

You are invited to an NIH budget workshop on February 6, 2012 from 5-6 pm in the Old Library Auditorium, that will offer guidance in preparing and managing grant budgets in light of these notices.

Dear Colleagues,

As you have no doubt heard by now, the NIH has issued two notices that will affect our grants. The first is a [reduction in the salary cap](#) and the second is a notice that [limits cost of living increases](#). This note explains our institutional responses to these notices and invites you to a **special NIH budget workshop on February 6th from 3-5 p.m.** that will provide guidance in preparing your grant budgets and managing your awards.

Why did the NIH enact the salary cap policy? It was written into the legislation that funds NIH. A key subcommittee chairman in the House of Representatives proposed a 17% reduction in the top salaries paid to scientists, which was lowered to 10% in the final legislation, even though the appropriation overall is slightly up. Thus, NIH was required by law to cut the salary cap—and this affects their scientists as well. The moratorium on cost-of-living increases is slightly different. In three out of the past five years, existing grant budgets have actually been cut by up to 3%. So, while flat budgets are unfortunate, they are not new and we know how to manage them.

Nevertheless, the situation is extremely challenging, not only to individual investigators but also to the institution as a whole. It is especially hard on large center grants and cooperative agreements. We are responding in several ways:

- We are working with the AAMC, COGR, FDP and other national groups to exert pressure to reverse this decision. We may be reaching out to individual investigators to assist in this effort. We would like to gather responses by **Friday, February 3rd**.
- We are carefully analyzing the impact to the OHSU budget, down to the unit, department and division level, so we can help departments plan. We will provide further outreach to departments to manage awards once our analysis is complete (in the next week or two).
- We are developing plans for preparing and managing budgets on awards.

This situation is a reminder that diversifying our funding portfolio remains a critical strategic goal. NIH director Francis Collins has said that he wants universities to contribute more, so we expect to see more cost-sharing requirements from the federal government. We will need to find other sources of income to fund our research—and at the same time, we must also ensure that our investigators are not discouraged from pursuing research.

We will have a special workshop led by SPA Director James Trotter and RGC Director Deborah Golden-Eppelein on February 6th from 3-5 p.m. in the Old Library Auditorium to provide guidance on preparing and managing budgets. We highly encourage you and any staff who are involved in NIH grant budget preparation to attend. Please feel free to forward this invitation.

Sincerely,

Dan Dorsa
Vice President for Research