



To: Emory University Faculty Using Experimental Animals (+ Dr. David Wynes)

Re: Animal Charge Rates, FY2013-14

Date: September 4, 2013

Attached are the rates for animal *per diem* and special service charges for fiscal year 2013-2014 that took effect September 1, 2013.¹ The DAR completed the annual comprehensive fiscal analysis of *per diem* and service charges for the past year and presented the data to the faculty Animal Resources Advisory Committee (ARAC) for review and recommendations on August 19, 2013. This analysis was the basis for the adjustment of the rates approved on September 3, 2013 by Dr. Dingleline. Service and *per diem* rates are calculated to cover only projected normal operating costs and with the preceding fiscal year data used as the basis for the annual adjustments.

In response to observations of decreasing animal-related activities essentially across-the-board, DAR slashed operating costs by 9% including reducing animal care costs 5%, veterinary costs by 14%, service costs by 21% and internal support costs by 9%. The total FTEs on the payroll decreased 6%. Budget cuts of 5% in F&A allocation in both FY12-13 and FY13-14 countermanded these interventions to some degree resulting in an overall 5% savings in total DAR costs. Unfortunately, cost-cutting did not keep pace with plummeting animal research activities, where billable care-days declined 6% and service income dropped 7%. For the second consecutive year, and only two years in DAR history, this culminated in a finish in the red with DAR having to draw upon dwindling reserves to balance finances.

The DAR projected a base cost increase of 2.70% for the coming year (including labor). The summary of rate changes for FY13-14 shows that *per diems* for large census activities, such as mice and rats, increased 1-3% depending upon cost center and that the rates associated with small activities continued a pattern of volatility with those *per diems*, almost without exception, either increasing or decreasing at a capped 15% binary fashion. An exception to limiting annual increases to 15% was a new policy for newly-instituted rates (e.g., for a new species on the census) where adjustments are based upon true costs for the first three years after implementation. Service costs increased 4-12% depending upon the activity. Putting upward pressure on the operating costs were mouse fur mite containment intervention costs (up 58%) and biowaste charges (up 44%). The economic repercussions of a national rotavirus (EDIM) outbreak in mice, including here, remain to be determined.

It continues to bear disclosing that the rates do not include provisions to collect funds into a pool to pay indemnities in the case of DAR error, disease outbreak, natural disaster, technological malfunction, unforeseen/unpayable expenses, or other events or conditions that may confound or ruin experiments or result in the loss of animal life.

Please contact me with any questions, comments or suggestions about these matters

Footnotes

¹A comprehensive listing of rates can also be found at: http://www.dar.emory.edu/BUSINESS/fees/fee_schedule.pdf.

