

# FASEB Pushes For Change In Animal Facilities Cost Classification

In early September, Joseph R. Haywood, PhD (APS), Chairman of the Cost of Animal Care Subcommittee of FASEB's Public Affairs Advisory Committee, met with a number of policy-makers regarding the allocation of the costs of centralized Animal Research Facilities (ARFs). These meetings were part of his committee's effort to advance FASEB's long-standing position that animal research facility costs should be treated in the same way as other research costs. That policy would mean that the costs associated with ARF space would be recovered as indirect costs (as are the costs associated with laboratory space and clinical research space).

In contrast, in recent years the Office of Management and Budget (OMB) has viewed animal research facilities as specialized facilities under its Circular A-21, an interpretation that would require that all costs associated with the animal facilities be treated as direct costs to grants and that all of these costs be reflected in animal per diem charges.

In these meetings, Haywood sought to lay the groundwork for a later meeting National Institutes of Health Director Harold Varmus, MD, convened on this topic. Representatives from NIH's National Center for Research Resources (NCRR), and its Office of Policy for Extramural Research Administration, as well as individuals from Department of Health and Human Services' Science Policy Office and Division of Cost Accounting participated in that meeting. Haywood met with a number of these same individuals.

In his meetings, Haywood emphasized that the accounting treatment apparently favored by OMB is bad for science and that it is inconsistent with the principles of OMB Circular A-21. FASEB made similar arguments in its June 30 letter to Varmus (see [www.faseb.org/opa/VarmusA-21Let.htm](http://www.faseb.org/opa/VarmusA-21Let.htm); or the August FASEB Newsletter). Similar points are also developed in a coalition letter signed by FASEB and a number of other health research advocacy organizations. That letter is being sent to Varmus and to William Raub, PhD, of HHS' Science Policy Office. It is hoped that Haywood's meetings and the subsequent NIH/HHS meeting will help HHS develop a clear position on this issue, which could then feed into the larger discussion of the issue going on among various agencies. The spark for the current initiative comes from a recent report from the National Research Council's Committee on Cost of and Payment for Animal Research (*Approaches to Cost Recovery for Animal Research: Implications for Science, Animals, Research Competitiveness, and Regulatory Compliance*, see [www2.nas.edu/ilarhome/interim.html](http://www2.nas.edu/ilarhome/interim.html)). That committee, which includes Janet Greger, PhD (ASNS), of the University of Wisconsin, is now embarked on analyzing the cost components of ARFs at selected institutions in order to recommend methods for containing these costs.

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