Texas A&M University System Agencies Summary – Senate

There are eight agencies under the Texas A&M University (TAMU) System that share a broad statewide mission encompassing research, teaching, and public service. Unlike institutions of higher education, these agencies do not have students and do not receive tuition. Below are the four agriculture-related agencies and three engineering-related agencies, not including the Texas Division of Emergency Management (TDEM), which is also an agency within the system.

Texas A&M AgriLife Research (AgriLife Research): AgriLife Research conducts research in agricultural, environmental, and life sciences, and administers programs for honeybee regulation, feed and fertilizer control service, and Advancing Health Through Agriculture.

Texas A&M AgriLife Extension Service (AgriLife Extension): AgriLife Extension provides educational and training programs through a network of county extension agents across the state. The program areas include agriculture and natural resources, family and community health, and youth and leadership development. The agency also provides wildlife and insect management services.

Texas A&M Forest Service (TFS): TFS provides wildfire prevention, detection, and suppression service and administers the statewide Texas Wildfire Protection Plan. TFS also assists during all-hazard emergencies such as flooding and hurricanes. TFS provides technical assistance to forest landowners, performs resource assessments for the timber industry, and conducts applied research on forest insects and diseases.

Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL): TVMDL provides fee-based veterinary medical diagnostic testing services, which contributes to an animal and zoonotic disease surveillance system. TVMDL is also authorized to perform drug tests for pari-mutuel racing animals and livestock shows. The agency also oversees the state Brucellosis Regulatory Testing Laboratory.

Texas A&M Engineering Experiment Station (TEES): TEES conducts research, provides continuing education, and develops technology to assist industry and the engineering workforce. TEES performs engineering and technology research on water, defense, energy, manufacturing, and the environment across the state of Texas.

Texas A&M Engineering Extension Service (TEEX): TEEX provides workforce training programs and technical assistance for first responders to enhance public safety and security. TEEX also provides emergency response, search, and rescue operations statewide through Texas A&M Task Force 1 and Texas Task Force 2

Texas A&M Transportation Institute (TTI): TTI identifies and solves transportation problems through research and testing. TTI also develops and implements new technologies for current and future transportation needs and works closely with the Texas Department of Transportation.

Total Summary of Budget Recommendations and Explanation of Changes

	General Revenue-Related Funds			All Funds		
	2024-25 Base	2026-27 Recommended	Biennial Change ($ / %)	2024-25 Base	2026-27 Recommended	Biennial Change ($ / %)
AgriLife Research	$182.1	$172.9	($9.2) (-5.1%)	$216.5	$207.3	($9.2) (-4.2%)
AgriLife Extension	$137.5	$142.9	$5.4 (+3.9%)	$194.5	$199.8	$5.3 (+2.7%)
TFS	$159.3	$351.0	$191.6 (+120.3%)	$169.0	$361.9	$192.9 (+114.2%)
TVMDL	$24.3	$25.2	$0.9 (+3.6%)	$59.3	$61.2	$1.8 (+3.1%)
TEES	$94.2	$74.2	($19.9) (-21.2%)	$589.8	$551.1	($38.7) (-6.6%)
TEEX	$42.5	$50.2	$7.7 (+18.1%)	$257.4	$259.2	$1.8 (+0.7%)
TTI	$21.5	$24.1	$2.6 (+12.1%)	$184.1	$194.7	$10.6 (+5.7%)
TOTAL	$661.3	$840.3	$179.1 (+27.1%)	$1,670.6	$1,835.2	$164.5 (+9.8%)

Significant funding changes between the 2024-25 base and 2026-27 recommended levels include:

- AgriLife Research: Decrease of $15.0 million in General Revenue Funds for onetime funding to rebuild the Vernon Center resulting from tornado damage.

- TFS: Increase of $192.3 million in General Revenue Funds for unfunded requests for the Rural Volunteer Fire Department Assistance Program, an increase of $1.0 million in General Revenue Funds for the Columbus Volunteer Fire Department, and a decrease of $3.1 million in General Revenue-Related funds related to one-time funding items.

- TVMDL: Decrease of $2.0 million in Drug Testing Fee revenue due to the discontinuation of drug testing for pari-mutuel racing and an increase of $3.0 million in Diagnostic Lab Fee revenue due to anticipated increases in consumable supplies, salaries and wages, and associated benefits.

- TEES: Decrease of $30.0 million in General Revenue Funds for onetime funding to construct a hypersonic wind tunnel; an increase of $9.0 million in General Revenue Funds offset by a decrease of $26.0 million in Other Funds due to the transfer of funding for the Center for Microdevices and Systems; a decrease of $5.0 million in General Revenue Funds for the Rio Grande Valley Advanced Manufacturing Innovation (RAMI) Hub due to its transfer from TEES to

TEEX; and an increase of $9.8 million in Federal Funds offset by a decrease of $2.2 million in Other Funds due to changes in contracted research from federal and industry sponsors.

- **TEEX:** Increase of $5.0 million in General Revenue Funds due to the transfer of the RAMI Hub from TEES, offset by a corresponding decrease of $5.9 million in Other Funds.

- **TTI:** Increase of $1.8 million in Federal Funds and $6.2 million in Other Funds due to growth in contracted research from federal, private, state, local, and other sponsors.

Cross-Agency Issues and Recommendations

1. Infrastructure Support. Funding for Infrastructure Support Inside Brazos County is calculated using the General Academic Institutions' Infrastructure Support formula rate. The infrastructure support funds included in recommendations for inside Brazos County are at the 2026-27 Texas A&M University infrastructure rate, multiplied by the agencies' fiscal 2023 predicted square footage. Recommended General Revenue Funds for infrastructure support for 2026-27 total $41.4 million, an increase of $4.1 million from the 2024-25 biennium.

2. Salary Increases. In the 2024-25 biennium, state agencies, including the TAMU System agencies, received General Revenue appropriations to implement a five percent salary increase for employees. Recommendations include an increase of $24.0 million in General Revenue-Related Funds to biennialize the statewide salary adjustments included in the 2024-25 appropriations.

3. Keeping Texas Prepared. The Eighty-eighth Legislature, 2023, appropriated $96.7 million in All Funds and 174.8 FTEs to AgriLife Extension, TVMDL, Texas Division of Emergency Management, TFS, and Texas A&M Engineering Extension Service through Senate Bill 30 for several initiatives under the Keeping Texas Prepared (KTP) program. For the 2026-27 biennium, the five emergency response agencies, including AgriLife Extension, TVMDL and TFS, are requesting exceptional items to expand KTP initiatives totaling $78.9 million and 203.0 FTEs. These requests are not included in recommendations for 2026-27.

Agency-Specific Issues and Recommendations

1. TFS – Grant Programs for Local Fire Departments. The Seventy-seventh Legislature, 2001, established the Rural Volunteer Fire Department (VFD) Assistance Program to provide grants for fire trucks, protective gear, equipment, and training for eligible VFDs. As of November 2024, unfunded VFD grants total $192.3 million. Recommendations for the 2026-27 biennium include a one-time appropriation of $192.3 million in General Revenue to fund the backlog of VFD grant requests. TFS has also made an exceptional item request of $44.0 million in increased funding for VFD grants from GR-D Account 5064, which is not included in recommendations.

2. TVMDL – Debt service. TVMDL is not eligible for bond financing supported by the Permanent University Fund because it was created separately from the Texas A&M System and joined the TAMU System after the Texas Constitution was amended to include six of the other agencies. The Legislature has historically appropriated General Revenue to pay debt service for TVMDL's capital projects. Recommendations include $5.9 million in General Revenue for debt service for the agency's College Station and Canyon laboratories, which is a decrease of $9,750 from the 2024-25 biennium.

3. TVMDL – Drug Testing for Pari-Mutuel Racing Animals. Occupations Code, Chapter 2034.002, requires drug testing for racing animals to be conducted either by TVMDL or another certified laboratory selected by the Texas Racing Commission after consultation with TVMDL. Starting in fiscal year 2026, TVMDL intends to discontinue all drug testing for racing animals due to a decline in drug testing fee revenue, the prohibitive cost of upgrading necessary equipment and personnel, and the need for TVMDL to focus on the agency's primary mission of animal and zoonotic disease surveillance.

4. TEES – Debt Service. The Eighty-fourth Legislature, 2015, found that there was a demonstrated need for transportation infrastructure renewal. Since the 2016-2017 biennium, the Legislature has historically appropriated General Revenue to pay debt service for the Center for Infrastructure Renewal facility. Recommendations include $9.6 million in General Revenue for debt service, which is an increase of $1,631 from the 2024-25 biennium.

5. TEES – Center for Microdevices and Systems. The Eighty-eighth Legislature, 2023, appropriated $26.4 million in General Revenue in Senate Bill 30 to TAMU System for the purpose of establishing the Center for Microdevices and Systems. Funding was subawarded from TAMU System to TEES in the 2024-25 biennium (Other Funds) and was transferred to TEES' 2026-27 budget structure (General Revenue). Recommendations include $9.0 million in General Revenue for ongoing support for the Center for Microdevices and Systems.

6. TEES – Hypersonic Wind Tunnel. The Eighty-eighth Legislature, 2023, appropriated $30.0 million in General Revenue in fiscal year 2024 for a hypersonic wind tunnel and associated research capacity to advance hypersonic research. TEES expects project construction to continue until April 2026 and recommendations provide unexpended balance authority into the 2026-27 biennium.

7. TEEX – RAMI Hub. The Eighty-seventh Legislature, 2021, appropriated $5.0 million in General Revenue each fiscal year to TEES for the RAMI Hub to provide workforce development for skills in-demand by the advanced manufacturing sector. Funding for the RAMI Hub was subawarded from TEES to TEEX in the 2024-25 biennium (Other Funds) and was transferred to TEEX's 2026-27 budget structure (General Revenue). Recommendations include the requested $2.5 million in General Revenue per fiscal year for ongoing funding, but do not include the exceptional item request for $8.0 million and 10.0 FTEs to expand the scope of the RAMI Hub program.

Rider Highlights

<u>Modification of Existing Riders:</u>
- **TFS – Rider 8. Carryforward Authority for Supply Chain Delays.** Recommendations allow TFS to carry forward funds obligated for grants to fire departments for the purchase of vehicles and equipment for an extra fiscal year to mitigate the effects of supply chain delays between the 2022-23 and 2024-25 biennia.

<u>New Riders:</u>
- **TFS – Columbus Volunteer Fire Department.** Recommendations provide $1.0 million in General Revenue in fiscal year 2026 to support the Columbus Volunteer Fire Department.
- **TEES – Hypersonic Wind Tunnel Unexpended Balances.** Recommendations grant UB authority for hypersonic wind tunnel funds appropriated in 2024-25.
- **TEEX – Rio Grande Valley Advanced Manufacturing Innovation Hub.** Recommendations transfer rider currently under TEES's bill pattern to TEEX's bill pattern to reflect the agencies' 2026-27 budget structures.

<u>Deleted Riders:</u>
- **TFS – Rider 4. Texas Wildfire Protection Plan.** Rider is outdated and no longer necessary. Funding for the Texas Wildfire Protection Plan (TWPP) was split into separate strategies in the 2016-2017 biennium, and the strategies were renamed in the agency's 2026-27 budget structure to replace references to TWPP with Keeping Texas Prepared.
- **TFS – Rider 10. Frelsburg Volunteer Fire Department.** Rider was associated with one-time funding.
- **TEES – Rider 9. Hypersonic Wind Tunnel.** Rider is no longer required, as it was associated with one-time funding.
- **TTI – Rider 5. Contingency for Senate Bill 1500.** TTI was removed from the final version of Senate Bill 1500 and therefore did not conduct a study on waterborne commerce economics of navigation districts in the state. The funds appropriated in this rider were lapsed in the agency's base reconciliation.

Requests Not Included in Recommendations

<u>Riders Not Included:</u>
- **AgriLife Research – Rider 8. Capital Expenditures for Increasing Research Capability.** AgriLife Research requested to modify Rider 8 to update language to allow for the use of the funds on either minor construction updates or purchasing specialized equipment as needs may vary each biennium.
- **TFS – Rider 7. Rural Volunteer Fire Department Assistance Program (Wildfire Protection Plan).** TFS requested to delete Rider 7, as the use of the GR-D Account 5064 is defined in statute and the amounts presented in the rider can be found under the Method of Finance.

<u>Exceptional Items Not Included:</u>

Agency	Exceptional Item	GR & GR-D 26-27	All Funds 26-27	FTEs
AgriLife Research	1. Intelligent Agricultural Systems	$26,000,000	$26,000,000	60.0
AgriLife Extension	1. Keeping Texas Prepared - Extension Network	$19,700,000	$19,700,000	87.0
	2. Rural Student Access Initiative	$2,500,000	$2,500,000	10.0
TFS	1. Keeping Texas Prepared: State Firefighting Capacity	$29,950,000	$29,950,000	40.0
	2. VFD Grants	$44,000,000	$44,000,000	-
	3. Wildfire Suppression Aircraft	$369,100,000	$369,100,000	90.0
TVMDL	1. Keeping Texas Prepared: Diagnostic Workforce for Disease Surveillance	$3,272,000	$3,272,000	3.0
TEES	1. Texas IGNITE: Innovative Growth in Next-gen AI Technology Ecosystems	$130,000,000	$130,000,000	10.0
TEEX	1. Advanced Workforce Training	$8,000,000	$8,000,000	10.0
	2. Keeping Texas Prepared: Statewide Preparedness and Cyber Readiness	$9,000,000	$9,000,000	14.0
	3. Disaster City® Training Props	$17,000,000	$17,000,000	-
TTI	1. Bolstering Research Capabilities to Solve Real-World Transportation Challenges	$16,000,000	$16,000,000	29.0
TOTAL		**$674,522,000**	**$674,522,000**	**353.0**