

ADDENDUM TO

FEASIBILITY STUDY:

Creating a Fund to Aid Low-Income
Households in Sterilizing, Vaccinating and
Spaying or Neutering their Companion Animals

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BACKGROUND TO THE RECOMMENDED ANNUAL SPAY/NEUTER BUDGET

1. How many spay/neuters need to be performed annually in order to eliminate shelter overpopulation?

A community must spay/neuter at least 5 pets living in Medicaid households for every 1,000 people (□pets per thousand people□or PPTP) who live in the area served by the program if the area has an average poverty level, and up to 7 if the poverty level is greater. The effort must continue for at least 5 years. (See page 9 of Feasibility Study.)

New Mexico□s poverty rate is higher than the U.S. rate and, therefore, spay/neuter programs for the State, as an aggregate, should use a benchmark higher than 5 PPTP. The study uses a benchmark of performing spay/neuter at the rate of 6 PPTP from low-income households. (See page 9 of Feasibility Study.) Given New Mexico□s human population of just over 2 million, that means providing assistance for up to 12,000 spay/neuter surgeries per year for cats and dogs living in low-income households. Some portion of those surgeries may already be provided by spay/neuter assistance programs, but the number is not known and is at least partially if not wholly offset by the additional need to spay/neuter free-roaming cats. (See pages 7 □9 of Feasibility Study.)

$$\text{Target \# of spay/neuter} = 6 \text{ PPTP} \times 2,000 \text{ (2,000,000 New Mexicans} \div 1,000) = 12,000$$

2. How much would an additional 12,000 spay/neuter surgeries cost per year?

The total dollar amount needed will depend on the programs chosen and the costs that come with those programs along with the actual number of spay/neuter surgeries that are already being provided for New Mexico□s low-income households. A spay/neuter surgery can cost anything from \$0 to \$400 depending on the species, size, who performs the surgery, the condition of the animal, and whether any free or low cost program is involved. The State□s animal shelter clinics and low cost spay/neuter programs are not likely to be able to deliver all of the surgeries needed and the private sector veterinarians will need to be utilized, at higher cost. Until those rates are negotiated, it is not possible to determine the actual average cost of a surgery. It will be \$200 or higher. (See page 14 of Feasibility Study.)

If the programs□ average cost is \$100 per surgery, then any funding mechanism for a statewide program would need to generate at least \$1,200,000 for the 12,000 surgeries. If the average cost is \$200/surgery (more likely), funding would need to be doubled to \$2.4 million.

$$\text{Projected Cost} = \$200/\text{surgery} \times 12,000 \text{ spay/neuters} = \$2,400,000$$

3. Can we evaluate whether the target budgets are reasonable?

Marsh finds that a subsidy program for pets in low-income households will cost about \$500 a year for every 1,000 people (or \$0.50 per person) who live in the area served. That comes to \$1,029,500 for New Mexico, somewhere in the middle of the target range discussed in the Feasibility Study. New Mexico's large geographic size but relatively small human population and the lack of veterinary access in some counties may cause spay/neuter programs to be a bit more expensive in New Mexico than Marsh's number suggests. Transportation and time might be bigger factors than in more compact places where economies of scale come into play. (See page 14 of Feasibility Study.)

4. Spending Funds on Prevention

Marsh presents another interesting way to look at the dollar amounts involved, the ratio between the amount spent on preventing animals from becoming homeless and the amount spent on programs for those who have become homeless. He calls this ratio the Prevention Quotient (PQ). The PQ in New Hampshire is 12 ($\$805,000$ spent on spay/neuter in NH \div $\$6,649,000$ spent on sheltering in NH \times 100 (the last step is simply to get a whole number rather than a decimal). The national PQ is 7 ($\$105$ million spent on spay/neuter and $\$1.5$ billion spent on sheltering and adoption). He recommends a PQ of 14 as reasonable. Given New Mexico's \$27 million budget for euthanasia agencies, \$3.8 million would need to be spent on prevention programs in the state to reach a PQ of 14. Existing New Mexico spay/neuter programs are making a dent in that amount, though the actual dollar amount is not yet known. One caution about using this formula is that the \$27 million budgeted for sheltering is not enough to do the job well in most of the state's shelters. Many of New Mexico's shelters are struggling to provide the bare minimum of care because of their low budgets. A higher total sheltering budget would require a higher prevention budget to reach the same PQ of 14. (See pages 14 - 15 of Feasibility Study.)