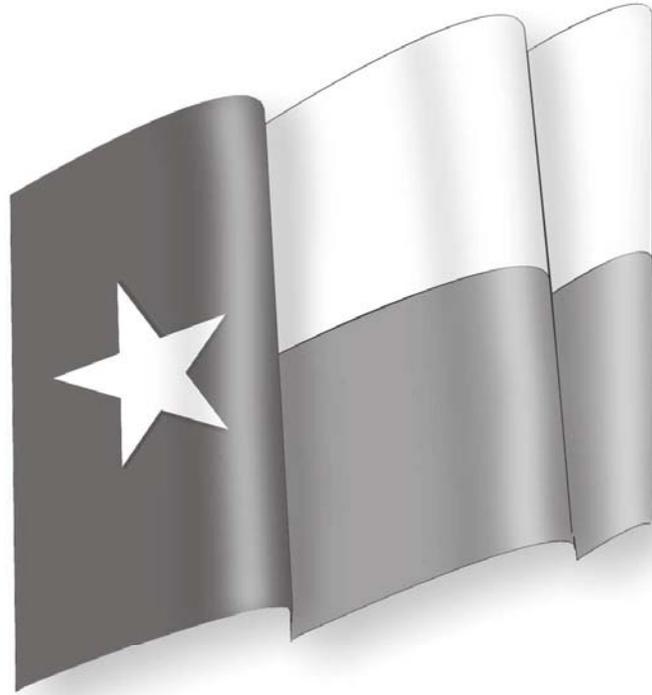


*Summary of Sunset
Commission Recommendations*



**Texas Veterinary Medical
Diagnostic Laboratory**

February 2007





Texas Veterinary Medical Diagnostic Laboratory

Agency at a Glance

The Texas Veterinary Medical Diagnostic Laboratory (TVMDL) performs diagnostic testing to identify animal diseases so that the appropriate state or federal regulatory agency may act to avert potential epidemics. The Legislature created TVMDL in 1967 to provide laboratory services that aid in the identification of diseases; perform tests required for shipments of animals; and identify potential epidemics through disease surveillance. Through its diagnostic testing, TVMDL helps provide tests for national and international shipment of animals and their products, and helps protect public health by identifying those diseases transmissible from animals to humans. In addition, the agency's mission is to facilitate the economic growth of the state by providing the necessary drug and residue tests for the pari-mutuel racing industry.

To accomplish its mission, the Texas Veterinary Medical Diagnostic Laboratory:

- ◆ provides diagnostic testing services and disease surveillance;
- ◆ conducts sampling and testing under the Texas Pullorum-Typhoid Program; and
- ◆ performs drug testing of horses and greyhounds participating in pari-mutuel races.



*For additional information,
please contact Kelly Kennedy
at (512) 463-1300.*

Key Facts

- ◆ **Funding.** In fiscal year 2006, TVMDL operated on a \$13 million budget. It received approximately \$5.4 million from the General Revenue Fund, \$8.2 million in fee revenue from sales of diagnostic services, and about \$300,000 in federal funds. TVMDL's budget for fiscal year 2007 is \$15 million.
- ◆ **Staffing.** The Texas Veterinary Medical Diagnostic Laboratory has 153 employees. A total of 108 employees work in the central laboratory, located in College Station. The remaining 45 employees work in satellite laboratories located in Amarillo, Center, and Gonzales.
- ◆ **Diagnostic Testing and Surveillance.** TVMDL diagnoses animal diseases from specimens submitted by animal owners or veterinarians, and performs surveillance of disease trends in the state. In 2006, the agency performed more than 1.1 million tests. TVMDL also performs disease surveillance by tracking diagnostic results to provide critical data to notify veterinarians and animal owners of emerging animal disease trends.
- ◆ **Texas Pullorum-Typhoid Program.** TVMDL administers the Texas Pullorum-Typhoid Program by monitoring flocks to eliminate pullorum-typhoid in Texas poultry. In the past five years, TVMDL tested approximately 8,000 flocks and 350,000 individual birds.
- ◆ **Pari-mutuel Drug Testing.** In accordance with the Texas Racing Act, TVMDL provides pari-mutuel drug testing for the Texas Racing Commission, performing tests for prohibited substances on approximately 20,000 greyhound samples and 8,000 horse samples each year.

Board Members (9)

The Texas A&M University System Board of Regents oversees the Texas Veterinary Medical Diagnostic Laboratory.

John D. White, Chair (Houston)
Bill Jones, Vice Chair (Austin)
Phil Adams (Bryan)
Ida Clement Steen (San Antonio)
Lupe Fraga (Houston)
Wendy Gramm, Ph.D. (Helotes)
Lowry Mays (San Antonio)
Erle Nye (Dallas)
Gene Stallings (Powderly)

Agency Head

Lelve G. Gayle, DVM, Associate Vice Chancellor
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Recommendations

1. Continue TVMDL for 12 years.
2. Clarify TVMDL's powers and duties in statute, and require the agency to provide notice and opportunity for public comment when developing its fee schedule.

Issue 1

Texas Has a Continuing Need for the Texas Veterinary Medical Diagnostic Laboratory.

Key Findings

- ◆ The Texas Veterinary Medical Diagnostic Laboratory performs diagnostic testing for the livestock and poultry industries, animal owners, and veterinarians.
- ◆ TVMDEs testing provides a vital link in the state and federal effort to identify animal diseases.
- ◆ The current organizational structure of TVMDL provides essential coordination of academic research and disease diagnostics.

The Texas Veterinary Medical Diagnostic Laboratory is the only laboratory in Texas that provides complete diagnostic services to animal owners, as well as the commercial livestock industry. In light of TVMDEs role in state and federal program testing and surveillance, as well as its increased role in the event of an animal disease outbreak, the State has an interest in maintaining a facility capable of rapidly diagnosing and reporting potentially harmful diseases. The State also has an interest in having a laboratory like TVMDL perform voluntary diagnostic testing on sick animals. Maintaining TVMDL at Texas A&M University will provide numerous academic and professional resources and ensure coordination between relevant animal health-related programs and departments in the event of an animal health emergency.

Recommendation

Change in Statute

1.1 Continue the Texas Veterinary Medical Diagnostic Laboratory for 12 years.

The recommendation would continue the Texas Veterinary Medical Diagnostic Laboratory as an independent agency responsible for providing diagnostic services and disease surveillance.

Issue 2

TVMDL's Current Statute Is an Inaccurate Reflection of Its Functions, Resulting in Decreased Accountability to the Legislature and the Public.

Key Findings

- ◆ TVMDEs duties have greatly expanded since its inception.
- ◆ The agency's incomplete statutory framework limits full accountability for its performance.
- ◆ TVMDEs process for adjusting fees is too unstructured to provide for needed public involvement.
- ◆ Most state agencies have comprehensive enabling statutes that define their mission and functions.

- ◆ Reflecting TVMDL's current functions in law would ensure that needed diagnostic testing and surveillance continue.

Although TVMDL's role has significantly evolved, the agency lacks statutory direction for its basic mission and most of its functions. The lack of statutory framework makes it difficult for the Legislature and other oversight authorities to evaluate the agency's functions. Also, TVMDL's funding pattern in the General Appropriations Act does not allow the Legislature to accurately assess the agency's functions and duties. Finally, because TVMDL does not have a formal process for review and approval of changes to its fee schedule, the public is unable to provide input when changes are made to fees.

Recommendations

Change in Statute

2.1 Clarify TVMDL's current powers and duties in statute.

This recommendation would establish TVMDL's current mission and functions in law to provide a clearer picture to policymakers, budget writers, and the public as to what the agency does, and help tie specific funding decisions to those functions. Specifically, TVMDL's responsibilities would include:

- ◆ providing laboratory testing to aid in the identification of diseases;
- ◆ providing tests required for intrastate, interstate, or international animal shipments;
- ◆ identifying disease epidemics;
- ◆ generally assisting livestock owners and veterinarians with problems associated with disease identification, diagnosis, and treatment;
- ◆ providing diagnostic services for companion animals and out-of-state clients only when staff, facilities, and supplies are not required for in-state livestock testing;
- ◆ reporting diseases to the Texas Animal Health Commission, Texas Department of State Health Services, and other state or federal agencies as specified in statute or rule;
- ◆ performing other diagnostic services or activities as TVMDL determines necessary to address new and emerging threats; and
- ◆ providing information to veterinarians, animal owners, and the public developed through TVMDL's diagnostic testing efforts, and other news and information the agency deems appropriate.

2.2 Require the agency to provide notice and opportunity for public comment when developing its fee schedule.

Improving the public's ability to participate in TVMDL's fee development process would provide greater accountability for the agency's decisions that affect the public. Specifically, TVMDL would provide 30 days' notice of the proposed fee on its website, as well as in its monthly newsletter. In addition, TVMDL would give all interested persons a reasonable opportunity to submit written comments. Changes to the fee schedule would occur only after appropriate notice was given, and the agency fully considered all public comment received.

Management Action

2.3 TVMDL should work with the Legislative Budget Board to develop a more clearly defined bill pattern in the General Appropriations Act.

Under this recommendation, TVMDL would request that the Legislative Budget Board work with the agency to clarify TVMDL's bill pattern in the General Appropriations Act. Further detail and explanation in TVMDL's bill pattern and additional performance measures beyond output goals would assist the Legislature in accurately assessing and funding TVMDL's duties. TVMDL's federal funding would be appropriately noted, apprising the Legislature of additional funding received to support federal testing and surveillance programs, as well as animal disease emergencies.

Fiscal Implication Summary _____

The recommendations would not have a fiscal impact to the State.

