

July xx, 2017

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

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

Dear Director Mulvaney and Secretary Price:

The undersigned organizations representing patients, researchers, clinicians, and research institutions write to express our strong opposition to the Administration's proposal to cut \$7.2 billion, or 21 percent, from National Institutes of Health (NIH) budget in fiscal year (FY) 2018, including the proposal to drastically reduce NIH support for facilities and administrative (F&A) expenses (also referred to as "indirect costs") for physical infrastructure and other essential research costs.

Our nation's longstanding, bipartisan commitment to medical research has yielded countless benefits, including longer average life expectancy and improved quality of life. The work carried out every day by talented researchers in labs across the country promises to build on these successes, bringing hope to millions of patients facing life-threatening or life-altering diseases. Additionally, the federal investment in NIH bolsters local and regional economies through high-paying, skilled jobs. These efforts, in turn, strengthen our country's global competitiveness, while other countries, including China, redouble their own investments in medical research to unseat us as the world's leader.

The Administration's proposal would undermine these achievements and would jeopardize future progress in medical research. Conducting high-quality medical research for our country carries expenses, including essential costs for maintenance and development of state-of-the-art labs, utilities such as precision climate control, security protections for handling dangerous chemicals, proper disposal of hazardous waste, and personnel to support required administrative and compliance work, among others. It simply is not possible to carry out medical research without incurring such expenses, and NIH support for F&A helps offset a portion of these real research costs.

In short, a cut to F&A reimbursements is a cut to biomedical research and would diminish the ability of researchers to conduct critical research. If the Administration's proposal to reduce NIH support for F&A moves forward, it will make research unaffordable for many institutions and ultimately lead to less research carried out across the country. This would harm the pace of progress for many of our most vexing diseases. The economic impact could also be significant; communities will lose jobs, and the country will fall behind as our foreign competitors forge ahead in medical research. These consequences will hurt patients, scientists, and all Americans.

As you know, Congress repeatedly has approved bipartisan funding increases for NIH through the annual spending bills and the 21<sup>st</sup> Century Cures Act. If we are to remain a vibrant force in

the global economy and address our nation's most pressing health challenges, America needs more investment in medical research, not less.

We strongly urge the Administration to reconsider the proposal on F&A reimbursements and to strengthen its commitment to medical research.

Sincerely,