

Species	Current	Current Per Cage	Proposed
Farm Animals ≤7 days	19.911		19.911
Farm Animals >7days	12.088		12.088
Fish	350/month		350/month
Guinea Pig/Hamster	1.497/animal		1.497/animal
Mouse - Standard			
1/cage	0.349	0.349	0.349
2/cage	0.309	0.618	0.618
3/cage	0.289	0.867	0.8705
4/cage	0.217	0.868	
5/cage	0.176	0.880	
Mouse - Paper/Double Bedding			
1/cage	0.372	0.372	0.372
2/cage	0.332	0.664	0.664
3/cage	0.312	0.936	0.964
4/cage	0.240	0.960	
5/cage	0.199	0.995	
Mouse - Special Handling			
1/cage	0.529/mouse	0.529	0.529
2/cage		1.058	0.794
3/cage		1.587	1.058
4/cage		2.116	
5/cage		2.645	
Rabbit	2.566		2.566
Rat - Standard	0.444/rat		0.444/rat
Rat - Double Bedding	0.484/rat		0.484/rat
Rat - Special Handling	0.777/rat		0.777/rat
Shipping - National	0		25.00 + supplies
Shipping - International	0		50.00 + supplies
Technician	36.05		36.05
Sr. Technician	46.35		46.35

Re: Update on Per Diem Review

Date: January 2, 2013

At the end of December, DLAR learned that, effective January 1, 2013, the cost of rodent chow will increase an average of 8.2% and the cost of corn cob bedding will increase 3.7%. This increase is a result of the drought last year. In addition, the cost of cage wash supplies will go up 3%. These items represent a significant portion of our operating budget.

At the end of December, DLAR lost 2 employees – one retired and one resigned. Due to the hiring freeze, DLAR cannot replace either position at this time but will allow overtime as necessary. There is on-going conversation with the Administration about the adverse impact that this staff reduction will have on the quality of the husbandry.

All of the above are adding uncertainty to the management and budgeting of DLAR operations. While DLAR is always looking for ways to increase efficiencies and reduce cost, these two new challenges make it even more critical that this process continue. The trends over the past 5 years of a steady decline in the institutional subsidy for DLAR add additional pressure to balancing expenses and income for this department. The following steps will be taken:

Per diem rates will remain the same for the rest of this fiscal year with the following changes

1. The per diem rate for Special Handling of mice will be decreased from 0.529/mouse to a per cage charge: 0.529/1 mouse per cage, 0.794/2 mice per cage and 1.06/3-5 mice per cage. This decreases the cost of a cage of 2 mice by 0.264 and a cage of 3-5 mice by as much as 1.06.
2. Charges for mice will be presented as a per cage charge rather than a per mouse charge. Mice housed 1/cage will be 0.349/cage, mice housed 2 per cage will be 0.618/cage and mice housed 3-5 per cage will be 0.8705/cage. NOTE: this does not change the current rate, just the presentation. The cost for 5 mice/cage is actually being decreased from 0.88.

These changes will allow more efficiency for the DLAR staff when counting the animals and will decrease costs for mice that require Special Handling or are housed at cage capacity. The cost for those investigators with breeding colonies will not be affected at all.

Over the next 6 months, DLAR will be able to assess the impact that the increased food and bedding costs and reduced staffing will have. DLAR will be looking at several engineering tools that can replace labor hours. While per diem rates have been held flat for the past 2 years, the goal is to keep them virtually flat for another year in spite of the material increases.

Since we have little control over the expansions and contractions of individual PIs, the next year will be closely monitored to detect any new trends. We do know that some groups are planning to reduce their animal populations in response to reductions in grant trends. This could affect the base over which certain core expenses of the animal facility must be shared.

In summary, we are proceeding with simplifying the per diem rate system at UT in order to reduce labor costs. The net result for users will be nearly expense neutral or expense reductions