

June 19, 2017

The Honorable Thomas Price, Secretary  
US Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

The Honorable Mike Mulvaney, Director  
White House Office of Management & Budget  
725 17<sup>th</sup> Street, NW  
Washington, DC 20503

Dear Secretary Price and Director Mulvaney,

The University of Oregon is writing to express our opposition to the Administration's plans to 1) cut the National Institutes of Health (NIH) FY18 budget by 21 % and 2) to impose a cap of 10 % for facilities and administrative (F&A) research costs reimbursements on NIH grants. The proposed changes would drastically reduce the amount of research the University of Oregon could conduct on behalf of the federal government to achieve key national goals to improve the health and welfare of the American people, grow the economy, and enhance our national security.

The University of Oregon is designated as a Carnegie Doctoral/Research University for "very high" research activity (the top category that includes 108 institutions). We are proud of our long history of success in targeted areas of research and scholarship. For more than a century, members of our faculty have created groundbreaking new lines of inquiry from materials science to developmental biology. Our sponsored research activities are conducted in at least four locations in Oregon including our main campus, our Portland campus, our marine biology station on the south coast, and at our high desert night sky observatory. Much of this research has been enabled with support from federal research agencies. It is also enabled by large investments in research made by the University. Our federal/university partnership with NIH is particularly long-standing and has benefited the nation in unique ways.

Here is a telling example of the value to the nation of university investment in research. In the late 1960s, University of Oregon biologist George Streisinger pioneered a new method for the study of vertebrate development and genetics with the introduction of the zebrafish as a model organism. Zebrafish eggs are transparent and develop outside the mother's body, providing scientists with a literal window on development. Today, thousands of researchers around the globe use zebrafish to make important insights into human health and disease.

However, at its inception, this line of research was considered so risky that it took institutional investment to make it possible. At the University of Oregon alone, zebrafish researchers have improved our understanding of human diseases like cleft palate/cleft lip, autism spectrum disorders, diabetes, heart disease and the blood disease Fanconi Anemia. At our institution and throughout the country, researchers rely on both individual project funding and on institutional investments in research infrastructure to make the discoveries, like those from zebrafish research, that improve our quality of life.

**Office of the President**

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Because of the long standing university/federal agreement to reimburse the costs for research facilities and administration, our researchers have been able to make numerous discoveries such as: the Higgs-Boson; new interventions that make families healthier and more resilient; new materials that will revolutionize energy conversion and storage; and the complex interactions between humans and their resident microbial communities which may reveal the underlying causes of cancer and inflammatory diseases.

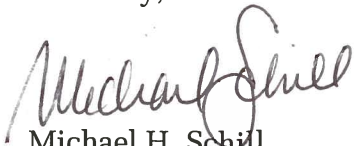
**Innovation and discovery depends on a robust underlying research infrastructure but universities cannot support this investment alone.** Without reimbursements for the development and maintenance of research facilities, the federal government undermines the nation's entire research and innovation enterprise. For example, the University of Oregon is in the midst of building a new research campus, using a \$500 million gift from Phil and Penny Knight, the largest philanthropic gift ever made to a public flagship university. We are proud of this initiative and confident that it will have transformative benefits for the people of Oregon as well as the nation by leveraging philanthropy to advance innovation.

**But the proposed budget upsets the well-established principle that the federal government will reimburse universities for a fair portion of our operational costs so that we can maintain our facilities and keep the research, innovation and discovery cycle moving.**

We urge you to reconsider the plan to cap reimbursements for research costs while simultaneously cutting the NIH budget. We join with the Association of American Universities (AAU), the Association of Public and Land-grant Universities (APLU), and the Council on Governmental Relations (COGR) in asking the Administration to withdraw the proposal to cap reimbursements for research costs related to facilities and administration.

Thank you for considering our viewpoint.

Sincerely,



Michael H. Schill  
President and Professor of Law  
University of Oregon



David Conover  
Vice President for Research and Innovation,  
Professor of Biology  
University of Oregon

cc: U.S. Senator Jeff Merkley  
Chairman Greg Walden  
Congressman Kurt Schrader  
Congresswoman Suzanne Bonamici

