This is the fifth in a series of updates on the issues the IR-4 Project is facing and how the Project can best operate after nine years of flat/decreasing funding; a changing budgetary environment in the Land-grant institutions; rising regulatory requirements in getting products registered with EPA, and evolving industry needs.

The IR-4 Commodity Liaison Committee (CLC) remains committed to support increased funding for IR-4. This past March, the CLC participated in a “Lunch-and-Learn” event with Congressional Staff to articulate the importance of IR-4. The CLC also made numerous visits to Congressional offices to request appropriate funding for IR-4. **These efforts were noticed!** Senator Bob Menendez of New Jersey drafted a “Dear Colleagues” letter to the Senate Appropriations Committee requesting that the Committee include increased funding for IR-4. Twelve other US Senators signed this letter. Unfortunately, the recommendation was not successful as IR-4 funding for FY 2019 is expected to remain flat. The CLC is currently developing strategies to educate the 116th Congress on the importance of IR-4 when the new legislators are seated early next year.

IR-4 faces another huge fiscal challenge, University Service Fees or Indirect Costs. For decades, the State Agricultural Experiment Stations (SAES) that host IR-4 research farms, labs and offices provided a significant “in-kind contribution” by absorbing the indirect costs or overhead charges. As SAES funding has decreased, certain SAES Directors are advising IR-4 that they can no longer absorb these charges. Rutgers University recently notified IR-4 Project Headquarters their Service Fees are $1.3 million dollars, approx. 33% of the operational budget. IR-4’s current federal authorization language does not allow the Universities to collect indirect costs from many of IR-4’s research grants.

Ideally, Congress will follow the recommendations of the CLC and increase funding to IR-4 in the FY 2020 funding cycle. In the meantime, IR-4 Project Management Committee is making the tough decisions to stop the erosion of research and to sustain the Project. Recently the IR-4 Project Management Committee approved a plan to make the following changes:

1. **IR-4 will pursue savings in its research priority setting processes.** IR-4 priority setting process in the Food, Environmental Horticulture, and Biopesticide Programs has involved a significant number of face-to-face meetings. These in-person interactions provide many tangibles and intangibles, but they are extremely expensive. IR-4 will transition and reduce some of the in-person priority setting meetings while using technology such as virtual workshops and expansion of priority upgrade proposal (PUP) process to substitute for some face-to-face workshops. Other changes are being implemented:
   - In 2019, IR-4 will bundle the priority setting workshops for the IR-4 Programs into a single venue during the same week. Workshops will be succinct, respecting participant time.
   - IR-4 will seek lower cost venues with a goal to achieve saving in hotel/meeting space charges, food/beverages and participant transportation.

2. **Starting in 2020, IR-4 will be increasing its reimbursement for each residue field trial in the Food Program from $6000 to $6500.** IR-4’s Field Research Centers involved in the Food Program can no longer sustain a reimbursement of $6000/field trial. To better support and keep Field Research Centers solvent, IR-4 is increasing the reimbursement by $500 per trial.

3. **IR-4 will continue to transition biopesticide research into the Food and Environmental Horticulture Programs.** In 2019, IR-4 is starting the process to integrate biopesticide research into the Food and Environmental Horticulture Programs. By 2021, the transition will be complete and biopesticide research will be fully integrated in the Food and Environmental Horticulture Programs with the expectation of transactional savings in priority setting, research planning and registration activities. We believe this change will allow IR-4 greater opportunities to obtain funding from other sources to perform the integrated research.

4. **The IR-4 Project Management Committee has requested that USDA-NIFA convert IR-4’s existing Special Research Grant to a Cooperative Agreement in FY 2021.** The conversion, facilitated by change in IR-4’s authorizing language, will give the host SAES of IR-4’s operational units the ability to recover 10% of the IR-4 grant funds for facilities and administrative costs. IR-4 is confident that with these contributions to the host SAES, IR-4’s infrastructure will be stabilized and allow IR-4 to maintain a positive relationship with our cooperating institutions. While prudent, this change raises the stakes on IR-4 receiving new funds. Without new resources, IR-4 will need to cut operations to offset this investment. If cuts occur, the PMC remains committed to protect our core mission.

5. **IR-4 will continue to seek new funds from new sources.** There are many new funding opportunities and IR-4 is aggressively seeking these resources. IR-4 is a key participant in USDA-Tactical Sciences efforts. We will continue to cooperate with others in the Tactical Sciences network to facilitate new funds in this initiative. IR-4 is also seeking opportunities for funding for research from other USDA and non-USDA sources.

Please reach out to me or other PMC members if you have any questions or need additional information.

Jerry