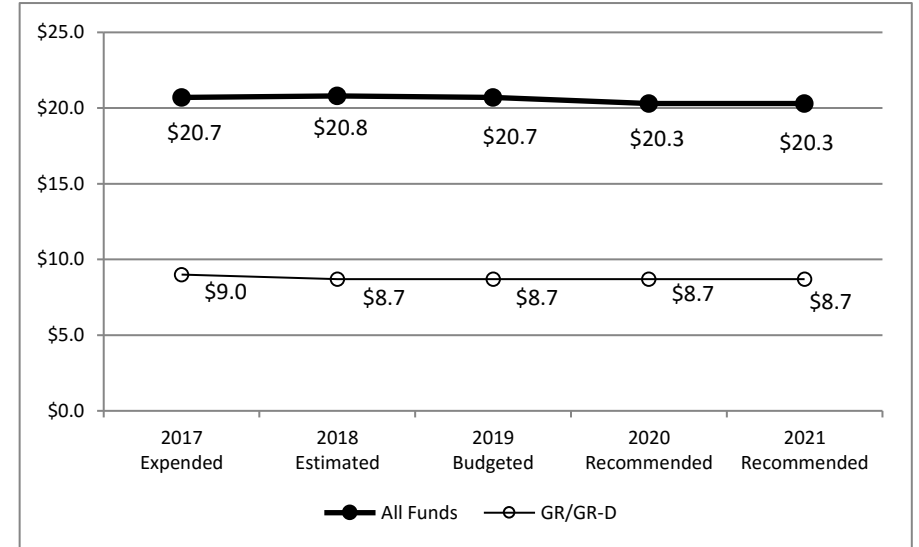
	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	161.0	161.0	0.0	0.0%

Agency Budget and Policy Issues and/or Highlights

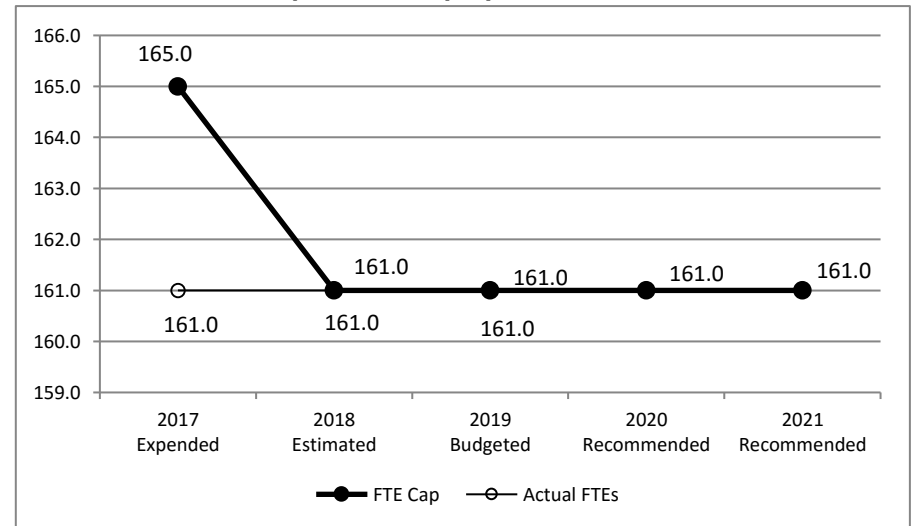
- Texas A&M Veterinary Medical Diagnostic Library (TVMDL) is under Strategic Fiscal Review for the Eighty-sixth Legislative Session.
- TVMDL provides fee-based veterinary medical diagnostic services and drug testing which contributes to an animal and zoonotic disease surveillance system. TVMDL also performs drug tests for pari-mutuel racing animals and livestock shows.

The bill pattern for this agency (2020-21 Recommended) represents an estimated 99.6% of the agency's estimated total available funds for the 2020-21 biennium.

Historical Funding Levels (Millions)



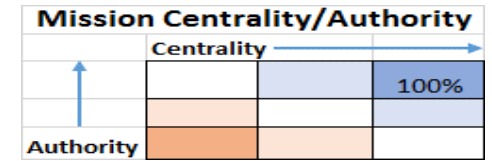
Historical Full-Time-Equivalent Employees (FTEs)



**Texas A&M Veterinary Medical Diagnostic Laboratory
Strategic Fiscal Review Program Summary**

Texas A&M Veterinary Medical Diagnostic Laboratory

The mission of the Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL) is to promote animal health and protect agricultural, companion animal and public health interests in Texas and beyond. Our vision is to be the global leader in providing innovative, state-of-the-art veterinary diagnostic services.



					2018-19 Base Funding	2020-21 Recommendations	Percent Change from Base	GR-Related Percentage of Rec. Total	2020-21 Agency Total Request
Total Budget	100%	Budget, Ordered by Mission Centrality and Authority	Strategy	Agency Ranking	\$41,420,270	\$40,541,211	-2%	43%	\$44,083,711
		<i>Indirect Administration</i>	4.1.1 Indirect Administration	2	\$14,994,252	\$14,046,061	-6%	59%	\$14,046,061
	65%	Drug Testing	1.2.1 Drug Testing Service	3	\$1,728,576	\$1,692,266	-2%	0%	\$1,692,266
	61%	Diagnostic Testing and Disease Surveillance	1.1.1 Diagnostic Services	1	\$24,697,442	\$24,802,884	0%	36%	\$28,345,384

Note: Indirect administration program names are italicized, and not included in the Mission Centrality / Authority Matrix.

**Texas A&M Veterinary Medical Diagnostic Laboratory
Summary of Funding Changes and Recommendations - Senate**

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A	Detail in SFR Appendix 5
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A and SFR appendices, when applicable):</i>								
A)	Decrease in Other Funds (Diagnostic Lab and Drug Testing Fees) due to benefits costs proportionality as well as these funds being used for Infrastructure Support in 2018-19.	\$0.0	\$0.0	\$0.0	(\$0.8)	(\$0.8)	B.1.2, B.1.3, B.1.4, C.1.2, C.1.3.	Appendix 5b
B)	\$3,350 decrease in General Revenue Funds for Debt Service	(\$0.0)	\$0.0	\$0.0	\$0.0	(\$0.0)	C.2.1.	Appendix 5b
C)	\$42,263 decrease in General Revenue Funds for Infrastructure Support Formula Funding to align with GAI Infrastructure Formula rate and updated space data	(\$0.0)	\$0.0	\$0.0	\$0.0	(\$0.0)	C.1.2, C.1.3.	Appendix 5b
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		(\$0.0)	\$0.0	\$0.0	(\$0.8)	(\$0.8)	As Listed	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$0.0)	\$0.0	\$0.0	(\$0.8)	(\$0.8)	As Listed	As Listed

NOTE: Totals may not sum due to rounding.

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

1. **Strategic Fiscal Review.** The agency is undergoing a Strategic Fiscal Review in fiscal year 2019, the findings of which informed budget recommendations for the Eighty-sixth Legislative session. Significant observations and considerations include:
 - The Texas A&M Veterinary Medical Diagnostic Laboratory (TMVDL) is one of a group of state agencies that have programs providing animal health-related services. The Department of State Health Services (DSHS), Texas Parks and Wildlife Department (TPWD), and Texas Animal Health Commission (TAHC) also provide animal health-related services.
 - TPWD pays TVMDL for testing services related to TPWD's various wildlife disease surveillance efforts. Total TPWD expenditures for TVMDL services for fiscal years 2016 through 2018 were approximately \$1.0 million.
 - TVMDL and TAHC's State-Federal Lab have orally agreed not to compete and both coordinate as members of the National Health Laboratory Network to provide support to nationally targeted surveillance for key, high-consequence endemic, emerging, and foreign livestock diseases, assuring sufficient laboratory competencies, capacities, and resiliencies. TAHC also provides certain confirmation testing for TVMDL. Rider 3 in the TAHC bill pattern in the General Appropriations Act, Eighty-fifth Legislature, 2017, establishes the Legislature's intent that laboratory testing for animal diseases be performed by TVMDL to the extent of its capabilities, unless the TAHC lab can perform the testing for TAHC programs more cost effectively. The rider also requires TAHC to use funds appropriated to enter into an interagency memorandum of understanding to work with TVMDL to reduce duplication and ensure that all testing is performed in Texas to the extent possible. TAHC reports that the agencies are currently working on the memorandum.
 - TVMDL consists of three identified programs for the Strategic Fiscal Review. These programs consist of Diagnostic Testing and Disease Surveillance, Drug Testing, and Indirect Administration. The two testing programs generate fee revenue (Other Funds) and makes up the majority of the agency's appropriated funds. The growth in fee revenue as a share of the agency's appropriation is due to growth in equipment costs and increases in services performed.
 - TVMDL provides over 800 types of testing services and is the only agency in Texas that can provide all of the tests on their catalogue. Federal requirements limit private laboratories from performing some testing services offered by TVMDL, and other public and private laboratories in the state do not have the space or equipment to perform the same volume and types of tests. The agency runs an average of 800,000 tests per year and is in the top five nationally in individual tests performed. Submissions received in the laboratory originate from Texas, neighboring states, and around the world.
 - The Drug Testing program at TVMDL represents a smaller portion of the agency's budget and mission and has seen a steady decline in revenue as the horse and dog racing industries have seen a decline both statewide and nationally. It is for this reason that the agency ranks this program as the least significant of its three programs.
2. **Infrastructure Support.** Funding to Texas A&M System agencies for infrastructure support within Brazos County is calculated using the General Academic Institutions' infrastructure formula rate, but is adjusted for 2020-21 for each respective agency based on updated space data. Texas A&M System agricultural agencies (includes TVMDL) also receive funding for infrastructure support outside Brazos County which is proportionally allocated to those agencies by their percentage of total actual square footage, and the 2020-21 funding recommendations are maintained at 2018-19 total appropriations.
3. **TVMDL Debt Service.** TVMDL is not eligible for bond financing supported by the Permanent University Fund (PUF), unlike the other Texas A&M System agencies. TVMDL was created after the Texas Constitution was amended to include the other six Texas A&M System agencies. Because TVMDL is not eligible for this funding, the Legislature has historically appropriated General Revenue to pay debt service at the agency. If the Texas Constitution, Article VII, Section 18 were amended to include TVMDL along with the other Texas A&M System agencies eligible to receive PUF-backed debt service, the agency would not have to rely on General Revenue for capital projects and equipment needs.

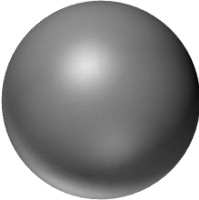
Recommendations include \$5.9 million in General Revenue for debt service for the agency's College Station laboratory, which is a decrease of \$3,350 from the 2018-19 biennium.

Texas A&M Veterinary Medical Diagnostic Laboratory

Summary of Federal Funds (2020 - 21) - Senate

Total \$0.7M

Homeland Security
Agricultural
\$0.7
100.0%



Funds to protect the
food supply and
agricultural
production

Selected Federal Fiscal and Policy Issues
Federal Funds estimates for the 2020-21 biennium maintain level funding equal to fiscal years 2018-19.
Homeland Security Agricultural grants provide assistance through cooperative agreements to four national agricultural homeland security networks for animal, plant diagnostics, disaster education, and pest information.

There Are No Programs with Significant Federal Funding Changes from 2018 - 19

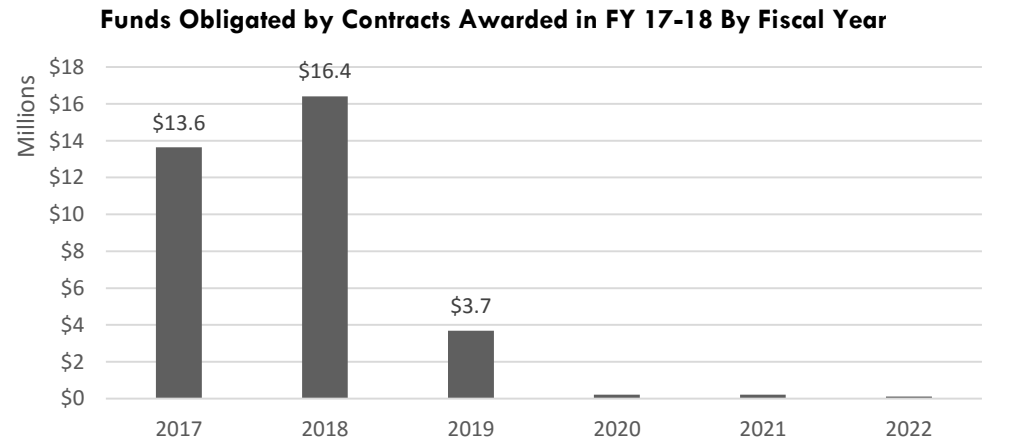
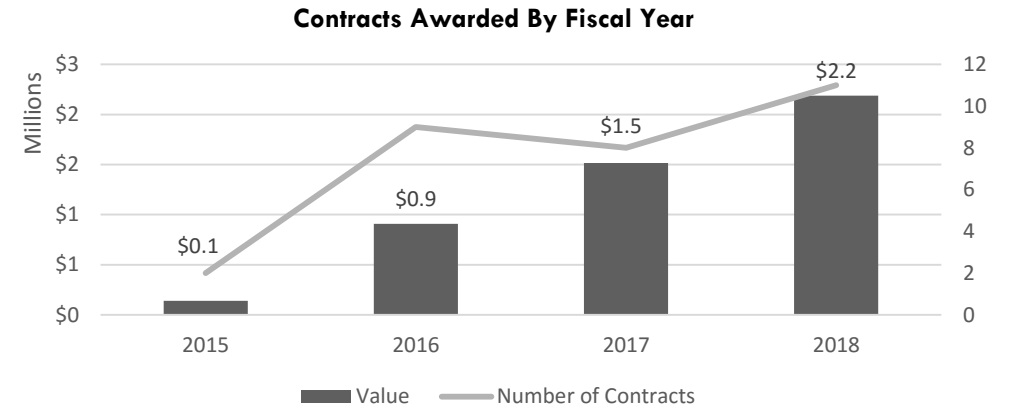
Texas A&M Veterinary Medical Diagnostic Laboratory
Contracting Highlights - Senate

As of 8/31/2018, the Texas A&M Veterinary Medical Diagnostic Laboratory had 6 active procurement contracts valued at \$976,020.

Summary of Contracts Awarded in Fiscal Years 2017-2018 and Reported to LBB Contracts Database¹

(Dollar values rounded to the nearest tenth of a million)

	Number	Total Value	Average Value	% of total
Procurement Contracts	19	\$ 3.7	\$ 0.2	100%
Award Method				
Total Competitive Contracts	4	\$ 0.8	\$ 0.2	20.3%
Total Non-Competitive	15	\$ 2.9	\$ 0.2	79.7%
Sole Source	14	\$ 2.7	\$ 0.2	73.3%
Interagency Agreement	1	\$ 0.2	\$ 0.2	6.4%
Procurement Category				
Goods	12	\$ 2.6	\$ 0.2	69.6%
Information Technology	2	\$ 0.6	\$ 0.3	16.4%
Medical Services	3	\$ 0.2	\$ 0.1	6.1%
Non-Construction Maintenance	1	\$ 0.2	\$ 0.2	6.4%
Other Services	1	\$ 0.1	\$ 0.1	1.5%
Revenue Generating Contracts	0	\$ -	\$ -	-



¹These figures reflect the total value of reported contracts awarded in FY 17-18 and reported to the LBB contracts database. Values can include planned expenditures for subsequent years and represent the amounts contracted which may include funds from sources other than appropriated or General Revenue Funds.

Texas A&M Veterinary Medical Diagnostic Laboratory
Contracting Highlights - Senate

(Dollar values rounded to the nearest tenth of a million)

Largest Active Contracts from Previous Fiscal Years	Award Method	Total Value	% Change*	Award Date	Length	Renewals	Vendor
1 Lab Testing Supplies	Sole Source	\$ 1.1	0%	09/01/13	5 years	0	IDEXX Corp
2 Antibody Test Kits	Sole Source	\$ 0.2	0%	09/01/15	5 years	0	Vet. Medical Research and Dev.
3 Vet Testing Kits	Sole Source	\$ 0.1	0%	11/15/13	5 years	0	ZOETIS Inc
4 Vet Testing Kits	Sole Source	\$ 0.1	0%	10/14/15	5 years	0	Siemens Healthcare Diagnostics Inc
5 Service Contract Sterilizers	Competitive	\$ 0.1	0%	09/01/14	5 years	0	Thomas Gilliam DBA Five Star Sterilizer

Largest Competitive Contracts Awarded in FY 17-18

1 Laboratory Information Management System	Competitive	\$ 0.5	0%	04/27/18	1 year	0	Trace First Inc
2 Lease of 8 Copiers 60 months	Competitive	\$ 0.1	0%	12/21/16	6 years	0	CTWP
3 Maintenance Agreement	Competitive	\$ 0.1	0%	08/16/18	-	0	Remi Corporation
4 Transportation Management - Courier Serv p620017	Competitive	\$ 0.1	0%	10/12/16	-	0	TIBH

Largest Non-Competitive Contracts Awarded in FY 17-18

1 IDEXX Supply Master Order	Sole Source	\$ 0.7	0%	09/01/16	1 year	0	IDEXX Corp
2 IDEXX Master Order	Sole Source	\$ 0.6	0%	09/01/17	1 year	0	IDEXX Distribution Corp
3 Life Technologies Master Order	Sole Source	\$ 0.3	0%	09/01/16	1 year	0	Life Technologies Corp
4 Infrastructure FY18	Interagency	\$ 0.2	0%	09/22/17	1 year	0	Texas A&M University
5 VMRD Master Order	Sole Source	\$ 0.2	0%	09/01/17	1 year	0	VMRD, Inc.

*Note: The percent change is the difference in contract value between the initial award amount and the current contract value. This calculation includes contract amendments and renewals.

**Texas A&M Veterinary Medical Diagnostic Laboratory
Items Not Included in Recommendations - Senate**

	2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

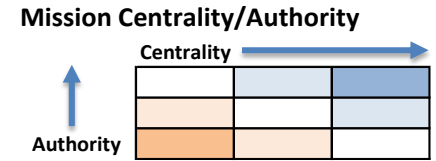
1)	Funding TVMDL Poultry Laboratories \$1.2 million in General Revenue for the Texas poultry laboratories located in Center and Gonzales as well as funding for the statutorily mandated Texas Pullorum-Thyphoid program. TVMDL states that if the centers don't receive this funding, one or both may have to close.	\$1,200,000	\$1,200,000	0.0	No	No	\$1,200,000
2)	Biosurveillance and Bioterrorism Capacity Development Program \$2.3 million (including 11.0 FTEs) for the creation of a new program to recruit and train diagnosticians, enhance laboratory automation, and develop epidemiologic tools that can reportedly detect animal and zoonotic disease threats, potential bioterrorism events, and changes in antimicrobial resistance of pathogens.	\$2,342,500	\$2,342,500	11.0	Yes	No	\$1,760,000

TOTAL Items Not Included in Recommendations		\$3,542,500	\$3,542,500	11.0			\$2,960,000
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**Texas A&M Veterinary Medical Diagnostic Laboratory
Strategic Fiscal Review Appendices - Senate**

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Texas A&M Veterinary Medical Diagnostic Laboratory
Strategic Fiscal Review Appendix 1 Program Listing -- Services and Administration - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)



Agency Submission		LBB Staff Review and Analysis								
Agency Ranking	Program Name	Year Implemented	State Authority	Federal Authority	Authority	Mission Centrality	State Service	Service Area	Significant Audit and/or Report Findings	Contracts for Outsourced Services
1	Diagnostic Testing and Disease Surveillance	1967	Admin Code, Statute	Public Law	Strong	Strong	Natural Resources Management & Regulation	Nationwide	No	No
3	Drug Testing	1989	Admin Code, Statute	No Federal Requirement	Strong	Strong	Natural Resources Management & Regulation	Nationwide	No	No
Indirect Administration Programs										
2	Indirect Administration	1967	Admin Code, Agency Rider	Public Law	N/A	N/A	State Government Administration & Support	Statewide	No	No

Texas A&M Veterinary Medical Diagnostic Laboratory
Strategic Fiscal Review Appendix 2: Program Listing -- Fiscal - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Agency Submission				LBB Staff Review and Analysis							
Agency Ranking	Program Name	2014-15 Expended	2016-17 Expended	2018-19 Est / Budg	2019 FTEs Budg	2020-21 Recommended	2021 FTEs Rec.	Percent Change from Base	FTEs Change from Base	Revenue Supported?	Appropriate Use of Constitutional and GR-Dedicated Funds?
1	Diagnostic Testing and Disease Surveillance ¹	\$ 24,481,008	\$ 24,634,295	\$ 24,833,820	132.1	\$ 24,802,884	132.1	-0.1%	0.0	Yes	Compliant
3	Drug Testing	\$ 2,548,733	\$ 1,802,190	\$ 1,728,576	7.8	\$ 1,692,266	7.8	-2.1%	0.0	Yes	Compliant
Indirect Administration Programs											
2	Indirect Administration ^{1,2}	\$ 7,777,427	\$ 11,707,323	\$ 15,019,286	21.1	\$ 14,046,061	21.1	-6.5%	0.0	Yes	Compliant
Total		\$ 34,825,291	\$ 38,150,800	\$ 41,581,682	161.0	\$ 40,541,211	161.0	-2.5%	0.0		

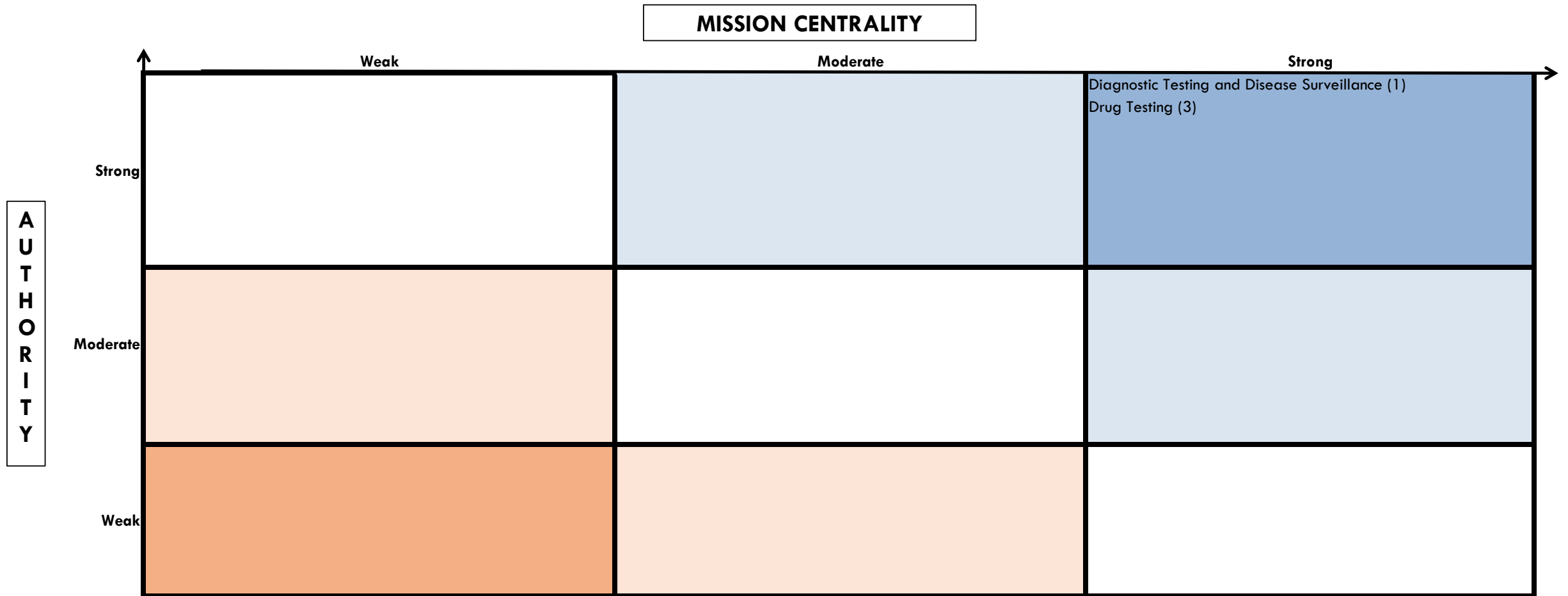
	2018-19 Est/Budg	2020-21 Recommended
Inside the Treasury	\$ 41,420,270	\$ 40,541,211
Outside the Treasury	\$ 161,412	\$ -
Total	\$ 41,581,682	\$ 40,541,211

1 Program has funds Outside the Treasury and / or Outside the Bill Pattern
2 Indirect Administration includes Staff Benefits, Infrastructure Support Formula Funding, and Debt Service

Notes: Revenue Supported includes fees and/or donations.

Texas A&M Veterinary Medical Diagnostic Laboratory
Strategic Fiscal Review Appendix 3: Assessment of Mission Centrality and Authority - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission centrality is a judgment of how directly connected a program is to the core mission and goals of the agency, as identified in statute, agency strategic plans, or other documents.
Authority is an assessment of how strong and explicit the legal basis is for the existence of the program and the way in which the agency is administering it.



Notes: Agency program rankings included after the program name. The matrix does not include Indirect Administration programs.

Texas A&M Veterinary Medical Diagnostic Laboratory
Strategic Fiscal Review Appendix 4: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

1	Account No: 763	Account Type: OTHER FUNDS
	Account Name: Drug Testing Lab Fee Rev, estimated	
	Legal Cite(s): Title 16, Part 8, Chapter 319, Subchapter D, Texas Education Code Section 88.707, Texas Racing Act, Section 3.07d	
	Authorized Use: Provide diagnostic services, drug testing services, fund staff group insurance premiums, fund workers' comp, unemployment insurance, OASI, and indirect administration.	
	Revenue Source: Texas Racing Act, Section 3.07d; Equine Pre-Purchase Drug Screen (available to TMVDL clients)	

Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
2	Indirect Administration	\$ 259,151	\$ 210,568	Yes
5	Drug Testing	\$ 1,728,576	\$ 1,692,266	Yes
Total		\$ 1,987,727	\$ 1,902,834	

Notes/Comments:	Fees generated from drug testing for animals in equine/canine racing events and those in livestock shows.
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2	Account No: 764	Account Type: OTHER FUNDS
	Account Name: Vet Med Lab Fee Revenue, estimated	
	Legal Cite(s): Texas Education Code, Section 88.707	

Texas A&M Veterinary Medical Diagnostic Laboratory
Strategic Fiscal Review Appendix 4: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Authorized Use:	Provide diagnostic services, fund staff group insurance premiums, fund workers' comp, unemployment insurance, OASI, and indirect administration.
Revenue Source:	Chapter 388, Acts of the 76th Legislature, Regular Session redesignated as Subchapter I-1, Chapter 88, Education Code; Section 88.707b

Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
1	Diagnostic Testing and Disease Surveillance	\$ 15,023,672	\$ 15,129,114	Yes
2	Indirect Administration	\$ 6,329,305	\$ 5,475,310	Yes
Total		\$ 21,352,977	\$ 20,604,424	

Notes/Comments:	Fees generated from diagnostic testing and disease surveillance. Pathogens tested by TVMDL include: pH1N1 influenza, equine piroplasmiasis, exotic Newcastle disease, scrapie, avian influenza, classical swine fever, chronic wasting disease, pseudorabies virus, foot and mouth disease, African swine fever, rinderpest, and contagious equine metritis.
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3	Account No: 299999	Account Type: Outside the Treasury
	Account Name: Other Institutional Funds- Other Sales	
	Legal Cite(s):	
	Authorized Use: Institutional Funds is defined by Education Code as "Institutional Funds" as defined by Texas Education Code Sec 51.009 (b) - all funds collected at the institution that are not "educational and general funds" as described in Subsection (c) of this section. These funds shall be accounted for in a manner recommended by the National Association of College and University Business Officers and approved by the Comptroller of Public Accounts and the Texas higher Education Board.	

Texas A&M Veterinary Medical Diagnostic Laboratory
Strategic Fiscal Review Appendix 4: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Revenue Source:	Other Institutional Funds are funds generated by the agency that are not appropriated and are not restricted. Includes designated funds.
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Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
1	Diagnostic Testing and Disease Surveillance	\$ 111,481	\$ 104,000	Yes
Total		\$ 111,481	\$ 104,000	

Notes/Comments:	These funds include speaking fees, travel reimbursements, and sales of equipment and vehicles from the old vacated laboratory purchased with funds outside the treasury.
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4	Account No: 244000	Account Type: Outside the Treasury
	Account Name: Other Institutional - Indirect Cost Recovery	
	Legal Cite(s):	
	Authorized Use: Institutional Funds is defined by Education Code as "Institutional Funds" as defined by Texas Education Code Sec 51.009 (b) - all funds collected at the institution that are not "educational and general funds" as described in Subsection (c) of this section. These funds shall be accounted for in a manner recommended by the National Association of College and University Business Officers and approved by the comptroller of public accounts and the Texas higher Education Board.	
	Revenue Source: Other Institutional Funds are funds generated by the agency that are not appropriated and are not restricted. Includes indirect cost recovery from grants and contracts.	

Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
1	Diagnostic Testing and Disease Surveillance	\$ 24,596	\$ 24,844	Yes

Texas A&M Veterinary Medical Diagnostic Laboratory
Strategic Fiscal Review Appendix 4: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

2	Indirect Administration	\$ 25,034	\$ 20,000	Yes
6	Staff Benefits	\$ -	\$ -	Yes
Total		\$ 49,630	\$ 44,844	

Notes/Comments:	Indirect Cost Recovery represents the indirect cost associated with competitive federal grants and restricted funds.
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5	Account No: 299990	Account Type: Outside the Treasury
	Account Name: Other Institutional - Gifts	
	Legal Cite(s):	
	Authorized Use: Institutional Funds is defined by Education Code as "Institutional Funds" as defined by Texas Education Code Sec 51.009 (b) - all funds collected at the institution that are not "educational and general funds" as described in Subsection (c) of this section. These funds shall be accounted for in a manner recommended by the National Association of College and University Business Officers and approved by the comptroller of public accounts and the Texas higher Education Board.	
	Revenue Source: Other Institutional Funds are funds generated by the agency that are not appropriated and are not restricted. Includes unrestricted gifts.	

Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
1	Diagnostic Testing and Disease Surveillance	\$ 20	\$ -	Yes
Total		\$ 20	\$ -	

Texas A&M Veterinary Medical Diagnostic Laboratory
Strategic Fiscal Review Appendix 4: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Notes/Comments:	“Gifts” represent unrestricted contributions given to TVMDL by a donor. They are unrestricted in that no deliverables, requirements, or program restrictions have been made. This is not a large source of income for the agency, and they are rare in nature. In FY 2018, the \$20.00 was given as a gift for a speaking engagement of a professional staff member.
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6	Account No: 599999	Account Type: Outside the Treasury
	Account Name: Restricted	
	Legal Cite(s):	
	Authorized Use: Restricted Expendable is defined by Education Code as "Institutional Funds" as defined by Texas Education Code Sec 51.009 (b) - all funds collected at the institution that are not "educational and general funds" as described in Subsection (c) of this section. These funds shall be accounted for in a manner recommended by the National Association of College and University Business Officers and approved by the comptroller of public accounts and the Texas higher Education Board.	
	Revenue Source: Restricted Funds are funds generated by external sources which restrict the use of the funds. Sources of funds are federal grants and contracts, state grants and special appropriations, and gifts and grants from private sources, and restricted distributions from endowments.	

Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
1	Diagnostic Testing and Disease Surveillance	\$ 281	-	Yes
6	Staff Benefits	-	-	Yes
Total		\$ 281	-	

Notes/Comments:	“Restricted – Outside the Treasury” are funds generated by external sources which restrict the use of the funds. Sources of funds are federal grants and contracts, state grants and grants from private sources. In FY 2018, the \$281 was from a private grant that had ended earlier in the year. The grant was from a private foundation for TVMDL's chronic wasting disease response.
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Texas A&M Veterinary Medical Diagnostic Laboratory
Strategic Fiscal Review Appendix 4: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

	2018-19 Est/Budg	2020-21 Recommended
Inside the Treasury	\$ 23,340,704	\$ 22,507,258
Outside the Treasury	\$ 161,412	\$ 148,844
Total	\$ 23,502,116	\$ 22,656,102

Texas A&M Veterinary Medical Diagnostic Laboratory
Strategic Fiscal Review Appendix 5a: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
			X
Authority			

Program: Diagnostic Testing and Disease Surveillance

Agency
Ranking

1 out of 3

Funding for veterinary diagnostic testing services for animal health, public health, food safety, and agricultural economic interests in Texas. TVMDL is the only state agency with a mandate to provide veterinary diagnostic services to the citizens of Texas.

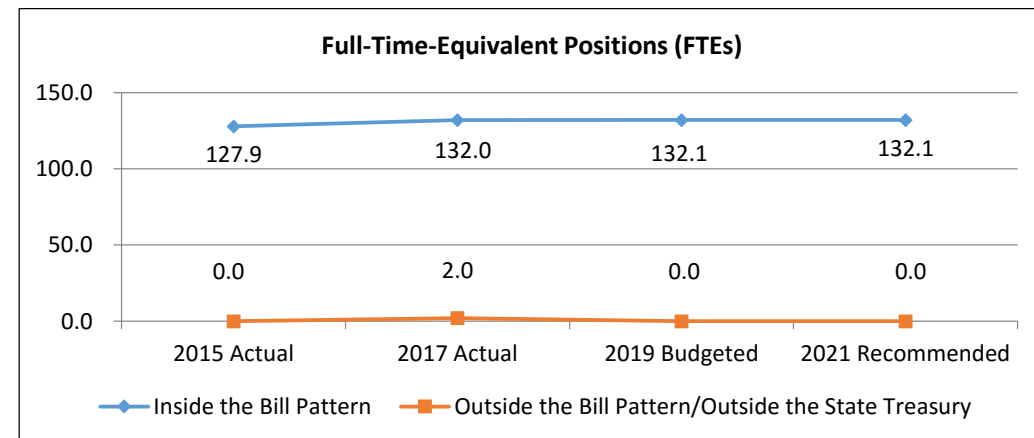
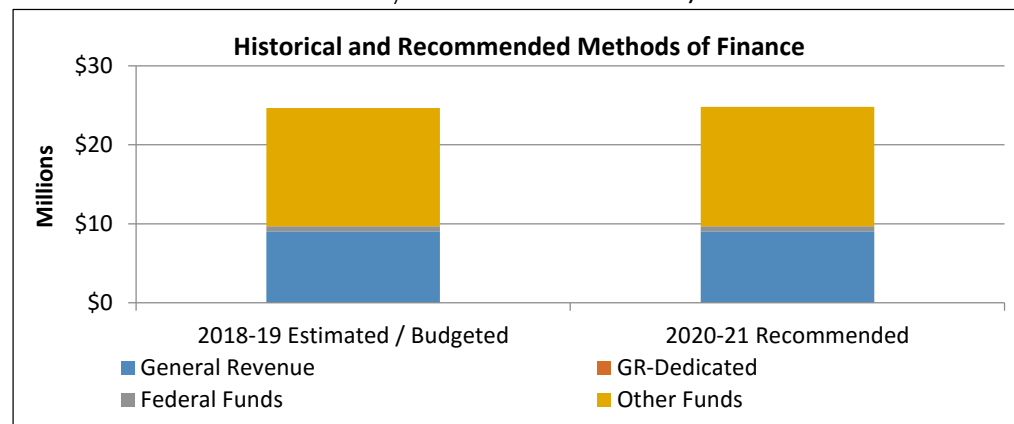
Legal Authority: Education Code, Ch. 88.701 and Ch. 61.003

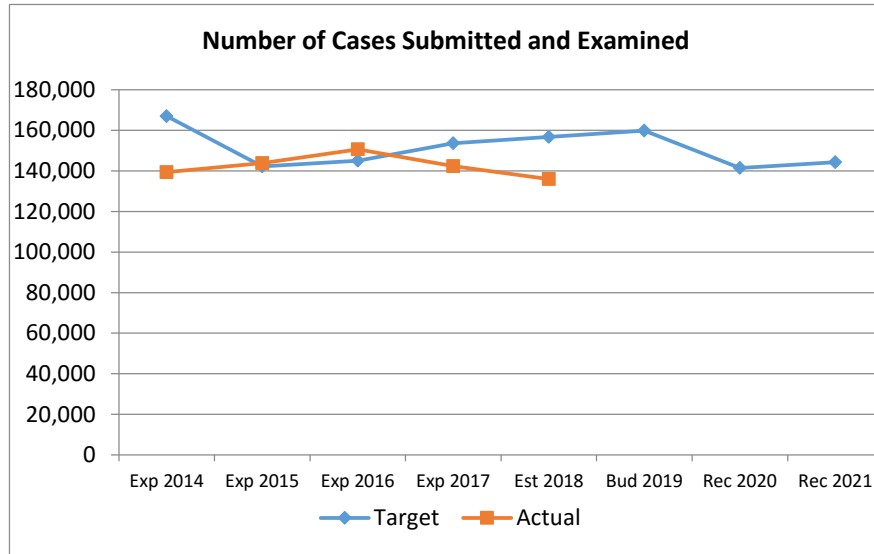
Year Implemented	1967	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 14,927,891	\$ 15,061,634	60.7%
Operating Costs	\$ 9,528,215	\$ 9,541,250	38.5%
Capital Costs	\$ 241,336	\$ 200,000	0.8%
Operating Costs-Outside*	\$ 135,424	\$ -	0.0%
All Other Objects of Expense	\$ 954	\$ -	0.0%
Total	\$ 24,833,820	\$ 24,802,884	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 24,802,884	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 24,802,884	100.0%

*Indicates Outside the Bill Pattern/Outside the State Treasury.





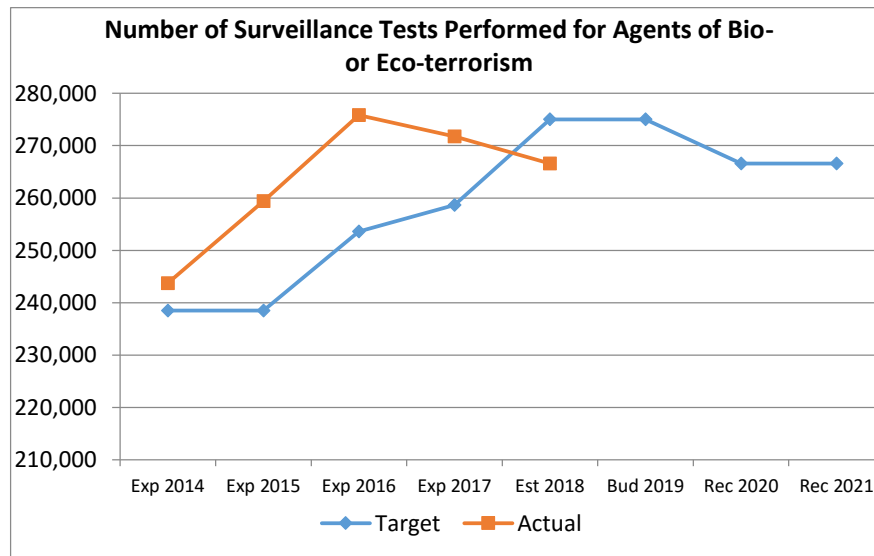
Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations include \$24.8 million in All Funds for the Diagnostic Testing and Disease Surveillance program. This is an increase of \$105,442 from the 2018-19 biennial expenditure levels for the program due to an expected increase in consumable supplies and projected increases in diagnostic services rendered through marketing efforts.

2 TVMDL's full-service laboratories in College Station and Amarillo performs diagnostic testing and disease surveillance services including:

- toxicology to identify toxins in animal tissues, ingesta, blood, urine, plants, feed, hay, water, baits, and fertilizer;
- bacteriology to identify organisms cultured from the tissues of live or dead animals for animal treatment decisions;
- clinical pathology to perform tests on samples obtained from domestic animals, zoo animals, wildlife species, reptiles and a variety of avian species;
- endocrinology to determine the levels of various hormones and other components of blood and to aid in the confirmation of diseases, the detection of pregnancy, and the stages of the estrous cycle;
- histopathology to examine tissues for infectious, neoplastic, toxic, nutritional, degenerative and immune-mediated diseases;
- molecular diagnostics to identify minute amounts of genetic material derived from infectious microbes;
- necropsy on deceased animals to determine a probable cause of death or to determine a probable cause of death;
- serology to diagnose infectious diseases by determining the presence of antibodies for food animals and companion animals;
- virology to identify viruses or immune response to viruses in tissue samples taken from animals that are clinically ill or suspected of being carriers; and
- veterinary services that provide consultation services to clients.

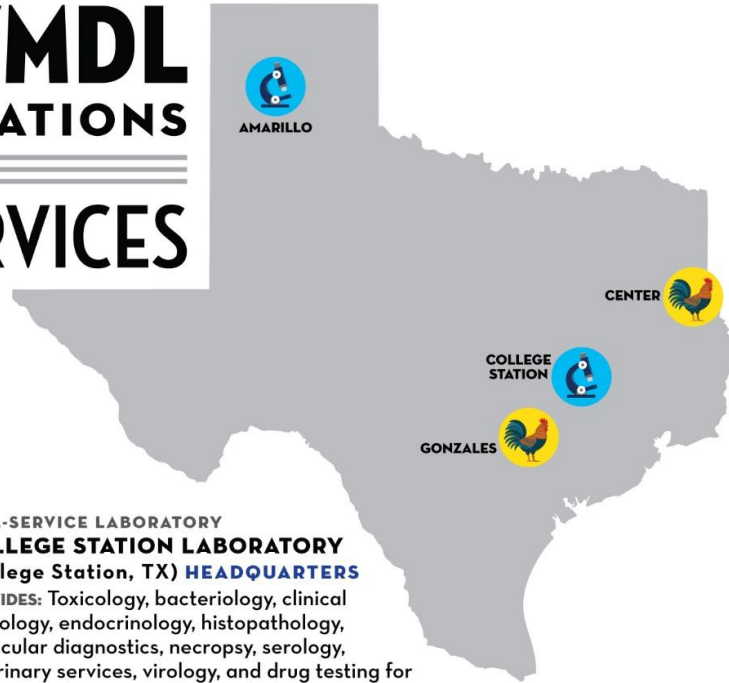
3 TVMDL is 1 of 15 laboratories in the nation designated as a Level 1 Laboratory by the National Animal Health Laboratory Network (NAHLN), a group of state and regional laboratories performing surveillance testing for high-consequence agricultural and zoonotic pathogens, organized by United States Department of Agriculture Animal and Plant Health Inspection Service. TVMDL staff receive annual training and perform surge capacity testing in the event of an animal disease outbreak. As a member of the NAHLN, TVMDL performs testing and surveillance for avian influenza, H1N1 influenza, foot and mouth disease, vesicular stomatitis, contagious equine metritis, classical swine fever (hog cholera), scrapie, and chronic wasting disease in deer.



Challenges and Enhancement Opportunities

- 1 There is not a mandate for clients to use TVMDL for most diagnostic testing, so the agency must remain competitive with other labs across the country. The advent of overnight courier systems has opened up access for clients to use labs all around the country. The number of competitors reportedly compels the agency to keep fees at a competitive level while attempting to improve its services. Additionally, the types of testing that the agency conducts have changed over the years as technology has advanced, allowing for TVMDL to conduct molecular diagnostic and other advanced toxicology testing while agency operating costs have also increased.
- 2 TVMDL has requested an exceptional item of \$1.2 million in General Revenue for 2020-21 to support their poultry laboratories in Center and Gonzales, Texas. The agency reports that without additional funding, they anticipate having to close one or both of the laboratories. The laboratories, which provide surveillance of avian influenza and other diseases for the poultry industry as part of the National Poultry Improvement Plan, were transferred by the Legislature to TVMDL from Texas A&M AgriLife Research in 1991 without an additional General Revenue appropriation. Since that time, the agency reports that these laboratories have operated at an annual deficit of \$250,000 with the difference being covered by appropriations from other agency programs. These deficits reportedly result from testing services that many poultry producers would reportedly be unable to afford at a fully unsubsidized cost. In order to keep the fees for these services low, the agency raises its fees on diagnostic testing for companion animals and other surveillance services that are not directly related to the agency's mission. If these labs were to close, the agency reports that current clients would be forced to use federally accredited labs in other states that might not have the capacity to meet the initial demand for services resulting from the closures. The majority of the testing done at the TVMDL poultry labs are conducted to meet state or federally mandated requirements, and private labs are not reportedly certified to perform such regulatory tests, in part to avoid conflicts of interest. Clients must have this testing performed by certified labs to be able to ship products interstate and internationally. Currently, TVMDL ranks sixth nationally in individual tests performed at these laboratories with an average total of 250,000 annually.

TVMDL LOCATIONS and SERVICES



FULL-SERVICE LABORATORY
COLLEGE STATION LABORATORY
 (College Station, TX) **HEADQUARTERS**
 PROVIDES: Toxicology, bacteriology, clinical pathology, endocrinology, histopathology, molecular diagnostics, necropsy, serology, veterinary services, virology, and drug testing for racing jurisdictions and livestock shows.

FULL-SERVICE LABORATORY
AMARILLO LABORATORY (Amarillo, TX)
 PROVIDES: Toxicology, bacteriology, clinical pathology, endocrinology, histopathology, molecular diagnostics, necropsy, serology, veterinary services, virology.

POULTRY DIAGNOSTIC LABORATORY
CENTER LABORATORY (Center, TX)
 PROVIDES: Necropsy, molecular diagnostics, microbiology, histopathology, serology, monitoring poultry flock health status, and diagnosing disease in all avian species.

POULTRY DIAGNOSTIC LABORATORY
GONZALES LABORATORY (Gonzales, TX)
 PROVIDES: Necropsy, molecular diagnostics, microbiology, histopathology, serology, monitoring poultry flock health status, and diagnosing disease in all avian species.

Alternative Funding Options

- 1 Texas Education Code, Section 88.707 authorizes TVMDL to assess fees for diagnostic and drug testing services. TVMDL has the authority to increase current fees to generate more funding for the Diagnostic Testing and Disease Surveillance Program. However, the agency has stated that they could see a decrease in services rendered if fees exceed current market values. The agency performs over 800 types of tests with fee rates that range from \$1.20 to \$750.00. The agency reports that as a publicly funded, non-profit entity, TVMDL is obligated to operate as close to break-even as possible which means keeping fees as low as possible, especially for the livestock and poultry sectors of its clients. The profit margins for livestock and poultry producers are reportedly generally small and fluctuate considerably year to year. As a result, there is not a great deal of elasticity inherent in pricing of tests for these clients. This may also explain why private laboratories do not focus on the livestock and poultry segments of the testing market. The agency reports that fees were increased in 2013, 2016, 2018, and 2019 and new test options were added in 2014 and 2015 (See SFR Appendix 7 for historical fee rates and increases).

Texas A&M Veterinary Medical Diagnostic Laboratory
Strategic Fiscal Review Appendix 5b: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
Authority			

Program: Indirect Administration

Agency Ranking

2 out of 3

Indirect Administration encompasses the oversight of the agency, fiscal services, human resources, and IT support services. This program also includes Infrastructure Support Formula Funding, Staff Benefits, and Debt Service.

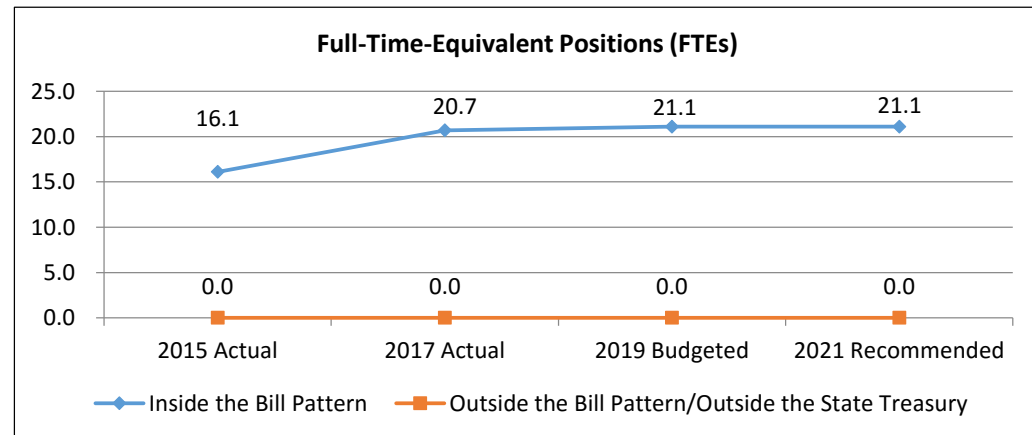
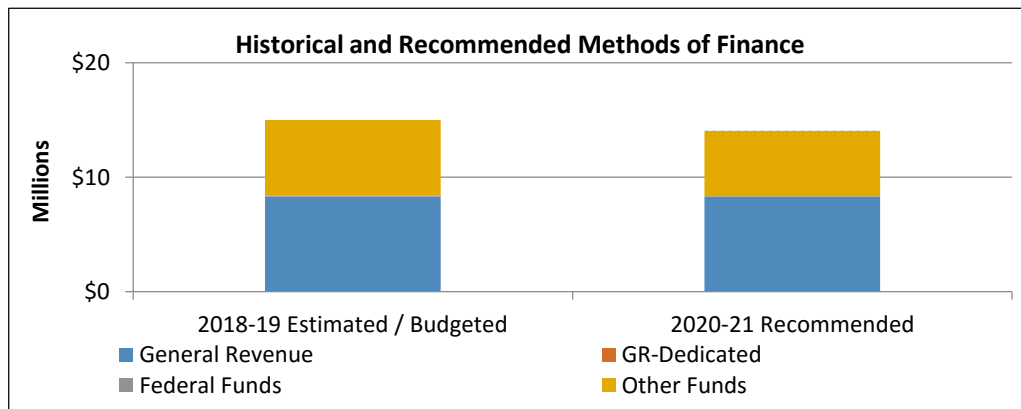
Legal Authority: Education Code, Ch. 88.701 and Ch. 61.003, Insurance Code Ch. 1601, Article IX, Section 6.08 General Appropriations Act; The Social Security Act: Public Law 74-271
Patient Protection and Affordable Care Act: Public Law 111-148.

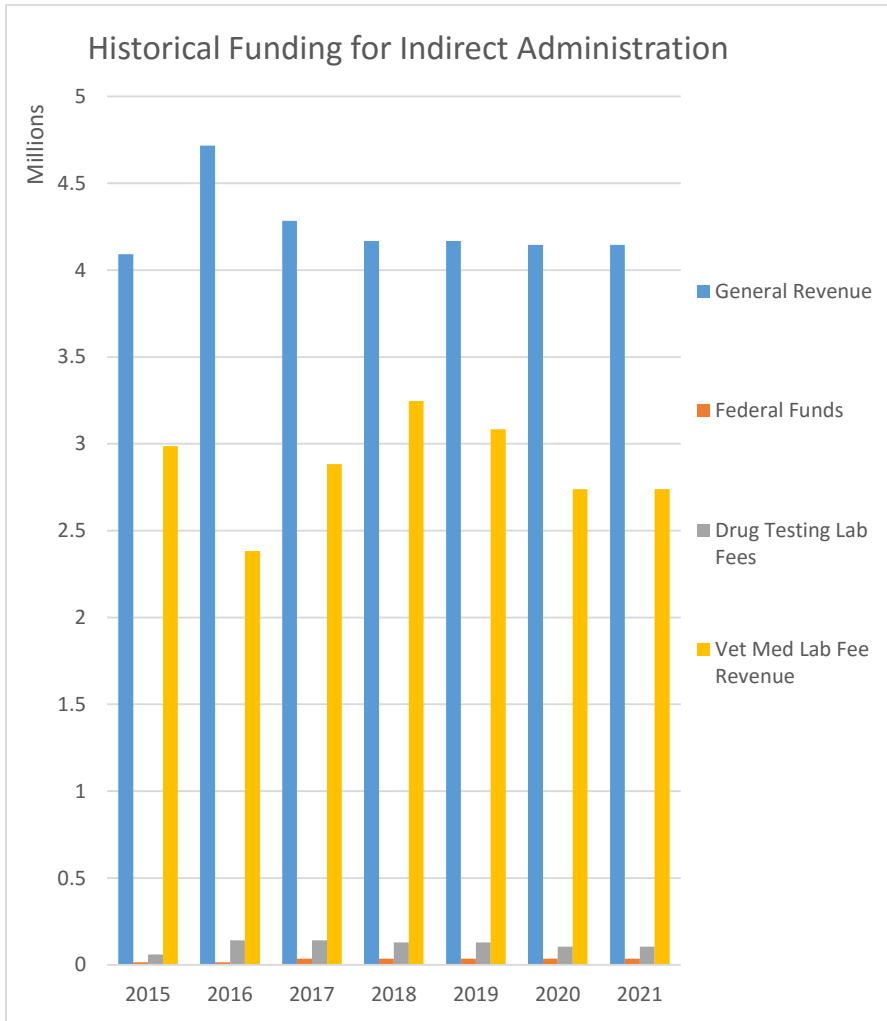
Year Implemented	1967	Performance and/or		Revenue Supported	Yes
Authority	N/A	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	N/A	Outsourced Services	N/A	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	State Government Administration & Support		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Operating Costs	\$ 9,054,074	\$ 8,276,213	58.9%
Personnel Costs	\$ 5,940,178	\$ 5,605,762	39.9%
Capital Costs	\$ -	\$ 164,086	1.2%
Operating Costs-Outside*	\$ 25,000	\$ -	0.0%
All Other Objects of Expense	\$ 34	\$ -	0.0%
Total	\$ 15,019,286	\$ 14,046,061	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 14,046,061	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 14,046,061	100.0%

*Indicates Outside the Bill Pattern/Outside the State Treasury.





Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include \$14.0 million in All Funds for Indirect Administration. This is a decrease of \$0.9 million due to decreased debt service for the College Station laboratory and decreased fee revenue for Infrastructure Support. Historically, the agency has used fee revenue for the Infrastructure Support strategy in addition to the General Revenue appropriated as Infrastructure Support formula funding.
- 2 Funding to Texas A&M System agencies for infrastructure support within Brazos County is calculated using the General Academic Institution infrastructure formula rate, but is adjusted for 2020-21 for each respective agency based on updated space data. Texas A&M System agricultural agencies (includes TVMDL) also receive funding for infrastructure support outside Brazos County which is proportionally allocated to those agencies by their percentage of total actual square footage, and the 2020-21 funding recommendations are maintained at 2018-19 total appropriations.
- 3 TVMDL is not eligible for Permanent University Fund (PUF) backed debt service. The agency was created prior to the Texas Constitution being amended to include the other six Texas A&M System agencies. Because TVMDL is not eligible for this funding, the Legislature has appropriated General Revenue to support Debt Service at the agency.

Challenges and Enhancement Opportunities

- 1 Thirty years ago, the agency was funded 65 percent by General Revenue, and 35 percent from generated fee revenue. Since then, that proportion in funding has shifted. Not including debt service, the agency is now generating 67 percent of its total revenue stream through fees. While the agency grows its caseload and its business outreach, fees become a larger share of the agency's operating budget, meaning more fee revenue is being expended on benefit costs.

The amount of employee and retiree benefits is one of the most significant cost drivers in the agency's budget. The amount being paid from TVMDL fee revenue has increased by more the \$1 million over the last ten years. This increase now a major cost driver into the calculation of any fee increase the agency implements.

Alternative Funding Options

- 1 If the Texas Constitution, Article VII, Section 18 were amended to include TVMDL along with the other six Texas A&M System agencies eligible to receive PUF-backed debt service, the agency states it could more effectively plan for capital projects and equipment needs.

Texas A&M Veterinary Medical Diagnostic Laboratory
Strategic Fiscal Review Appendix 5c: Program Summary - Senate
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
			X
Authority			

Program: Drug Testing

Agency Ranking

3 out of 3

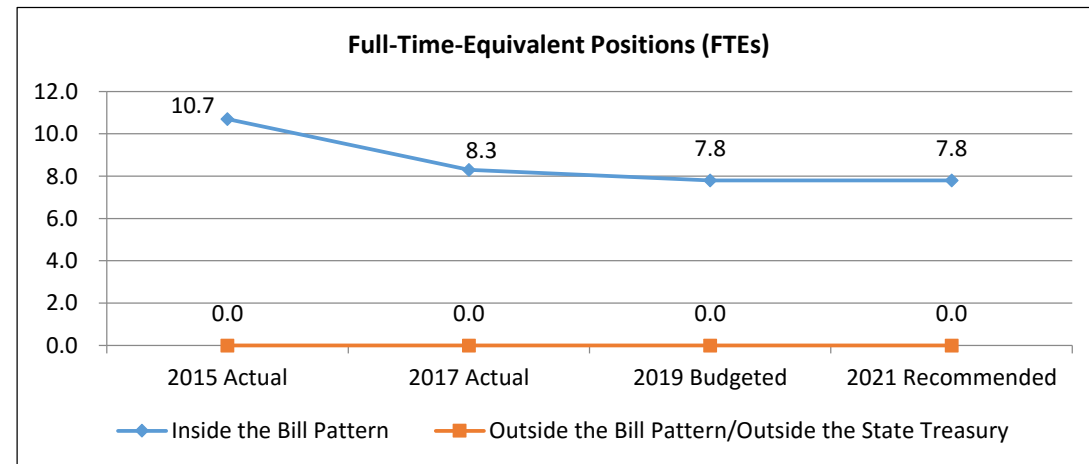
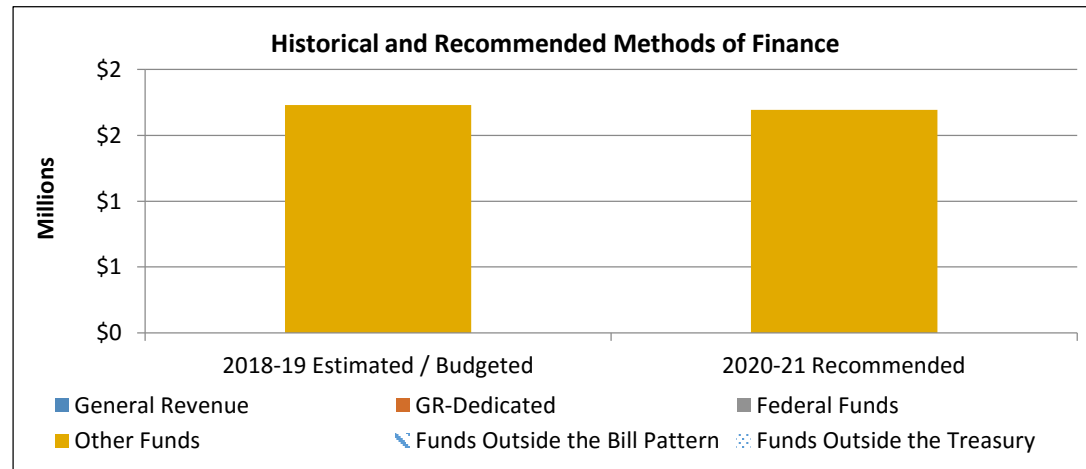
TVMDL provides the drug testing for animals in equine/canine racing events and those in livestock shows. It is important to identify the use of illegal drugs in racing and livestock show animals to maintain consumer confidence in the sport and this source of tax revenue for the state of Texas.

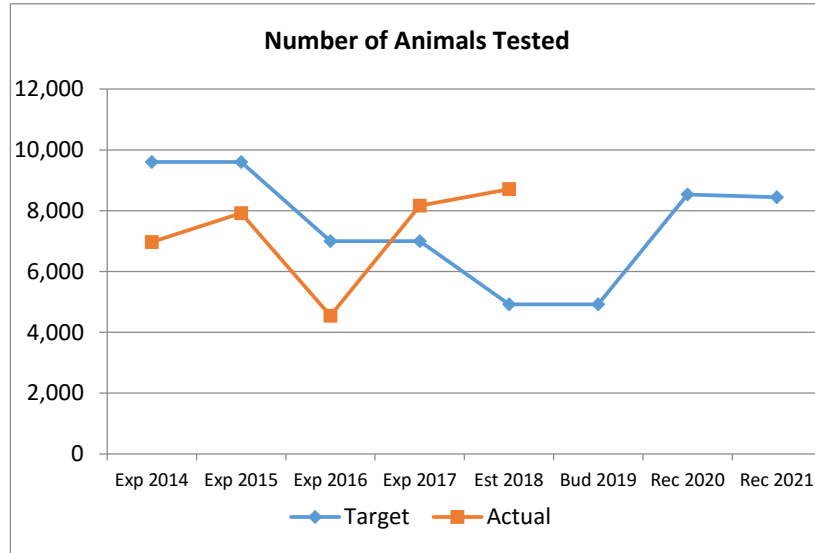
Legal Authority: Texas Racing Act of 1989 Article 179e, Vernon's Texas Civil Statutes Section 3.07, Education Code, Ch. 88.701 and Ch. 61.003

Year Implemented	1989	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	Natural Resources Management & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 1,168,883	\$ 1,155,478	68.3%
Operating Costs	\$ 559,693	\$ 536,788	31.7%
Total	\$ 1,728,576	\$ 1,692,266	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 1,692,266	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 1,692,266	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations include an estimated \$1.7 million in Other Funds (Drug Testing Lab Fee Revenue) for the Drug Testing program. This is a decrease of \$36,310 from the 2018-19 biennial expenditure levels for the program due to a reduction in operating expenses following the lab's implementation of specialized equipment that allows for less consumable and testing expenses.

Challenges and Enhancement Opportunities

1 The Drug Testing Laboratory (DTL) is located within the College Station Laboratory and was established in 1987 in response to the passage of the Texas Racing Act. In addition to its primary responsibilities of analyzing samples from racehorses and greyhounds for illegal drugs, the DTL also tests samples for livestock shows, fitness screens, other racing jurisdictions, and various racing and horse industry entities. The DTL holds accreditation from the Racing Medication Testing Consortium (RMTC). This program at TVMDL represents a smaller portion of the agency's budget and mission and has seen a steady decline as the horse and dog racing industries have seen a decline both statewide and nationally. The DTL has provided the majority of animal drug testing in the state, including Rodeo Austin and the Houston Livestock Show and Rodeo. TVMDL is the only laboratory in Texas currently capable of providing the anti-doping drug testing required by the Texas Racing Commission to monitor horse and dog racing in the state.

Alternative Funding Options

1 Texas Education Code Section 88.707 authorizes TVMDL to assess fees for diagnostic and drug testing services. TVMDL has the authority to increase current fees to generate more funding for the Drug Testing Program. However, the agency has stated that they could see a decrease in services rendered if fees exceed current market values and if the racing industry continues to decline within and outside of the state, this fee revenue could continue to decrease. Drug Testing fees currently range from \$60.00 to \$150.00.

Texas A&M Veterinary Medical Diagnostic Laboratory
Strategic Fiscal Review Appendix 6: Program and Strategies Crosswalk - Senate

Agency Ranking	Program	Strategy
1	Diagnostic Testing and Disease Surveillance	1.1.1 Diagnostic Services
		2.1.1 Staff Group Insurance
		2.1.2 Workers' Comp Insurance
		2.1.3 Unemployment Insurance
		2.1.4 OASI
		2.1.5 Optional Retirement Program
		3.1.1 Indirect Administration
		3.1.2 Infrastructure Support In Brazos Co
		3.1.3 Infrastructure Support Outside Brazos Co
2	<i>Indirect Administration</i>	3.2.1 Debt Service - College Station
3	Drug Testing	1.2.1 Drug Testing Service

Note: Indirect administration program names are italicized.

**Texas A&M Veterinary Medical Diagnostic Laboratory
Strategic Fiscal Review Appendix 7: Historical Fee Schedule - Senate**

Test Name	Test Offering Abbreviation	Fee Schedule - 2013 In State	Fee Schedule - 2013 Out of State	Fee Schedule - 2014 In State	Fee Schedule - 2014 Out of State	Fee Schedule - 2015 In State	Fee Schedule - 2015 Out of State	Fee Schedule 2016	Fee Schedule 2017	Fee Schedule 2018	Fee Schedule 2019	Poultry Companion In State	Poultry Companion Out State	Poultry Production In State	Poultry Production Out State
Avian Influenza Virus															
	AI-ELISA-SERUM							\$3.75			\$4.00	\$3.60	\$4.20	\$1.80	\$1.80
	AI-ELISA-YOLK							\$5.00			\$3.00	\$4.80	\$5.60	\$2.10	\$2.10
	AI-Matrix-PCR	\$24.00	\$36.00					\$25.00							
Bovine Viral Diarrhea															
	BVD-AG-ELISA	\$6.00	\$7.20					\$6.50			\$7.00				
Chronic Wasting Disease (CWD)															
	CWD-1 tissue	\$40.00	\$52.00					\$40.00							
	CWD-2 tissue	\$45.00	\$57.00					\$45.00							
	CWD-ELISA-1-Tis							\$25.00							
Culture															
	CA-AERO-ANA	\$18.00	\$21.60					\$23.00		\$28.00	\$30.00				
Cytology															
	CYTO-ASP/SMEAR	\$30.00	\$36.00					\$35.00			\$36.00				
EQ Analytical Drug Screen															
	EQ DS	\$0.00		\$160.00				\$215.00							
Equine Infectious Anemia															
	EIA-EL	\$5.50	\$8.00					\$6.00		\$7.00	\$8.00				
H&E Biopsy															
	BIOPSY	\$45.00	\$63.00					\$48.00		\$50.00	\$50.00				
Mycoplasma															
	MGMS-ELISA							\$3.75			\$4.00	\$2.40	\$2.80	\$1.20	\$1.40
Necropsy															
	NEC-TISSUE <8							\$65.00							
Pregnancy Protein															
	PSBP	\$4.00	\$4.00			\$3.00	\$4.00	\$4.00			\$4.50				
Tritrichomoniasis															
	Tric-Bovine	\$25.00	\$30.00					\$25.00							

TVMDL conducts over 800 types of testing services with fees ranging from \$1.20 to \$750.00 per test. This table reflects the ten most common tests by volume and by revenue, respectively, performed by the the agency in FY 2018.

Top 10 Tests by Volume, FY 2018:	
AI-ELISA-SERUM (Poultry)	100,467
MGMS-ELISA (Poultry)	94,797
BVD-AG-ELISA (Bovine)	34,207
Tric-Bovine (Bovine)	34,059
PSBP (Bovine)	23,961
BIOPSY (Canine/Feline Predominantly)	21,203
AI-ELISA-YOLK (Poultry)	15,738
EIA-EL (Equine)	14,939
CA-AERO-ANA (Canine/Feline)	12,477
CWD-ELISA-1-Tissue (Deer)	10,128

Top 10 Tests by Revenue, FY 2018:	
BIOPSY (Canine/Feline Predominantly)	\$ 1,055,788.00
Tric-Bovine (Bovine)	\$ 847,750.00
EQ DS (Equine Drug Screen, Racing)	\$ 667,467.50
CWD-2 Tissue (Deer)	\$ 375,237.00
CA-AERO-ANA (Canine/Feline)	\$ 348,699.40
CWD-1 Tissue (Deer)	\$ 278,232.00
CWD-ELISA-1-Tissue (Deer)	\$ 253,200.00
CYTO-ASP/SMEAR (Canine/Feline Predominantly)	\$ 206,415.00
NEC-TISSUE <8 (All Species)	\$ 199,687.00
AI-Matrix-PCR (Poultry)	\$ 195,655.00

**Texas A&M Veterinary Medical Diagnostic Laboratory
 Appendices - Senate**

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* Appendix is not included - no significant information to report

**Texas A&M Veterinary Medical Diagnostic Laboratory
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
DIAGNOSTIC SERVICES A.1.1	\$24,697,442	\$24,802,884	\$105,442	0.4%	Recommendations include a \$0.1 million increase in Other Funds (Diagnostic Lab Fees) due to an expected increase in consumable supplies in relation to the Consumer Price Index as well as projected increases in diagnostic services rendered through marketing efforts.
DRUG TESTING SERVICE A.2.1	\$1,728,576	\$1,692,266	(\$36,310)	(2.1%)	Recommendations include a \$36,310 decrease in Other Funds (Drug Testing Fees) due to a reduction in operating expenses following the lab's implementation of specialized equipment that allows for less consumable and testing expenses.
Total, Goal A, DIAGNOSTIC AND DRUG TESTING	\$26,426,018	\$26,495,150	\$69,132	0.3%	
STAFF GROUP INSURANCE B.1.1	\$2,529,013	\$2,585,872	\$56,859	2.2%	Recommendations include a \$56,859 increase in Other Funds (Diagnostic Lab and Drug Testing Fees) due to higher costs in Group Insurance Premiums.
WORKERS' COMP INSURANCE B.1.2	\$32,509	\$32,424	(\$85)	(0.3%)	Recommendations include a \$85 decrease in Other Funds (Diagnostic Lab and Drug Testing Fees) due to agency projected workers' compensation insurance costs.
UNEMPLOYMENT INSURANCE B.1.3	\$24,870	\$24,806	(\$64)	(0.3%)	Recommendations include a \$64 decrease in Other Funds (Diagnostic Lab and Drug Testing Fees) due to agency projected unemployment insurance costs.
OASI B.1.4	\$902,097	\$889,618	(\$12,479)	(1.4%)	Recommendations include a \$12,479 decrease in Other Funds (Diagnostic Lab and Drug Testing Fees) due to agency projected old age and survivors insurance costs.
OPTIONAL RETIREMENT PROGRAM B.1.5	\$18,485	\$18,690	\$205	1.1%	Recommendations include a \$205 increase in Other Funds (Diagnostic Lab and Drug Testing Fees) due to higher salaries subject to the Optional Retirement Program.
Total, Goal B, STAFF BENEFITS	\$3,506,974	\$3,551,410	\$44,436	1.3%	

**Texas A&M Veterinary Medical Diagnostic Laboratory
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
INDIRECT ADMINISTRATION C.1.1	\$3,351,293	\$3,372,218	\$20,925	0.6%	Recommendations include a \$20,925 increase in Other Funds (Diagnostic Lab Fees) to cover increase in salary/wages.
INFRASTRUCTURE SUPPORT IN BRAZOS CO C.1.2	\$1,977,527	\$1,100,694	(\$876,833)	(44.3%)	Infrastructure Support formula funding General Revenue amount for FY 2020-21 is based on GAI infrastructure formula rate and incorporates updated data.
INFRASTRUCT SUPP OUTSIDE BRAZOS CO C.1.3	\$301,808	\$168,439	(\$133,369)	(44.2%)	Infrastructure Support formula funding General Revenue amount for FY 2020-21 maintains FY 2018-19 appropriated levels and incorporates updated data.
DEBT SERVICE - COLLEGE STATION C.2.1	\$5,856,650	\$5,853,300	(\$3,350)	(0.1%)	Recommendation includes \$3,350 decrease in General Revenue Funds for debt service requirements for the agency's College Station Laboratory.
Total, Goal C, INDIRECT ADMINISTRATION	\$11,487,278	\$10,494,651	(\$992,627)	(8.6%)	
Grand Total, All Strategies	\$41,420,270	\$40,541,211	(\$879,059)	(2.1%)	

Texas A&M Veterinary Medical Diagnostic Laboratory
Summary of Federal Funds - Senate
(Dollar amounts in Millions)

Program	Est 2018	Bud 2019	Rec 2020	Rec 2021	2018-19 Base	2020-21 Rec	2020-21 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Homeland Security Agricultural	\$0.3	\$0.3	\$0.3	\$0.3	\$0.7	\$0.7	100.0%	\$0.0	0.0%
TOTAL:	\$0.3	\$0.3	\$0.3	\$0.3	\$0.7	\$0.7	100.0%	\$0.0	0.0%

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

	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
<ul style="list-style-type: none"> • <i>Number of Diagnostic Services Rendered</i> <p><i>Measure Explanation: This measure quantifies the number of diagnostic services (i.e., different analytical and diagnostic tests) performed on cases and specimens submitted to the laboratory.</i></p>	793,766	780,795	796,411	804,375	820,462
<ul style="list-style-type: none"> • <i>Number of Cases Submitted and Examined</i> <p><i>Measure Explanation: This measure counts the number of diagnostic cases submitted and examined by the laboratory in a given fiscal year. A single case can contain multiple tests.</i></p>	142,297	135,951	138,670	141,443	144,272
<ul style="list-style-type: none"> • <i>Number of Surveillance Tests Performed for Agents of Bio- or Eco-terrorism</i> <p><i>Measure Explanation: This measure quantifies the number of diagnostic tests performed at the laboratory in its surveillance efforts for bio- or eco-terroristic agents. Examples of animal diseases that can cause harm to both animals and people are: Foot and Mouth Disease, Chronic Wasting Disease, Avian Influenza, African and Classical Swine Fever, Newcastle Disease, and others.</i></p>	271,729	266,573	266,573	266,573	266,573

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

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs				
1)	Diagnostic Service and Disease Surveillance	TVMDL reports that they have deferred needed laboratory capital equipment in order to reduce expenses. The agency reports that a reduction would extend this practice, impacting their ability to deliver their services.	\$200,000	\$200,000	0.0	\$0	2.2%	\$9,051,352	No
	Indirect Administration	The agency would also reduce travel and other professional development expenses. Reductions in this category would negatively impact the agency's ability for staff to gain continuing education, quality and safety training.	\$55,452	\$55,452	0.0	\$0	4.8%	\$1,151,156	
2)	Diagnostic Service and Disease Surveillance & Indirect Administration	At this increment of reductions, TVMDL reports that attrition of employees would begin. Personnel costs account for nearly 70% of TVMDL's total budget. Recent budget cuts have already reduced funding levels by 4 FTE's. Further personnel cuts would reportedly have a negative impact on customer testing requirements and turnaround times.	\$255,452	\$255,452	3.5	\$383,178	2.5%	\$10,202,508	No
3)	Diagnostic Service and Disease Surveillance & Indirect Administration	The agency would reportedly cut FTE's in this scenario, impacting the agency's ability to meet its mission and be prepared to respond to and recover from a high consequence agriculture or zoonotic disease outbreak. This reduction in staffing would also reportedly translate into a loss in business and reduction in testing income.	\$255,452	\$255,452	3.2	\$383,178	2.5%	\$10,202,508	No
4)	Diagnostic Service and Disease Surveillance & Indirect Administration	Budget reductions at this level would reportedly impact the agency's ability to meet their primary strategy and goal: providing diagnostic services and disease surveillance for the State of Texas. FTE's or programs would reportedly be eliminated at this level of funding loss.	\$255,452	\$255,452	3.2	\$383,178	2.5%	\$10,202,508	No
TOTAL, 10% Reduction Options			\$1,021,808	\$1,021,808	9.9	\$1,149,534			