



OSU Veterinary Medicine Authority

FY 2026 Budget Hearing Presentation

Submitted by: [Dr. Jim Hess, CEO]

Dr. Jim Hess

CEO



The mission of the Oklahoma State University Veterinary Medicine Authority is to support teaching and training facilities for students enrolled at the Oklahoma State University College of Veterinary Medicine and to provide clinical support services for large animal and food animal producers and referring veterinarians across the state.

Founded in **2023**, this agency has a single purpose and serves as a funding support mechanism as directed by its enabling legislation and pursuant to funding provided by the Oklahoma Legislature.

Agency Vision, Mission and Core Values

Vision: To make the OSU College of Veterinary Medicine the premier land grant veterinary training facility in the United States

Mission: To support teaching and training facilities for students enrolled at the Oklahoma State University College of Veterinary Medicine and to provide clinical support services for large animal and food animal producers and referring veterinarians across the state

Core Values: To act in accordance with the ethical guidelines of an agency of the State of Oklahoma and to vigilantly pursue the improvement of the College of Veterinary Medicine at Oklahoma State University



Accomplishments

Top accomplishments for FY 2024 – FY 2025

- Provided Operation support for the Animal Teaching Hospital
- Provided Funding for the hiring of 10 veterinary clinicians for the Animal Teaching Hospital
- Initiated recapitalization of the Oklahoma Animal Disease Diagnostics Laboratory (OADDL)
- Began the process of establishing toxicology services at OADDL
- Provided \$600,000 in scholarships to students committed to serving in rural Oklahoma



Analysis of Agency Challenges

	Challenge	Current Actions (Briefly describe how the agency is currently addressing the challenge.)	Planned Actions (Briefly describe how the agency plans to address the challenge going forward.)
1	Providing Competitive Salary Support for Veterinarian faculty	In accordance with a three-year funding plan, the Authority is currently providing annual support to the College of Veterinary Medicine to subsidize the clinical and operational costs of the Animal Teaching Hospital, including the recruiting and hiring of specialty veterinarians.	Two years of the three-year plan have been funded. Legislative support will be requested to fund the third phase of the plan
2	Providing adequate and competitive training and clinical facilities. The current facilities are over 40 years old and in desperate need of improvement for the College to remain competitive.	The Authority has received some funding for infrastructure improvements at the current Animal Teaching Hospital. However, given the age of the facilities, it has been determined that the construction of a new Animal Teaching Hospital is in the best interests of the College of VetMed and the State.	Legislative funding will be requested to construct a new veterinary teaching hospital
3	Placement of large animal and food animal veterinarians in rural communities	The Authority received \$600,000 for scholarships to students who commit to serving in rural communities	Legislative funding will be requested to continue this valuable program

Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement*	FY 2024 (Actual \$ Savings)	FY 2025 (Projected \$ Savings)	FY 2026 (Projected \$ Savings)
<i>Services Agreement</i>	<i>Agreement with OSU to provide administrative and fiscal services at no cost to the Authority</i>	<i>Annual \$</i>	<i>\$750,000</i>	<i>\$750,000</i>	<i>\$750,00</i>

* Hours, FTE, square feet, etc.



Agency Goals and Key Performance Metrics

Goal		Metric	FY 24 Target	FY 24 Actuals	FY 25 Target	FY 29 Target
1	Increase the number of teaching hospital clinical faculty	Faculty Hired	10 new Clinical Faculty	Food Animal Medicine- 3 Large Animal ER- 2 Theriogenology- 2 Anesthesiology- 1 Small Animal Internal Medicine- 1 Small Animal Criticalist- 1 Dermatologist- 1	Anesthesia-1 Food Animal Medicine-1 Small Animal ER-2 Equine Medicine-1 Radiology-1 Pharmacist-1 Shelter Medicine-1 Small Animal Clinical Skills-1	
2	Award \$600,000 in Rural Veterinary Scholarships	Funds Awarded	NA	NA	\$600,000 awarded to third and fourth students	
3	Expand toxicology services at the Oklahoma Animal Disease Diagnostic Laboratory (OADDL)				Purchase of equipment and completion of methods and validation processes	



Projects for FY 2025

1) Hiring additional animal teaching hospital clinicians to include the following:

- Anesthesia-1
- Food Animal Medicine-1
- Small Animal ER-2
- Equine Medicine-1
- Radiology-1
- Pharmacist-1
Shelter Medicine-1
- Small Animal Clinical Skills-1

2) Awarding \$600,000 in rural veterinary scholarships to third and fourth year students

3) Initiate toxicology services at OADDL



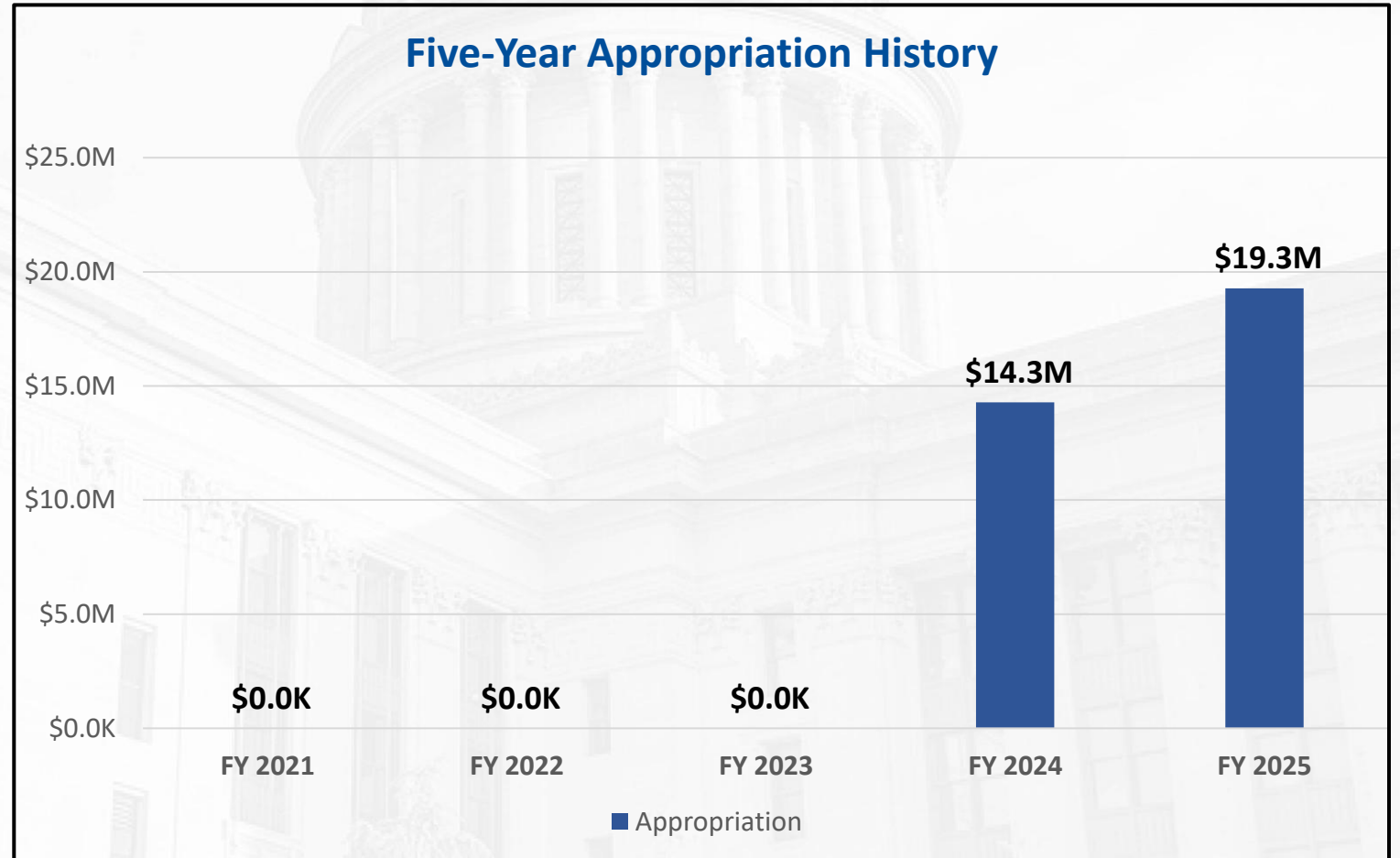
FY 2025 Budgeted Full Time Equivalents (FTE)



	FY 2025 Budgeted FTE
Total FTE	0
Supervisor FTE	0
Supervisors to Total FTE Ratio (%)	0
Current Budgeted but Unfilled FTE	0

Appropriation History

Fiscal Year	Legislated Appropriation (\$) <i>(Includes supplementals and SRF/ARPA.)</i>
FY 2021	0
FY 2022	0
FY 2023	0
FY 2024	\$14,277,000
FY 2025	\$19,272,000



**Includes \$3,950,000 in debt service to the Legacy Fund.*



Financial Resource Analysis

Carryover	FY 2021	FY 2022	FY 2023	FY 2024
Total appropriated carryover amount expended (\$)	\$0	\$0	\$0	\$3,950,000

Historical Cash Balances	FY 2021	FY 2022	FY 2023	FY 2024
Year End Revolving Fund Cash Balances <i>(All Revolving Funds)</i>	\$0	\$0	\$0	\$0

Revolving Class Fund # <i>(Unrestricted only)</i>	Revolving Class Fund Name <i>(Unrestricted only)</i>	Current cash balance (\$)	Projected FY 2025 year-end cash balance (\$)
NA	No Revolving Funds	\$0	\$0
	Total Unrestricted Revolving Fund Cash balance:	\$0	\$0



Unrestricted funds are those that are not limited by state or federal law, rule, regulation, other legally binding method, or donor restriction.

FY 2023 – 2024 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount FY 2023</i>	<i>Amount FY 2024</i>	<i>Total amount received FY 2023 - 24</i>	<i>Total amount expended by 11/1/2024</i>	<i>Included in FY 2025 approp? (Yes/No)</i>	<i>If not expended fully, please explain.</i>
First Year of Agency Operations	\$0	\$14,277,000	\$14,277,000	\$10,327,000	NO	\$3,950,000 held for debt service payments to the Legacy Fund – otherwise fully expended
Totals	\$0	\$14,277,000	\$14,277,000	\$10,327,000		



**Do not include SRF / ARPA appropriation increases.*

FY 2025 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Does this need to be included in your FY 2026 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
Funding of the second year of the three-year plan	\$4,995,000	Yes	Yes	
Total adjustment	\$4,995,000			



**Do not include SRF / ARPA appropriation increases.*

Budget & Supplemental Incremental Request Summary

Request Name		FY 2026 Incremental Appropriation Request Amount (\$) <i>{or FY 2025 for Supplementals}</i>	Type of Request: Recurring, One-time, or Supplemental
1	Completion of three-year funding plan	\$2,133,532	Recurring
2	Increasing In-state Student Admissions- decrease reliance on out-of-state revenue	\$5,184.000	Recurring
3	Increasing the number of rural veterinarians through the Lee Denney Scholarship program	\$ 600,000	Recurring
4	Mobile Food Animal Veterinary Medicine program	\$3,436,400	Recurring
5	Veterinary Teaching Hospital and Ranch Recapitalization - \$295 million from the Legacy Fund – Request is for debt service repayment	\$14,750,000	Recurring



Incremental Budget Request – FY 2026

Completion of the Three-Year Funding Plan

In order to achieve/maintain full accreditation status, the College of Veterinary Medicine, needed additional faculty and clinicians. In cooperation with the legislature, a three-year phased funding plan was developed. Years one and two of the three-year plan have been funded. The requested funding for the final year of the three-year plan will enable the College to hire the remaining faculty and technicians to stabilize the teaching mission of the animal teaching hospital while also providing specialty clinical services to referring veterinarians across the state.

Recurring Funding Request: \$2,133,532



Incremental Budget Request – FY 2026

Increasing In-State Student Admissions

A number of years ago, due to consecutive and significant downturns in the state's overall revenue, the College of Veterinary Medicine was forced to admit a larger percentage of out-of-state students to meet its budgetary obligations. While this action was necessary, it consequently lowered the number of in-state students that could be admitted, due to class size limitations. The College of Veterinary Medicine has an approved class size of 106 students set by the accrediting body. Currently, of the 106 admitted students, 58 are in-state students and 48 are out-of-state students. In order to meet the desired goal of producing more rural veterinarians, the in-state/out-of-state student ratio must be altered. This modification will require an infusion of \$5,184,000 of recurring annual appropriations.

Recurring Funding Request: \$5,184,000



Incremental Budget Request – FY 2026

Placing and Retaining Rural Veterinarians

Pursuant to the Dr. Lee Denney Act of 2024, scholarship and loan forgiveness programs were established to provide incentives for veterinary students to locate their veterinary practice in rural Oklahoma communities. In fiscal year 2024-2025, \$600,000 was appropriated by the legislature to initiate the scholarship and loan forgiveness program. All of the funds have been awarded and not all applicants were able to be funded due to the cap of the funding received. The current appropriation level of \$600,000 will fund six students per cycle. Given the ongoing shortage of large animal veterinary practitioners, coupled with the popularity of the program in its first year of operation, it is desirable to continue to fund the scholarship and loan forgiveness program at least at its current level of \$600,000 per year. Increased funding levels would of course result in greater progress on the rural veterinary shortage challenge.

Funding Request: \$600,000



Incremental Budget Request – FY 2026

Mobile Food Animal Veterinary Medicine

It is well established that a shortage of food animal veterinarians exists in a large number of rural Oklahoma communities. A program is proposed to establish a team of eight regional mobile food and large animal veterinarians to meet the needs of food animal producers and breeders. These large animal veterinarians would be placed in designated shortage areas and equipped with a mobile veterinary truck equipped with necessary supplies to provide on-site services.

Funding Request: \$3,436,400



Incremental Budget Request – FY 2026

Veterinary Teaching Hospital Facilities

The College of Veterinary Medicine has been functioning in out-of-date facilities for the past four decades. The OSU Veterinary Medicine Authority was created in 2023 to receive appropriations to begin to address the critical capital needs of the College. To date \$79 million has been appropriated to begin the recapitalization; however, after architectural and mechanical consultation it has become apparent that the current facility is grossly inadequate. Based upon all of the relevant factors facing the College of Veterinary Medicine, including accreditation deficiencies, it has been determined that the construction of new facilities is in the best interests of the University and the State. A capital infusion of \$295 million from the Legacy Fund is requested to construct new teaching hospital and ranch facilities. The proposed complex will include a large animal hospital, a small animal clinic and surgery center and an expanded ranch facility. The recurring request is for \$14.75 million to repay the Legacy Fund

One-Time Capital Allocation from the Legacy Fund: \$295 million
Debt Service Request - \$14.75 million to repay Legacy Fund

