



To: Members of the Board of Trustees

From: Christopher A. Ruhl, Chief Financial Officer and Treasurer
Eva M. Nodine, Vice President, Deputy CFO and Assistant Treasurer

Date: October 7, 2022

Re: Approval of 2023-2025 Budget for the Animal Disease and Diagnostic Lab

The Indiana Animal Disease Diagnostic Laboratory (ADDL) at Purdue University aids in the prevention, control, and eradication of animal diseases for the State of Indiana and provides prompt and accurate diagnostic services as the only veterinary diagnostic laboratory in the state. The ADDL provides these critical services on behalf of the State Board of Animal Health.

As part of Purdue's biennial budget request, we are recommending an increase to the current \$3.7 million ADDL appropriation as follows:

- Staff Wages:** Recruitment and retention of highly qualified and trained employees is critical in positioning the ADDL to respond to testing needs during high-consequence disease outbreak and our ability to expand testing services. The ADDL is experiencing a high level of turnover with 49.86% of ADDL staff exiting between June 2021 and May 2022; and based on exit interviews, this has largely been due to low wages. With salary and fringe making up more than two-thirds of state support, we are requesting a 3.0% increase to provide market-driven and competitive wages.
- New Laboratory Information Management System (LIMS):** A new LIMS is needed to provide stability across multiple testing platforms, to update the application interface so that clients can easily navigate and access their lab reports, and to extract data needed to run analytics. The new system request is \$1,000,000 with an annual service agreement of \$100,000.
- New Positions:** The request also includes six new FTEs to address caseload growth, growing demand for testing, and to avoid the risk of delays and interruption in service.
- Renovations to the West Lafayette Laboratory:** The main ADDL laboratory is 32 years old and in need of critical renovations, which include a new incinerator, hoist and rail system, and an additional cooler. The immediate needs were recently assessed through a facility study focusing on addressing safety and biosecurity concerns. The project cost totals \$10 million.

Table 1 (below) summarizes the proposed budget for the 2023-25 biennium:

ADDL Appropriation Summary	FY 2023 Actual	FY 2024 Request (\$ and %)	FY 2025 Request (\$ and %)
Prior Year Recurring Base	\$ 3,711,561	\$ 3,711,561	\$ 4,873,317
Recurring Annual Incremental Request:			
Microbiologist Section Head		150,000	
Pathologist (Heeke)		157,000	
IT Systems Manager		117,900	
Assistant Quality Manager		85,150	
Client Services Veterinarians (2 FTE)		235,800	
LIMS System Service Agreement		-	100,000
Market Wage Adjustments		300,662	-
3.0% S&W and Fringe Benefit Increase		115,244	126,866
Total Recurring Annual Incremental Request:	\$ -	\$ 1,161,756	\$ 226,866
Recurring Request	\$ 3,711,561	\$ 4,873,317 31.3%	\$ 5,100,184 4.7%
One-Time R&R and Equipment:			
LIMS System Replacement		1,000,000	
Laboratory renovations, West Lafayette			10,000,000
Total One-Time R&R and Equipment:	\$ -	\$ 1,000,000	\$ 10,000,000
Total Budget Request	\$ 3,711,561	\$ 5,873,317 58.2%	\$ 15,100,184 174.1%

The State Board of Animal Health approved the FY 2024 and FY 2025 request on August 23, 2022. We will ask you to approve the request at your meeting on October 7, 2022. If approved, consistent with Indiana Code, we will then submit the official request to the State Budget Agency and Commission for Higher Education, on behalf of the State Board of Animal Health, for consideration by the 2023 General Assembly.

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

- c: President Mitch Daniels
- President-Elect Mung Chiang
- Provost Jay Akridge
- Corporate Secretary Cindy Ream
- General Counsel Steve Schultz