



RESEARCH EARMARKS

Research and Development Funding in the President's 2008 Budget

On January 3, President Bush called on Congress to enact earmark reform, including full disclosure of each earmark and cutting the number and cost of all earmarks by at least half. To provide a transparent baseline from which the "cut-in-half" goal will be measured, agencies are being required to: 1) identify and catalogue earmarks in all appropriations bills and relevant authorization bills, including report language; 2) submit that data to the Office of Management and Budget; and 3) provide analysis of the earmarks in each bill as they emerge from the legislative process in order to facilitate the development of an Administration position on those bills.

Consistent with this effort, the Administration is continuing its strong support for awarding research funds based on merit review through a competitive process refereed by the scientists themselves. Such a system has the best prospects for ensuring that top research is supported. Conversely, research earmarks provide funds for projects or programs where the Congressional direction (in bill or report language) circumvents the merit-based or competitive allocation process, or specifies the location or recipient, or otherwise curtails the ability of the Administration to control critical aspects of the funds allocation process. Earmarks signal to potential investigators that there is an acceptable alternative to creating quality research proposals for merit-based consideration. Such an alternative can be an ineffective use of taxpayer funds.

Unfortunately, the practice of earmarking funds to colleges, universities and other entities for specific research projects has expanded dramatically in recent years. Some argue that earmarking helps spread research money to states or institutions that would receive less research funding through other means. *The Chronicle of Higher Education* has reported that this is not the case. Often only a minor portion of academic earmark funding goes to the states with the smallest shares of Federal research funds. Other proponents of earmarking assert that earmarks provide a means of funding unique projects that would not be recognized by the conventional peer-review process.

To address this concern, a number of research agencies have procedures and programs to reward "out-of-the-box" thinking. For example, the Defense Advanced Research Projects Agency, within the Department of Defense (DoD), seeks out high-risk, high-payoff scientific proposals; the National Institutes of Health has established a similarly focused "Pioneer Award; and program managers at the National Science Foundation set aside a share of funding for higher-risk projects in which they see exciting potential.

Earmarks that are outside of an agency's mission can further detract from an efficient and effective Federal effort on behalf of taxpayers. For instance, the Congress directed DoD to fund research on a wide range of diseases including diabetes, neurofibromatosis (a genetic disorder of the nervous system), and childhood cancer. Congressional adds in DoD's budget for medical research projects total about \$500 million in 2007 alone. While research on these diseases is very important, these diseases are not unique to the U.S. military and the research can be better selected, carried out and coordinated within civil medical research agencies, without disruption to the military mission. At the same time, the intrusion of earmarking into the peer-review processes of civilian medical research agencies would have a significant detrimental impact on funding the most important and promising research. Earmarks that divert funding from a merit-based process undermine America's research productivity.

To maximize the effectiveness of federally-funded research, the Administration strongly urges Congress, the academic community, and the private sector to withhold from securing research and facilities funding through earmarks. The Administration commends Congress for taking measures to stop the practice of research earmarks and to achieve our common objective of the best science and technology program for the American taxpayer.