To: Members of the Board of Trustees

Via: William E. Sullivan, Treasurer and Chief Financial Officer

Fr: James S. Almond, Senior Vice President for Business Services and Assistant Treasurer

Date: July 9, 2014

Re: 2015-17 Budget for the Animal Disease and Diagnostic Lab (ADDL)

One of several services to the agricultural industry that Purdue performs for the State of Indiana is operation and management of the ADDL. We do this under the aegis of the State Board of Animal Health.

Attached is a narrative with details of the ADDL 2015-2017 budget request for operating appropriations. The request was developed based on instructions from the Indiana Commission for Higher Education (ICHE) and will be reviewed for approval by the State Board of Animal Health on July 10. We will ask you to approve the request at your meeting on July 18 and then submit the official request to the State Budget Agency and ICHE on behalf of the State Board of Animal Health for consideration by the 2015 General Assembly.

We will be happy to answer any questions you may have at the Board Meeting.

Attachment

c: President Mitch Daniels  
Provost Debasish Dutta  
Director Steve Hooser  
Corporate Secretary Janice Indrutz
Indiana Animal Disease Diagnostic Laboratory at Purdue University
Budget Request 2015-2017

The Mission of the Indiana Animal Disease Diagnostic Laboratory (ADDL) at Purdue University is to aid in the prevention, control, and eradication of animal diseases for the State of Indiana, to provide prompt and accurate diagnostic services, and to add to the wealth of the State by working with local, state, federal, and international partners to meet current and future needs.

Existing Program
The Indiana ADDL at Purdue University is the only veterinary diagnostic laboratory in the state and consists of the main laboratory at West Lafayette (ADDL-WL) and the southern branch of the ADDL at the Southern Indiana Purdue Agricultural Center in Dubois County (Heeke ADDL/SIPAC). The present ADDL was established in 1945 to serve the people of Indiana by working with veterinarians, owners of livestock and companion animals, and state officials through diagnosing diseases of livestock, poultry, companion animals, and wildlife. The branch laboratory at Heeke ADDL/SIPAC opened in 1969 as a diagnostic laboratory primarily to serve the poultry industry in southern Indiana.

State support of the ADDL is critical as it enables us to offer diagnostic testing in support of the Indiana Board of Animal Health; testing required for Indiana livestock, poultry and companion animal owners to move their animals around the U.S. and to foreign countries; testing in support of Indiana and USDA surveillance programs; and critical tests needed by veterinarians and animal owners that are not offered by private laboratories. State support allows the ADDL to remain a full-service diagnostic testing laboratory and helps keep fees for services at an affordable and cost-effective level for Indiana livestock owners, enabling them to effectively compete in the world market.

State support also allows the ADDL to perform disease surveillance for the Indiana Board of Animal Health, the Department of Natural Resources, and the USDA. This service is critical for the early diagnosis and treatment of diseases such as bacterial and viral infections, e.g., Influenza Virus, Monkey Pox and West Nile Virus that affect people and animals; diseases of companion animals such as canine parvovirus and equine infectious anemia; and prevention of potentially economically devastating foreign animal diseases such as foot and mouth disease, classical swine fever, and avian influenza.

The ADDL must have adequate staffing, equipment and facilities to provide high quality diagnostic services, disseminate knowledge to veterinary professionals, and develop new, more accurate and more sensitive diagnostic tests and testing methodologies for the State of Indiana. To meet this goal and maintain quality services, the ADDL must be able to hire and retain highly trained, motivated personnel and provide them with the equipment and facilities that are needed to serve Indiana’s food animal industries and companion animal owners.

Budget Narrative
The ADDL plays a vital role in maintaining the health of dogs, cats, horses, other companion animals, livestock, and wildlife in Indiana. It also plays an important role in strengthening the state economy by helping the Indiana livestock industry compete in U.S. and world markets.
Equipment that was purchased with funds appropriated to the ADDL by the State during the 2013 legislative session has provided Indiana with state-of-the-art instruments that are being used to shorten the time required for identification of bacteria in infectious diseases; to rapidly and precisely identify toxins responsible for poisoning in animals; to rapidly and efficiently determine mineral content of animal tissues; to test for and provide surveillance for Chronic Wasting Disease in deer and Scrapie in sheep; and to develop powerful tests that can identify known and even previously unknown infectious diseases through DNA sequencing.

During the past decade, escalating personnel costs have outpaced inflation as the increased sophistication of testing procedures requires hiring staff with more training and higher skill sets at higher salary levels. Salaries of ADDL technical staff are substantially below those in the private sector, leading some staff to leave for higher paying jobs elsewhere. In addition, over the past 15 years, the cost of simply providing inflationary increases in staff compensation have increased faster than state appropriations. Since 1999, the ADDL workforce has been reduced by 8 technical positions, 1 diagnostician, and 3 faculty positions (1 pathologist, 1 molecular diagnostician, and 1 toxicologist) through attrition, retirements, and reductions-in-force.

Although we remain confident of the accuracy of the results of testing performed at the ADDL, this reduction in staff has had a number of adverse effects: 1) The timeliness of results has been slowed; 2) It is extremely difficult to cross-train staff in critical areas; 3) Faculty and staff are not available to develop and validate new tests; and 4) There is minimal surge capacity to meet temporary increases in testing or to respond in times of emergency, which has affected the quality of services that the lab’s clients expect and deserve. A few critical positions are currently being filled by temporary staff because funds are not available to hire permanent technical staff.

As a consequence of several years of reduced staffing levels, the ADDL cannot always meet the needs and expectations of veterinarians, animal owners and livestock producers for their animal disease testing requirements. For instance, during the past year, there have been pressing needs to develop PCR tests for Turkey Coronavirus and Porcine Epidemic Diarrhea Virus (PEDv), and other diseases. The ADDL did not have trained staff members to quickly develop and validate the new tests for use in a timely fashion. With a properly trained, stable staff, this would only have taken several weeks to accomplish rather than the many months that it has taken.

The staffing situation at the ADDL is below what is needed to meet the needs of the State and to provide clients with the quality of service that is required. Therefore, we are requesting recurring funds for positions that will replace some of those lost over the past decade. Specifically, the ADDL requests:

1. **Head, Molecular Diagnostics Section.** The Molecular Diagnostics section of the ADDL performs rapid PCR-based DNA testing for viral and bacterial diseases. This faculty position is needed because specialized expertise and knowledge are required to recognize where new tests are needed, and to develop, validate and offer those PCR-based tests. Importantly, the addition of this faculty position will distribute supervisory responsibilities across more faculty which will free up other faculty to also devote more time to new test development. Faculty members in positions such as this can become drivers of new technology and information and contribute to
increasing client services and satisfaction. This position was collapsed in June 2011 when the former section head became the Head of the Department of Comparative Pathobiology. Since then, one of the other ADDL section heads has been serving as the interim head of the Molecular Diagnostics Section, supervising two other laboratory sections and leading new test development in those sections, in addition to the Molecular Diagnostics section. A new faculty member who can supervise the Molecular section is urgently needed.

2. **Veterinary Diagnostician, DVM** – Diagnostic Client Services. To improve customer services, a dedicated veterinary diagnostician is needed to help veterinarians and animal owners choose the appropriate tests to help with their disease problems and communicate with them regarding test results and their interpretation. This type of position has been very well received at veterinary diagnostic laboratories in other states and improves client service and satisfaction. This position is key to providing the quality of customer service expected by today’s clients.

3. **Diagnostic Assistant, B.S./RVT Heeke Laboratory at SIPAC**. Following the retirement of the avian diagnostician at the Heeke Laboratory in 2011, the position was collapsed and not refilled due to budgetary constraints. The remaining veterinary pathologist was required to perform necropsy examinations on all animals presented to the laboratory. The caseload at the Heeke Laboratory includes significant numbers of adult livestock. An assistant is needed to physically manage the necropsy examinations of these animals by the veterinary pathologist.

4. **2 Level VII technicians** for Molecular Diagnostics and DNA Sequencing. Technicians perform and support diagnostic disease testing in the ADDL. Due to budget constraints, the number of technicians has steadily decreased over the past 15 years. Currently, the ADDL is filling critical open positions with temporary service technicians. The people filling these positions are often seeking permanent employment elsewhere, which leads to a transitory group of technicians who are trained at the ADDL in advanced, marketable skills and then move on to other jobs. We are requesting recurring funds for 1 additional permanent technical position in Molecular Diagnostics to keep up with increasing demand for these tests, to allow rapid turnaround time that is needed by clients, and for the extended time period required for training (6 months to one year), and 1 additional permanent technical position in DNA Sequencing to work with the Section Head to develop these next generation DNA tests for disease.

**Budget Request**

In accordance with the budget instructions issued, the ADDL is requesting recurring funding per annum in the state appropriation for S&W for FY 2016 and FY 2017 for the following positions.

1. Faculty, DVM, PhD – Head, Molecular Diagnostics Section

2. Veterinary Diagnostician, DVM – Diagnostic Client Services

3. Diagnostic Assistant, B.S./RVT, Heeke

4. Two (2) Level VII technicians, one each for Molecular Diagnostics and DNA Sequencing

5. Inflationary increase on the full line item in each year.
I. Inflationary Request

In accordance with the budget instructions issued, the ADDL is requesting an increase of 1.5% per annum in the state appropriation for Salaries and Fringe Benefits for FY 2015 and FY 2016.

II. Recurring Incremental Request for Additional Positions and Expenses

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III. Summary of 2015-2017 ADDL Budget Request

Summary of ADDL Budget Request

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