TO: University of Arizona Animal Research Community

FROM: David G. Besselsen, DVM, PhD
    Director, University Animal Care
    Attending Veterinarian, University of Arizona

DATE: January 14, 2019

RE: UAC Rate Adjustments Effective April 1, 2019

UAC strives to maintain high quality animal care and customer service while keeping rates low and reflective of the actual costs incurred for each service provided. Rate analyses for husbandry care, animal procurement, surgery, and pathology were performed in 2018, in accord with the NIH Cost Accounting and Rate Setting Guidelines for Animal Care Programs and UA Financial Services Office requirements. The last increase for most UAC service rates were implemented 3 years ago on April 1, 2016.

As anticipated, personnel, equipment, supply, and service contract costs have all risen significantly over the past 3 years. UAC is also increasingly challenged by high staff turnover due to low unemployment and the recent state law to incrementally increase the minimum wage, which together have elevated costs associated with hiring and training new personnel.

After analysis of the 2018 rate study, Research, Development, and Innovation and the Financial Services Office have given approval for UAC to increase most internal user rates by 10%, to go into effect April 1, 2019, as outlined in the internal user rate schedule. A few rates that approximate their calculated costs will remain unchanged or will be increased at a different percentage.

External user rates are calculated to recover full costs, so include a 53.5% F&A mark-up on the new internal user rates. See https://uac.arizona.edu/sites/uac/files/uac_external_rate_guidelines.pdf for when external rates are applied. A separate external user rate schedule is provided.

If you would like information on how the rates are calculated please contact Noah Curtis, Manager of Business Analytics for RDI Core Facilities, at nbcurtis@email.arizona.edu. If you would like an estimate for the impact these rate changes will have on your specific budget, please contact Becky Schwartz, UAC Business Manager, at bschwartz@email.arizona.edu.

As in the past, UAC recommends that a 3% annual increase be built into grant budgets for future years whenever possible.

Thank you for your understanding.