

- SUBJECT:** Continuing the Texas Veterinary Medical Diagnostic Laboratory
- COMMITTEE:** Agriculture and Livestock —favorable, without amendment
- VOTE:** 6 ayes — Miller, Anderson, B. Brown, Aycock, Garcia, Heflin
0 nays
1 absent — Gallego
- WITNESSES:** For — James C. Grimm, Texas Poultry Federation; (*Registered, but did not testify*: Chris Copeland, Texas Veterinary Medical Association; Bob Turner, Texas Poultry Federation)
Against — None
On — Lelve G. Gayle, Texas Veterinary Medical Diagnostic Laboratory; Kelly Kennedy, Sunset Advisory Commission
- BACKGROUND:** The Texas Veterinary Medical Diagnostic Laboratory (TVMDL) was created in 1967 as a service to livestock owners to detect diseases affecting commerce. The agency receives more than 160,000 cases in need of diagnostic assistance each year.

TVMDL is an independent state agency, overseen by the Texas A&M University System Board of Regents. The agency's staff consists of 153 FTEs, 108 of whom work in TVMDL's central laboratory in College Station. Another full-service laboratory is located in Amarillo, and TVMDL has poultry laboratories in Center and Gonzalez. In fiscal 2007, TVMDL's operating budget is \$15 million. Service fees constitute approximately 55 percent of its funding source.

The 78th Legislature in 2003 made TVMDL subject to Sunset review. If not continued by the 80th Legislature, the agency will be abolished September 1, 2007.
- DIGEST:** HB 2024 would continue TVMDL until September 1, 2019, and categorize it as a laboratory, rather than an agency, that is not part of the Texas A&M University System. The specific powers and duties assigned to TVMDL would include:

- providing diagnostic testing to aid in the identification of animal diseases;
- providing testing to facilitate international, intrastate, or interstate animal shipment;
- identifying and monitoring animal disease epidemics;
- assisting livestock owners and veterinarians in the identification, diagnosis, and treatment of diseases and related animal health matters;
- reporting diseases and related animal health matters, including those that could affect human health;
- disseminating information on trends in animal health derived from diagnostic testing; and
- performing other functions necessary to diagnose, monitor, and report on diseases affecting animals.

HB 2024 stipulates that TVMDL would provide diagnostic testing services for pets, domestic animals, and out-of-state clients only when diagnostic testing services for livestock in Texas were not needed. The bill also would require TVMDL to post notice of fee revisions 30 days in advance and allow opportunity for public comment.

The bill also would include standard Sunset recommendations governing conflicts of interest, use of technology, complaint resolution, and negotiated rulemaking and alternative dispute resolution.

The bill would take effect September 1, 2007.

**SUPPORTERS
SAY:**

HB 2024 appropriately would continue TVMDL, with some needed modifications. The state needs TVMDL and the important functions it performs, such as diagnostic services and disease surveillance. The agency's duties have increased since its inception more than four decades ago. A new statutory framework, as stipulated by HB 2024, clearly would define TVMDL's present-day responsibilities. The legal stipulation of TVMDL's mission and functions would ensure that the agency continued to complete its vital tasks.

TVMDL is the state's only laboratory that provides complete diagnostic services to animal owners and the commercial livestock industry. These testing services allow for the domestic and international shipment of animals and their products. TVMDL also performs important services in disease surveillance. The agency conducts tests to identify harmful

diseases that need to be reported to other agencies. This testing may serve as the basis for state and federal agencies to initiate control activities to avert potential epidemics. With rising concern about zoonotic disease outbreaks, this service is especially important.

HB 2024 would encourage public participation in TVMDL's fee development process, promoting greater accountability for the agency's decisions. The inclusion of standard Sunset recommendations also would raise accountability and improve the agency's overall performance.

TVMDL should not be required to obtain full cost recovery for tests that do not relate directly to statewide public health or economic loss. Fee imposition would discourage the voluntary submission of samples and diminish the effectiveness of TVMDL's surveillance and detection process. The potential consequences of not diagnosing contagious pathogens are so severe that the state cannot afford to discourage animal testing by imposing full fee recovery.

TVMDL should remain an independent state agency. In its physical location at Texas A&M, TVMDL benefits from the university's academic and professional resources. The relationship between the university system and TVMDL is well established and symbiotic. Both entities receive separate appropriations, with TVMDL reimbursing Texas A&M for being situated on its campus. If TVMDL officially were designated part of the university system, the university would face competition with the laboratory for higher education funding. Moreover, the university would be held liable for the laboratory's services, thereby raising legal concerns.

OPPONENTS
SAY:

TVMDL should be required to recover all costs for tests that do not relate to statewide public health or economic loss. TVMDL currently collects fees for its diagnostic services and subsidizes remaining costs with general revenue funds. Some of TVMDL's subsidized tests are completed for the benefit of individuals and do not pertain to widespread animal and public health concerns. Most veterinary diagnostic laboratories charge fees to complete tests that do not benefit the public. State funding should be used for broad public purposes, and the agency should recover the full cost of services that do not benefit the public at large.

HB 2024 should make the agency officially part of the Texas A&M University System. TVMDL has functioned as a part of the university for the past four decades. It is located on the Texas A&M campus, overseen

by the board of regents, and relies on the university for professional resources and maintenance. If this relationship is not made official, the laboratory might be absorbed in the future by another state agency.

OTHER
OPPONENTS
SAY:

The bill should place TVMDL in charge of the National Poultry Improvement Program (NPIP) at the state level. NPIP is a state-federal effort designed to ensure the freedom of poultry stock and products from disease and certify their safety for domestic and international shipment. Currently, TVMDL administers this program statewide by testing poultry for pullorum-typhoid. This process functions successfully and should be formalized. Officially placing TVMDL at the head of the state NPIP would eliminate any uncertainty about the agency responsible for testing in the event of an avian disease outbreak.

NOTES:

Rep. McReynolds plans to offer a floor amendment to make TVMDL's poultry programs administrator the state plan coordinator for the NPIP. The state plan coordinator would work with the Texas Poultry Improvement Board in the administration of the NPIP.

The identical companion bill, SB 912 by Estes, has been referred to the Senate Government Organization Committee.