

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 20, 2021

TO: Honorable Charles Perry, Chair, Senate Committee on Water, Agriculture & Rural Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB705 by Lucio (Relating to the continuation and functions of the Texas Animal Health Commission.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB705, As Introduced : a positive impact of \$261,022 through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	\$128,711
2023	\$132,311
2024	\$132,311
2025	\$132,311
2026	\$132,311

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	\$128,711	(2.0)
2023	\$132,311	(2.0)
2024	\$132,311	(2.0)
2025	\$132,311	(2.0)
2026	\$132,311	(2.0)

Fiscal Analysis

The bill would continue the Animal Health Commission (TAHC) for twelve years effective September 1, 2021.

Under the provisions of the bill, TAHC would be required to close its State-Federal Laboratory in Austin and the Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL) designated as the state's regulatory animal health laboratory to the extent testing is available, efficient, and cost effective. TAHC and TVMDL would be required to adopt a memorandum of understanding to establish the scope of laboratory services needed, reporting and data sharing requirements, and a fee structure. The memorandum of understanding would be reviewed annually.

The bill would require TAHC to conduct a trend analysis of its compliance data and periodically share compliance and enforcement information on a statewide and regional basis. It also allows TAHC to establish advisory committees to make recommendations on programs and policies administered by the agency.

Methodology

Based on information provided by the Sunset Commission, this analysis assumes the bill would have a positive impact to General Revenue of \$128,711 in fiscal year 2022 and \$132,311 in fiscal year 2023 and each subsequent year including a net reduction of 2.0 FTEs due to the closure of TAHC's State-Federal Laboratory in Austin and the designation of TVMDL as the state's regulatory animal health laboratory.

This analysis assumes the closure of TAHC's State-Federal Laboratory will result in a savings of \$787,679 and 7.0 FTEs each fiscal year beginning in 2022 and continuing in each subsequent year based on TAHC laboratory expenditure in fiscal year 2020.

The savings would be offset by costs totaling \$658,968 for TVMDL to perform the necessary laboratory services including 3.0 Lab Tech positions (\$123,594), 1.0 Program Supervisor position (\$63,912), equipment and supplies (\$418,307), and a one-time training expense in fiscal year 2022 (\$3,600). TAHC would also retain 1.0 Program Specialist position (\$49,555) to coordinate lab services with TVMDL.

Technology

No significant costs associated with technology is anticipated.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 356 Texas Ethics Commission, 554 Animal Health Commission, 557 Teks A&M Vet Med Diagn Lab

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