

PDIC Fee Increase FAQ

The cost of submitting samples to the The PDIC will increase beginning **April 15, 2010**. Below are answers to questions that you may receive from your clientele regarding the fee increase.

Why is a fee increase necessary?

The current fee structure has been in place since 2003. During the past seven years, state support of the PDIC has decreased by 50% while our costs have continued to rise. As a result, our funding from all sources is inadequate to cover the expense of providing diagnostic services.

Operating support is derived from a variety of sources which includes state funding, fees, and grants and contracts. As you know, the flow of state support has been severely limited since February, 2009. We hope this reduction of state operating funds is not permanent, but expect that if and when funding is restored, it will be at lower levels than in the past.

How do funds generated from fees differ from state support?

Management and spending of funds generated by fees follow the same guidelines as state funds. In this case they can be carried from one fiscal year to another, thus allowing for smooth transition from one year to the next.

But I pay taxes. Why do I have to pay for this service?

As mentioned above, state funding has not been adequate to cover PDIC expenses for many years and recent severe budget cuts have made the situation worse. The new fees for in-state samples are critical for maintaining a high level of service and reliability. We charge considerably higher fees for out-of-state samples since these clients do not support the PDIC with their taxes.

How do the fees for the PDIC compare to clinics with similar services?

In 2009, the average charge at 11 peer university clinics for diagnosis of in-state samples was \$21.50. In addition, other clinics often charge extra for standard identification and diagnostic tests such as ELISA, PCR, Biolog, culturing, and even sample incubation. We do not charge extra for any of these services. Diagnosticians in private practice generally charge at least \$100 per sample.

What happened to the free sample policy for CES?

The policy of not charging County Agents and Field Agronomists for samples with information submitted on-line was originally implemented in January 2008 as a temporary measure to encourage the use of the on-line system. In 2009, more than half of the samples we received did not incur a fee. This is not sustainable at a time when we also are receiving a drastically reduced operating budget so the policy has been discontinued.

What are some examples of the PDIC's operating costs?

- Labor: The PDIC currently is understaffed. We have compensated for this by hiring retired faculty members, who are paid hourly. These expert diagnosticians generously provide their services at a fraction of what they could charge in private practice. About 50% of our samples are being diagnosed by retirees.
- Supplies: Petri dishes, culture media, ELISA immunostrips and well plates, and enzymes for PCR reactions are among the many supplies needed to run a modern diagnostic

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clinic. In most cases, these supplies are similar or identical to those used in medical practice and have correspondingly high prices.

- Maintenance: Federal and state regulations require us to maintain certain equipment according to strict guidelines. Servicing this equipment is very expensive; for example, autoclave maintenance costs about \$4,000 annually.

What are you doing to reduce costs?

- By encouraging on-line submission of sample information, we can eliminate the need for printed forms, and, more importantly, the need for staff time to enter sample information. Electronic sample reporting reduces or eliminates the cost of printing, paper, postage, and labor associated with mailed paper reports.
- We use student workers to help with entering sample information, billing, sample receiving, and routine lab work.
- Finally, we have been successful in securing Federal grant funding through the Southern Plant Diagnostic Network. These funds have been used to purchase modern diagnostic equipment, microscopes, computers, and to pay for special projects, like development of the electronic database, that improve clinic services at reduced cost to clients.

Why don't you use more temporary labor for seasonal work?

Agriculture has become a year-round industry in North Carolina. While summer is our busiest season, we have considerable sample volume throughout the year. We fill in gaps by hiring retirees and student workers as mentioned above. However, all this labor must be paid from fees; only our three permanent employees are supported by state funds.

What if I take my sample directly to an Extension Specialist?

Extension Specialists play a vital role in the PDIC. They diagnose samples in their area of expertise and make recommendations based on the diagnosis. However, we ask that you submit your samples directly to the PDIC for several reasons: 1) A sample left in a Specialist's lab or office may not be attend to for several days if the Specialist is working in the field or traveling; 2) The clinic staff prepares your sample for diagnosis by testing the soil, setting up cultures and incubation chambers, etc., making much more efficient use of the Specialist's time; and 3) Samples submitted to the PDIC are entered into the PDIC database, creating a permanent record of the sample information, diagnosis, and recommendations that can be referred to as needed by you, your client, or PDIC staff.

What if I have additional questions?

Contact Barbara Shew, Director of the Plant Disease and Insect Clinic by email barbara_shew@ncsu.edu or phone 919-515-6984.

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