

Dear Animal Facility User,

The Faculty Advisory Committee for Animal Care Services (Cris Niell, Terry Takahashi, and previously Jeff Gilbert), the Office of Research and Innovation (primarily through Patrick Phillips and Stacy Williams-Wright) and ACS Director Monte Matthews have been working together over the last six months to examine the existing rate structure within the animal facility. We have made essentially no changes to our rate structure for more than 15 years, despite rising costs of labor, supplies, facilities, etc. Additionally, the Office of Research and Innovation has been trying to bring all core facilities in line with a standard of financial stability and sustainability following a set of funding principles applied uniformly across all units. Indeed, discussions within the ACS FAC greatly helped to shape the structure of our new core facility policies during this time period.

In December, when we examined our current trajectory and financial projections for next year, it was looking as though it would take a 50% increase in rates to reach a breakeven point within the facility. This is the equivalent to an annual rate of increase of 2.7% over the last 15 years, but all in one go. A rate increase of this magnitude could not possibly be immediately absorbed by users. Hence we began to examine other funding scenarios and to make sure that expenses are properly allocated within the service center. For example, we made the decision that all administrative and compliance functions, including the full cost of the ACS Director and all administrative support staff would be born centrally within the research office and not be recovered via service center fees. Recent faculty hires also provide the opportunity for growth in facility use to help cover some of our shortfall, and we have built that potential growth model into our projections for next year.

These changes led us to a requirement for a 25% increase for most rate categories within the facility. We recognize that this still might be a difficult transition for some users, so we instead will be implementing a slower ramp-in period in which rates will be increased by 15% for the first six months of the coming year (starting August 1 of this year), followed by the transition to the full 25% increase (relative to the current rates) starting January 1. We would then anticipate a another increase for following year on the order of 3-5% to keep pace with increasing costs for goods (e.g. feed, bedding, hydropac pouches, protective clothing, cleaning supplies) and services (e.g. labor, equipment maintenance).

If usage within the facility continues to rise significantly over the coming years, then further rate increases can be kept to a minimum. Under the new evaluation and oversight role of the FAC, faculty are now involved in the regular evaluation of our rate structure in relation to the financial status of the core facility. Through the good work of the FAC, we seek to include all users of the facility in decision-making central to the sustained operation of this critical research resource. Our goal in the future is to be able to provide you with more timely and predicable changes in rates in the coming years.

Sincerely,

Patrick Phillips, Associate Vice President for Research
Monte Matthews, Director, Animal Care Services
Cris Niell, Chair, ACS Faculty Advisory Committee