



OFFICE OF THE PRESIDENT

Robert C. Dynes
President

1111 Franklin Street
Oakland, California 94607-5200
Phone: (510) 987-9074
Fax: (510) 987-9086
<http://www.ucop.edu>

August 30, 2006

The Honorable Tom Coburn
Chairman
Committee on Homeland Security and Governmental Affairs,
Subcommittee on Federal Financial Management
United States Senate
439 Hart Senate Office Building
Washington, D.C. 20510

Dear Chairman Coburn:

As President of the University of California (UC), I am writing in response to your letter of July 27 addressed to the Chancellors of several of the ten campuses that comprise the University of California.

I appreciate your interest in and strong support for the important role federal funding plays in the missions of higher education institutions, particularly with regard to conducting scientific research. Over the past 60 years, the federal-university partnership in science has allowed our nation to revolutionize everything from medicine to telecommunications to food production. We in the research-university community take this partnership seriously. Today, the University of California proudly participates in research and development collaborations with a variety of federal agencies including the National Institutes of Health, the National Science Foundation, the National Aeronautics and Space Administration, and the Departments of Agriculture, Defense and Energy.

The success of the federal-university partnership in science is due largely to the peer and merit review process used to evaluate applications for funding. This process promotes excellence driven by competition and, more importantly, ensures that an objective eye is focused on the best use of the taxpayers' investment.

The University of California has always supported and strongly advocated for the peer and merit review process for federal research grants and contracts. Shortly

The Honorable Tom Coburn
August 30, 2006
Page 2

after my appointment as President in 2004, I shared my views with our campuses in a letter to the Chancellors and faculty affirming this policy. The letter said in part:

Accordingly, the University will not pursue earmarking of competitive, peer-reviewed research funds, and will continue to discourage earmarking that comes at the expense of sustaining peer-reviewed programs. The University's historic resistance of the temptation to pursue federal earmarks has afforded us the credibility to advocate for a wide variety of federal research, education, and health care programs that grant awards that benefit the University, the state and the nation Peer and merit review provide an important measure of accountability to the taxpaying public, and our preeminence as a research university rests on the vitality of this public policy.

In response to your inquiry about UC's federal funding for research between the years of 2000 and 2005, the ten campuses of the UC system collectively received more than 38,000 federal research awards. The overwhelming majority of these awards support basic scientific research and were made through the peer and merit review processes overseen by the various federal granting agencies.

Although UC does not pursue earmarking of competitive, peer-reviewed research funds, UC does occasionally receive federal research funding directed by Congress through a federal agency. This type of funding is not accounted for separately in our federal contracts and grants accounting because it is typically not distributed to a campus in a way that would differentiate it from other grants and contracts we receive from federal agencies. However, such funding would amount to a very small percentage of overall federal funding at UC.

In recent years, I have been alarmed by the growth in academic earmarking nationwide and because of this I instituted guidelines for the UC campus Chancellors to use in determining when it may be appropriate, as an exception to UC's general approach, to accept federal funding outside of the regular peer and merit review process. Under the guidelines, the University does not seek directed funding from agencies that primarily or solely support competitive peer-reviewed research or where it would undermine support for or availability of peer reviewed funding.

One agency from which we accept congressionally directed funding is the U.S. Department of Agriculture because, despite our annual letters to Congress asking for strong funding for competitive agricultural research grants, there are unfortunately very limited funding opportunities to address the multitude of research challenges facing our food and fiber systems. UC therefore accepts congressionally directed funding to address certain critical agricultural needs in California, such as develop-

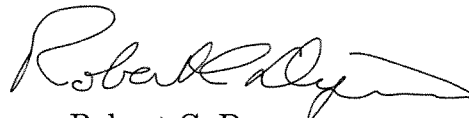
The Honorable Tom Coburn
August 30, 2006
Page 3

ing solutions to exotic insect pests. In most cases when we do accept such funding, we use our own system of peer and merit review to ensure that the agricultural research is of the highest quality.

Because federal policy across a variety of issues has a substantial impact on our mission of education, research, health care, and public service, UC has maintained an Office of Federal Relations in Washington, D.C. for nearly three decades. Assistant Vice President Scott Sudduth oversees that office and is available to meet with you or your staff any time to discuss these issues in greater detail. He can be reached by telephone at (202) 974-6302.

Again, I appreciate your leadership on behalf of fiscal austerity in your role as Chairman of the Homeland Security Subcommittee on Federal Financial Management, and I appreciate this opportunity to respond to your inquiry. Please do not hesitate to get in touch with me or Assistant Vice President Sudduth if you or your staff have further questions.

Sincerely,



Robert C. Dynes

cc: Chancellors
Provost Hume
Executive Vice President Darling
Assistant Vice President Sudduth