

FASEB Committee Objects to Animal Facility Costs Proposal

As part of an ongoing effort to ensure equitable treatment of animal research costs, FASEB has been working to revise the federal Office of Management and Budget's (OMB) interpretation of Circular A-21. In recent years, OMB has sought to keep indirect cost rates down by forcing institutions to charge all animal research costs directly to investigators through per diem rates.

OMB's rationale was that animal facilities should be treated as "specialized research facilities," a category that also includes wind tunnels and nuclear reactors. Although it is not yet uniformly in force, research institutions that have been forced to adopt direct charging of animal costs have seen their per diem rates skyrocket. Research suffers as investigators' ability to use and share research animals, including transgenics, is compromised.

FASEB has long taken the position that animal research costs should be treated in the same way as costs for comparable kinds of research. Specifically, the FASEB position states that purchase, daily husbandry, and research procedures should be direct costs, while costs related to complying with federal regulations and operating the animal research facility should be treated as overhead. The latter should be allocated to the institution's Facilities and Administrative (F&A) cost category (formerly known as "indirect costs"). FASEB asserts that animal research facilities are comparable not to nuclear reactors but to other biomedical science laboratories, and costs should be split between direct and indirect costs in a similar fashion.

A subcommittee of FASEB's Public Affairs Advisory Committee, chaired by APS member J.R. Haywood, was asked to evaluate a compromise proposal developed by an ad hoc NIH task force, assembled by NIH's National Center for Research Resources. It proposed a new methodology that would have placed the animal research facility's physical plant costs into the Facilities portion of the F&A pool. FASEB supported the effort to seek reform, but argued that the proposal should go further to include regulatory compliance and the administrative costs of animal facilities as overhead. However, OMB rejected the task force's approach, so task force chairman Charles McPherson, DVM, suggested an alternative strategy to permit only those animal facility costs that were specifically related to research to be included in the institution's Facilities rate.

The PAAC subcommittee concluded that the latest proposal would not resolve the issue. In an April 8 letter, FASEB President Ralph G. Yount, PhD, thanked McPherson for his efforts, but reiterated the findings of the PAAC, noting that the specifics of the proposal would create confusion and a lack of consistency among institutions. Yount stated that the compromise would "treat animal research facilities differently than other research facilities."

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