

Texas A&M Veterinary Medical Diagnostic Laboratory
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	\$18,465,081	\$20,194,806	\$1,729,725	9.4%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
Total GR-Related Funds	\$18,465,081	\$20,194,806	\$1,729,725	9.4%
Federal Funds	\$454,546	\$454,546	\$0	0.0%
Other	\$29,116,071	\$30,213,634	\$1,097,563	3.8%
All Funds	\$48,035,698	\$50,862,986	\$2,827,288	5.9%

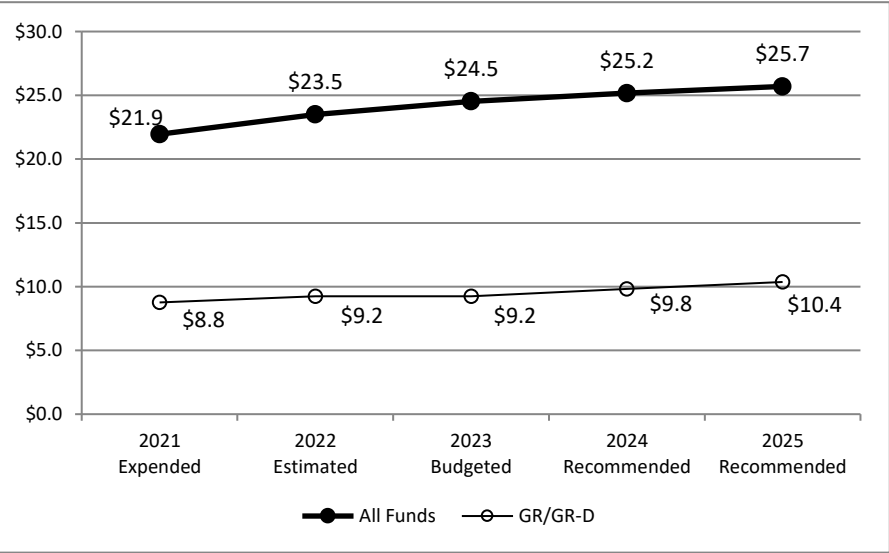
	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	165.0	165.0	0.0	0.0%

Agency Budget and Policy Issues and/or Highlights

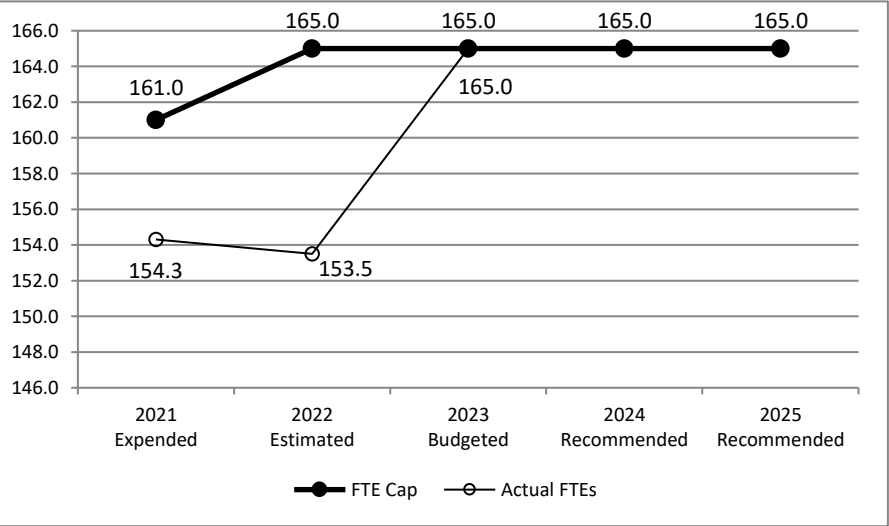
Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL) provides fee-based veterinary medical diagnostic testing services, which contributes to an animal and zoonotic disease surveillance system. TVMDL also performs drug tests for pari-mutuel racing animals and livestock shows. Additionally, in the Eighty-seventh Legislature, 2021, the Brucellosis Regulatory Testing Laboratory was transferred from the Animal Health Commission to TVMDL.

The bill pattern for this agency (2024-25 Recommended) represents an estimated 94.8% 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 Veterinary Medical Diagnostic Laboratory
Summary of Funding Changes and Recommendations - Senate

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)	Increase of \$187,751 in General Revenue due to an updated infrastructure support formula.	\$0.2	\$0.0	\$0.0	\$0.0	\$0.2	B.1.2
B)	Increase of \$3,250 in General Revenue due to the debt service payment schedule for construction projects at the College Station and Canyon laboratories.	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	B.2.1
<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 \$1,538,724 in General Revenue due to statewide salary adjustments.	\$1.5	\$0.0	\$0.0	\$0.0	\$1.5	D.1.1
D)	Projected increase of \$1,051,974 in Diagnostic Lab Fee revenue due to expected increases in consumable supplies associated with an increased demand in tests, increased salaries and wages, and higher costs in group insurance premiums.	\$0.0	\$0.0	\$0.0	\$1.1	\$1.1	A.1.1, B.1.1, C.1.1
E)	Projected increase of \$45,589 in Drug Testing Fee revenue due to expected increases in salaries and wages and group insurance premiums.	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	A.2.1, C.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$1.7	\$0.0	\$0.0	\$1.1	\$2.8	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$1.7	\$0.0	\$0.0	\$1.1	\$2.8	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed

NOTE: Totals may not sum due to rounding.

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

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. Texas A&M System agricultural agencies (including TVMDL) also receive funding for Infrastructure Support Outside Brazos County through a sum-certain appropriation. The infrastructure support funds included in the recommendations for within Brazos County are calculated using the 2024-25 Texas A&M University infrastructure formula rate, multiplied by the agencies' fiscal 2021 predicted square footage.
2. **Debt service.** TVMDL is not eligible for bond financing supported by the Permanent University Fund (PUF), unlike most of the other Texas A&M System agencies. TVMDL was created separately from the Texas A&M System and joined the system after the Texas Constitution was amended to include six of the Texas A&M System agencies. Because TVMDL is not eligible for this capital funding, the Legislature has historically appropriated General Revenue to pay debt service at the agency. Recommendations include \$5.9 million in General Revenue for debt service for the agency's College Station and Canyon laboratories, which is an increase of \$3,250 from the 2022-23 biennium.

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

Modification of Existing Riders

5. Contingency for Senate Bill 705. This rider directs the Texas A&M Veterinary Medical Diagnostic Laboratory to use \$279,800 in General Revenue each fiscal year and 4.0 FTEs to fulfill its role as the state's regulatory animal health laboratory, contingent on enactment of Senate Bill 705, Eighty-seventh Legislature, Regular Session, 2021. Recommendations include modification of rider language to continue directing the agency in the use of funds.

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

		2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
		GR & GR-D	All Funds	FTEs			
Agency Exceptional Items Not Included (in agency priority order)							
1)	Keeping Texas Prepared: Rapid Detection of Animal and Human Disease Threats. The agency is requesting funds to enhance laboratory capacity with new equipment and augment existing staff and replace expected staff losses. The request would fund five laboratory professionals, two veterinary trainees, three technical positions, and one support staff.	\$4,930,000	\$4,930,000	11.0	No	No	\$4,633,000
TOTAL Items Not Included in Recommendations		\$4,930,000	\$4,930,000	11.0			\$4,633,000

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 by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
DIAGNOSTIC SERVICES A.1.1	\$32,508,191	\$34,526,732	\$2,018,541	6.2%	Recommendations include: • \$164,086 reduction in General Revenue due to a reallocation to Strategy B.1.2; and • \$2,182,627 increase in diagnostic lab fee revenues for expected increases in test numbers and salaries.
DRUG TESTING SERVICE A.2.1	\$1,512,357	\$1,551,276	\$38,919	2.6%	Recommendations include an increase in drug testing fee revenues for expected increases in salaries and wages.
REGULATORY TESTING LABORATORY A.3.1	\$559,600	\$559,600	\$0	0.0%	
Total, Goal A, DIAGNOSTIC AND DRUG TESTING	\$34,580,148	\$36,637,608	\$2,057,460	5.9%	
INDIRECT ADMINISTRATION B.1.1	\$1,985,460	\$2,014,804	\$29,344	1.5%	Recommendations include: • \$865,907 increase in diagnostic lab fee revenue to cover salary and wages; and • \$836,563 reduction in General Revenue due to a reallocation to other strategies.
INFRASTRUCTURE SUPPORT IN BRAZOS CO B.1.2	\$2,338,158	\$1,286,494	(\$1,051,664)	(45.0%)	Recommendations include: • \$187,751 increase in GR due to the updated infrastructure support formula; • \$851,107 increase in GR due to reallocations from other strategies; and • \$2,090,522 reduction in diagnostic lab fee revenue due to reallocation to other strategies.
INFRASTRUCT SUPP OUTSIDE BRAZOS CO B.1.3	\$462,363	\$462,702	\$339	0.1%	Recommendations include: • \$149,542 increase in General Revenue; and • \$149,203 reduction in diagnostic lab fee revenue due to reallocation to other strategies.
DEBT SERVICE - COLLEGE STATION B.2.1	\$5,859,300	\$5,862,550	\$3,250	0.1%	Recommendations include an increase in General Revenue to account for the debt financing schedule for 2024 and 2025.
Total, Goal B, INDIRECT ADMINISTRATION	\$10,645,281	\$9,626,550	(\$1,018,731)	(9.6%)	

Texas A&M Veterinary Medical Diagnostic Laboratory					
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
STAFF GROUP INSURANCE C.1.1	\$2,810,269	\$3,060,104	\$249,835	8.9%	Recommendations include \$6,670 increase in drug testing lab fee revenues and \$243,165 increase in diagnostic lab fee revenues due to higher costs in group insurance premiums.
Total, Goal C, STAFF BENEFITS	\$2,810,269	\$3,060,104	\$249,835	8.9%	
SALARY ADJUSTMENTS D.1.1	\$0	\$1,538,724	\$1,538,724	100.0%	Recommendations include an increase in General Revenue due to statewide salary adjustments.
Total, Goal D, SALARY ADJUSTMENTS	\$0	\$1,538,724	\$1,538,724	100.0%	
Grand Total, All Strategies	\$48,035,698	\$50,862,986	\$2,827,288	5.9%	

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

Full-Time-Equivalent Positions	Expended 2021	Estimated 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	161.0	165.0	165.0	165.0	165.0
Actual/Budgeted	154.3	153.5	165.0	NA	NA

Notes:

a) Actual FTEs for FY 2022 reflect the amount reported by the State Auditor's Office.