Animal Health Commission
Summary of Budget Recommendations - Senate

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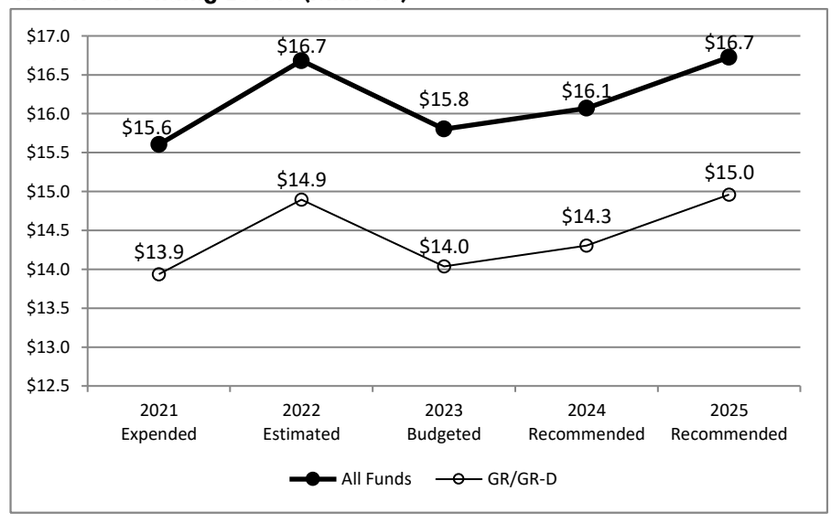
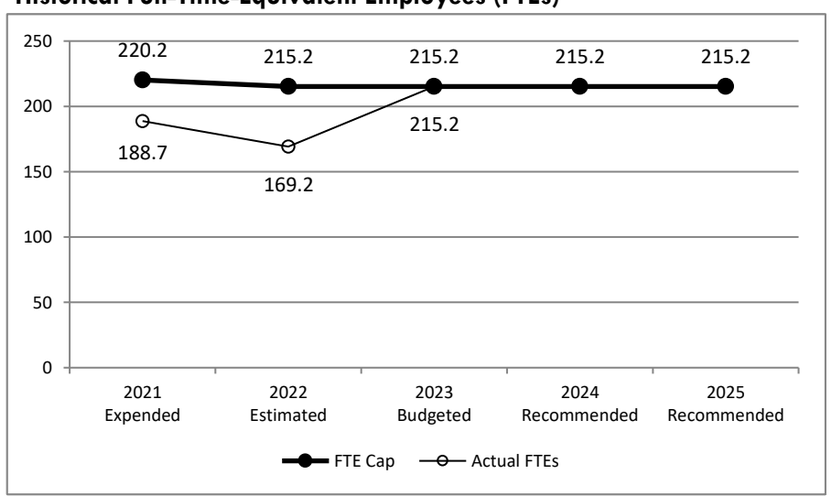
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change ($)	Biennial Change (%)
General Revenue Funds	$28,932,704	$29,262,408	$329,704	1.1%
GR Dedicated Funds	$0	$0	$0	0.0%
Total GR-Related Funds	*$28,932,704*	*$29,262,408*	*$329,704*	*1.1%*
Federal Funds	$3,550,953	$3,533,444	($17,509)	(0.5%)
Other	$0	$0	$0	0.0%
All Funds	**$32,483,657**	**$32,795,852**	**$312,195**	**1.0%**

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	215.2	215.2	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

Animal Health Commission
Summary of Funding Changes and Recommendations - Senate

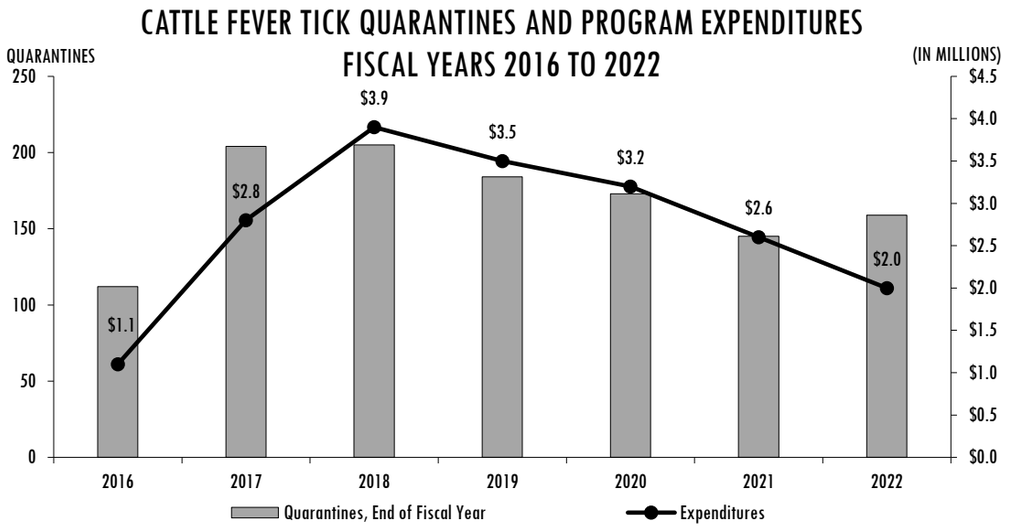
	Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
	SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):						
A)	Increase in General Revenue Funds to provide for increased lab testing costs performed at Texas A&M Veterinary Medical Diagnostic Laboratory (See also, Fiscal and Policy Issues #3).	$0.3	$0.0	$0.0	$0.0	$0.3	A.1.2
	OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):						
B)	Decrease in General Revenue Funds for the removal of one-time vehicle replacement funding.	($1.8)	$0.0	$0.0	$0.0	($1.8)	A.1.1
C)	Increase in General Revenue Funds for salary adjustments.	$1.8	$0.0	$0.0	$0.0	$1.8	B.1.1, C.1.1
	TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	**$0.3**	**$0.0**	**$0.0**	**$0.0**	**$0.3**	As Listed
	SIGNIFICANT & OTHER Funding Increases	$2.1	$0.0	$0.0	$0.0	**$2.1**	As Listed
	SIGNIFICANT & OTHER Funding Decreases	($1.8)	$0.0	$0.0	$0.0	**($1.8)**	As Listed

NOTE: Totals may not sum due to rounding.

Animal Health Commission
Selected Fiscal and Policy Issues - Senate

1. **Cattle Fever Tick Mitigation.** Recommendations continue funding for fever tick prevention and eradication efforts at 2022-23 funding levels in alignment with the agency's request. Fever tick prevention and eradication efforts are funded through the agency's Cattle Health program. Recommendations continue 2022-23 spending levels of $9.1 million in All Funds for this program in the 2024-25 biennium. According to the agency, fever tick prevention and eradication expenditures are generally sixty to sixty-five percent of all Cattle Health program expenditures, although expenditures can vary based on the status of fever tick outbreaks at given times. Recommendations also maintain capital budget authority for the acquisition of Cattle Fever Tick (CFT) Livestock and Wildlife Equipment at the 2022-23 appropriated level of $0.2 million (see also, Rider Highlights #2). The figure below reflects the number of quarantines and prevention and eradication expenditures each fiscal year.

   At the end of fiscal year 2022, there were 159 quarantines in six affected counties, down from a peak of 205 in fiscal year 2018. The figure shows the number of quarantines and program costs over the last seven fiscal years. Once a tick infestation is discovered, it takes a minimum of 15 months for a premise (an area of land directly infested or adjacent to an infestation) to be released from quarantine. The Eighty-fifth Legislature, Regular Session, 2017, provided $1.2 million in one-time funding for capital equipment purchases (e.g. fencing, vehicles, and information technologies). According to the agency, this resulted in a decline in the number of quarantines from 2018 to 2021. Quarantines increased unexpectedly in fiscal year 2022 due to the severity of outbreaks in certain locations across more acreage. Although additional funding was provided in the 2018-19 biennium pursuant to a request made by the agency following the increased quarantines in the 2016-17 biennium, the agency has not requested additional funding specifically for cattle fever tick eradication efforts in the 2024-25 biennium.



2. **Chronic Wasting Disease.** Recommendations continue 2022-23 spending levels of $0.3 million in All Funds which includes $0.2 million in General Revenue Funds and $0.1 million in Federal Funds, for Cervid Health program activities in the 2024-25 biennium.

   Chronic Wasting Disease (CWD) is a degenerative neurological disease affecting deer, elk, and other cervids. The disease is similar to bovine spongiform encephalopathy (mad cow disease) in cattle or scrapie in sheep, but is only transmittable to other cervid species. According to data maintained by the Texas Parks and Wildlife Department (TPWD), as of December 2022, 435 cervids have tested positive for CWD in Texas. The first captive deer to test positive for CWD in a postmortem test was from a facility in Medina County in June 2015. This positive test led the Texas Animal Health Commission (TAHC) and TPWD to develop a revision of deer breeder permitting rules and movement restrictions that took effect in August 2016.

   Native deer species (white-tailed deer and mule deer) are defined in the Texas Parks and Wildlife Code, Section 63.001, as game animals and not livestock. As such, they are owned by the state and are under the jurisdiction of TPWD. The Texas Agriculture Code, Section 161.041 authorizes TAHC to act to eradicate or control any disease affecting exotic livestock, including situations when the transmitting agent is an animal species that is not within the agency's jurisdiction.

The voluntary CWD Herd Certification Program (HCP) is a cooperative effort between the TAHC, the United States Department of Agriculture-Animal and Plant Health Inspection Service (USDA), and farmed cervid producers. The TAHC coordinates the Texas program and encourages cervid producers to certify their herds and comply with the CWD HCP Standards. The goal of the HCP is to provide a consistent, national approach to control the incidence of CWD in farmed cervids and prevent the interstate spread of CWD. National CWD HCP requirements for all enrolled herd owners include fencing, individual animal ID's, regular inventories, and testing of all animals over twelve months that die for any reason.

The USDA conducted a review of the Texas HCP and produced a report in March 2022 finding shortcomings with the program. The findings included: portions of the TAHC farmed cervid rules were not in alignment with federal requirements, TAHC staffing and program awareness/guidance were insufficient, and other HCP requirements were not being met. TAHC took measures to comply with USDA requirements and recommendations by adopting new rules, recruiting to fill vacant positions, having staff attend USDA trainings, and submitting a non-compliance decision tree to USDA. The agency has continued to communicate with USDA to ensure the program remains compliant and would not be suspended.

3. **Laboratory Testing.** Recommendations provide $1.0 million for laboratory testing services for the 2024-25 biennium, an increase of $0.3 million from 2022-23 spending levels. Funding for laboratory testing services total $0.5 million each fiscal year. This includes the initial interagency memorandum of understanding (MOU) anticipated laboratory testing costs of $350,000 and an additional $150,000 each fiscal year for these services.

   Pursuant to the enactment of Senate Bill 705, Eighty-Seventh Legislature, 2021, the State-Federal Laboratory formerly operated by TAHC was closed and TAHC was required to enter into an MOU with the Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL), which was designated as the state's regulatory animal health laboratory, to have testing for diseases affecting the livestock industry, including cattle, swine, horses, sheep, and goats performed. The MOU must be reviewed each fiscal year, and it clarifies the scope of sample testing, logistics, and data sharing. TVMDL performs diagnostic and laboratory testing services for TAHC, and TAHC reimburses TVMDL for the associated costs.

   Although TAHC allocated funding for lab testing in its 2022-23 budget based on historical data and pricing information provided by TVMDL, TAHC has reported experiencing unanticipated cost increases of $7.00 for an accession fee for laboratory samples, being billed by TVMDL for all Brucellosis tests (TAHC reports being billed for all Brucellosis tests sent to TVMDL from across the state because TVMDL's system cannot differentiate between regulatory and non-regulatory tests), and having to submit more testing samples for swine and cattle than anticipated during the 2022-23 biennium. Recommendations include the additional $0.3 million in General Revenue Funds anticipated in the 2024-25 biennium for the purpose of addressing on-going lab-related expenditures that were unexpected at the time of the laboratory transfer.

   Recommendations also modify the agency's laboratory testing rider, Rider 3. In the 2022-23 biennium, the rider required TAHC to annually report testing performed at the State-Federal Laboratory, report how that testing was deemed more cost effective than utilizing TVMDL testing services, and enter into an interagency MOU with TVMDL to reduce duplication of testing. For the 2024-25 biennium, recommendations modify the rider to reflect TVMDL as the state's regulatory animal health laboratory, requires TAHC to annually report the contract amount agreed to in the interagency MOU with TVMDL, and annually report the billing costs for testing. Recommendations specify October 1st and November 1st as the respective reporting due dates in the rider (see also, Rider Highlights #3). Recommendations do not amend the rider to include contingency appropriation authority that would provide additional General Revenue to pay for increased testing costs in the event of a disease outbreak where testing costs would exceed 10.0 percent of the costs identified in the MOU between TAHC and TVMDL each fiscal year (see also, Items Not Included in Recommendations #5).

4. **Information Technology.** Recommendations provide $2.3 million in General Revenue Funds for information technology resources in the 2024-25 biennium, and do not include the agency's request of $0.1 million in General Revenue Funds for the purchase and implementation of a Certificate of Veterinary Inspection (CVI) Central and Online Permitting system (see also, Items Not Included in Recommendations #2). Recommendations continue amounts equivalent to funding provided in House Bill 2, Eighty-Seventh Legislature, 2021, for maintenance and data storage costs for the Animal Health Automated Information System – Animal Health Tracking System, TexCore, totaling $0.3 million with an increase of $17,509 in the 2024-25 biennium for increased system maintenance costs which were anticipated by the agency and presented to the Eighty-Seventh Legislature in the agency's LAR.

According to the agency, CVI Central will assist TAHC staff with matching electronic CVIs from other states with premises located in Texas and includes a component that scans, uploads, and matches information from paper CVIs. When CVIs are received the software would automatically match CVIs to the correct premise and TAHC staff would no longer need to manually filter through the information. The Online Permitting system would improve the process by which Veterinarians obtain necessary permits. Currently, permits can only be obtained by contacting TAHC staff during regular office hours. The online system would provide more convenience to Veterinarians seeking permits, improve delays in obtaining permits, and reduce the staff needed to field incoming calls.

Recommendations also modify the agency's information technology reporting requirement in Rider 8. The agency provides an annual report on its efforts to improve information technology capabilities. The rider is modified to specify November 1st as the reporting due date rather than within 60 days after the close of each fiscal year (see also, Rider Highlights #8).

5. **Staff and Exempt Position Salary Funding.** Recommendations do not include the agency's request of $0.8 million in General Revenue Funds for 10.0 percent targeted salary increases each fiscal year for Administrative Assistants and Livestock Inspectors (see also, Items Not Included in Recommendations #1).

   Recommendations also do not provide additional General Revenue Funds and authority to increase the Executive Director's salary and salary cap by $54,049 each fiscal year. This is an increase from $162,811 to $216,860 in fiscal year 2024, and from $169,807 to $223,856 in fiscal year 2025, within Group 6 of the Schedule of Exempt Positions (see also, Items Not Included in Recommendations #4).

6. **Revenue Collections.** Recommendations include $1.2 million in General Revenue Funds in fee generated revenue collections to recover costs associated with the issuance of health certificates, Chronic Wasting Disease inspections, and fowl registrations. This establishes the revenue target each fiscal year at an amount that is slightly higher ($22,396) than amounts collected in the 2022-23 biennium (see also, Rider Highlights #7).

7. **Livestock Inspection Points.** Recommendations continue to provide funding for livestock inspection points at 2022-23 funding levels, and do not include the agency's request of $0.1 million in General Revenue Funds to contract with law enforcement entities to assist with inspections. TAHC has the authority to stop and inspect animals entering or moving through the state and ensure that proper paperwork is completed. According to the agency, TAHC has been unable to perform some inspections, primarily near interstate highways and state lines, where high volumes of livestock shipments occur. The agency reports performing 5,497 inspections in fiscal year 2022 and estimates that with law enforcement assistance current inspection totals would approximately double. The agency also states that increasing the number of inspections would assist in identifying and monitoring a higher volume of potential diseases moving through the state (see also, Items Not Included in Recommendations #3).

Animal Health Commission
Rider Highlights – Senate

Modification of Existing Riders

2. **Capital Budget.** Recommendations continue 2022-23 capital budget authority and funding of $0.2 million for the acquisition of CFT Livestock and Wildlife Equipment. Recommendations remove an equivalent amount to 2022-23 spending levels of $1.8 million for one-time vehicle replacement authority and funding.

3. **Laboratory Testing.** Recommendations modify the rider due to the closing of the State-Federal Laboratory in Austin and the designation of Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL) as the state's regulatory animal health laboratory. Recommendations modify the rider to require the Texas Animal Health Commission (TAHC) to annually report the contract amount agreed to in the interagency memorandum of understanding with TVMDL, and to annually report the billing costs for testing. Recommendations modify the rider to specify October 1st as the reporting date for the estimated total contract amount and November 1st as the reporting date for the billing costs for testing, instead of requiring reports within 60 days after the close of each fiscal year (see also, Selected Fiscal and Policy Issues #3).

7. **Contingency Appropriation: Cost Recovery for Animal Health Programs.** Recommendations modify the rider to provide updated revenue collection amounts and fiscal year references. The agency reported collecting an additional $30,000 in revenues for the 2022-23 biennium. Recommendations continue this funding at a similar level in the 2024-25 biennium and increase the revenue target in the rider by $11,198 each fiscal year (see also, Selected Fiscal and Policy Issues #6).

8. **Information Technology, Reporting Requirement.** Recommendations modify the rider to specify November 1st as the reporting due date rather than within 60 days after the close of each fiscal year (see also, Selected Fiscal and Policy Issues #4).

Deleted Riders

9. **Sunset Contingency.** Recommendations delete the rider as Senate Bill 705, Eighty-Seventh Legislature, 2021, was enacted, continuing the agency until September 1, 2033.

10. **Contingency for Senate Bill 705.** Recommendations delete the rider as Senate Bill 705, Eighty-Seventh Legislature, 2021, was enacted, continuing the agency until September 1, 2033. The requirements of the bill, adjusting agency funding and full-time equivalent employees associated with the designation of TVMDL as the state's regulatory animal health laboratory, have been fulfilled.

Animal Health Commission
Items Not Included in Recommendations - Senate

		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)	**Employee Salary Equity:** General Revenue Funds for 10.0 percent targeted salary increases each fiscal year of Administrative Assistants and Livestock Inspectors (see also, Selected Fiscal and Policy Issues #5).	$800,000	$800,000	0.0	No	No	$800,000
2)	**Health Management Program Solutions:** General Revenue Funds to purchase and implement a Certificate of Veterinary Inspection (CVI) Central and Online Permitting System to replace existing purpose-specific systems with web-based applications (see also, Selected Fiscal and Policy Issues #4).	$98,642	$98,642	0.0	Yes	Yes	$98,642
3)	**Law Enforcement for Livestock Inspection Points:** General Revenue Funds to contract with law enforcement entities to assist with livestock shipment inspections at stations along the highway system that would operate for 10 hours, or other extended periods of times (see also, Selected Fiscal and Policy Issues #7).	$130,000	$130,000	0.0	No	Yes	$130,000
4)	**Executive Director salary Equity Adjustment:** General Revenue Funds to increase the salary and salary cap of the Executive Director by $54,049 anually within Group 6. This is an increase from $162,811 to $216,860 in fiscal year 2024, and from $169,807 to $223,856 in fiscal year 2025 (see also, Selected Fiscal and Policy Issues #5 and Appendix C FTE Highlights).	$108,098	$108,098	0.0	No	No	$108,098
5)	**Rider Modification, Rider 3, Laboratory Testing:** Amend the rider to include a contingency appropriation authority that would provide additional General Revenue to pay for increased testing costs where amounts in a fiscal year would exceed 10.0 percent of costs identified in the MOU (see also, Selected Fiscal and Policy Issues #3).	$0	$0	0.0	No	No	$0
TOTAL Items Not Included in Recommendations		**$1,136,740**	**$1,136,740**	**$0**			**$1,136,740**

Animal Health Commission
Appendices - Senate

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* Appendix is not included - no significant information to report

Animal Health Commission
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
FIELD OPERATIONS A.1.1	$22,729,893	$20,954,233	($1,775,660)	(7.8%)	Recommendations include a decrease of $1.8 million in All Funds resulting from: a) an increase of $4,340 in Federal Funds from the Plant and Animal Disease Pest Control Grant. b) a decrease of $1.8 million in General Revenue Funds for the removal of one-time vehicle replacement funding.
DIAGNOSTIC/EPIDEMIOLOGICAL SUPPORT A.1.2	$1,300,673	$1,600,673	$300,000	23.1%	Recommendations include an increase of $0.3 million in General Revenue Funds for increased lab testing costs (See also, Selected Fiscal and Policy Issues #3).
PROMOTE COMPLIANCE A.1.3	$1,368,250	$1,368,250	$0	0.0%	
ANIMAL EMERGENCY MANAGEMENT A.1.4	$583,558	$561,709	($21,849)	(3.7%)	Recommendations include a decrease of $21,849 in Federal Funds for appropriated FEMA reimbursements that are no longer anticipated to be available.
Total, Goal A, PROTECT/ENHANCE TEXAS ANIMAL HEALTH	**$25,982,374**	**$24,484,865**	**($1,497,509)**	**(5.8%)**	
CENTRAL ADMINISTRATION B.1.1	$3,523,130	$3,544,120	$20,990	0.6%	Recommendations include an increase of $20,990 in General Revenue Funds for salary adjustments to the Executive Director position (See also, Appendix C FTE Highlights).
INFORMATION RESOURCES B.1.2	$2,263,409	$2,280,918	$17,509	0.8%	Recommendations include an increase of $17,509 in General Revenue Funds for maintenance and data costs of the Animal Health Tracking System - TexCore (See also, Selected Fiscal and Policy Issues #4).
OTHER SUPPORT SERVICES B.1.3	$714,744	$714,744	$0	0.0%	
Total, Goal B, INDIRECT ADMINISTRATION	**$6,501,283**	**$6,539,782**	**$38,499**	**0.6%**	
SALARY ADJUSTMENTS C.1.1	$0	$1,771,205	$1,771,205	100.0%	Recommendations include an increase of $1.8 million in General Revenue Funds for salary adjustments.
Total, Goal C, SALARY ADJUSTMENTS	**$0**	**$1,771,205**	**$1,771,205**	**100.0%**	
Grand Total, All Strategies	**$32,483,657**	**$32,795,852**	**$312,195**	**1.0%**	

Animal Health Commission
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2021	Estimated 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	220.2	215.2	215.2	215.2	215.2
Actual/Budgeted	188.7	169.2	215.2	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 6	$155,814	$155,814	$155,814	$162,811	$169,807

Notes:

a) The Executive Director position salary is within the Group 6 range in Article IX, §3.04(c)(6) of the Schedule of Exempt Positions ($140,900 - $227,038). The position was added to this provision in the 87th Legislative Session. Exempt positions included in this provision may recieve compensation at a rate within the range provided, regardless of the amount reflected in the Schedule of Exempt Positions in the agency's bill pattern. The agency's governing board has the ability to set the positions salary upon approval of the Legislative Budget Board and the Office of the Governor. The agency is requesting additional funds to increase the Executive Director's current salary by $54,049 each fiscal year which would provide an increase from $162,811 to $216,860 in fiscal year 2024, and from $169,807 to $223,856 in fiscal year 2025 (See also, Selected Fiscal and Policy Issues #5 and Items Not Included in Recommendations #4). The agency is not requesting to change its salary range from Group 6.

b) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 22-706, August 2022), indicates a market average salary of $169,807 for the Executive Director position at the Texas Animal Health Commission.

c) The State Auditor's Office Report on Classified Employee Turnover reported that the agency experienced 57 separations for a turnover rate of 31.5 percent in fiscal year 2021. The job classification series of Inspector experienced a turnover rate of 25.7 percent during this time.