



February 13th, 2025

Subject: Federal AIDS Policy Partnership (FAPP) Research Working Group (RWG) response to National Institute of Health (NIH) cuts to indirect research costs to 15%

We are writing on behalf of the Research Working Group (RWG) of the Federal AIDS Policy Partnership (FAPP), a coalition of more than 60 national and local HIV/AIDS researchers, clinicians, scientists, patients and advocates from across the country. Our goal is to advance and support U.S. leadership to accelerate progress in the field of HIV/AIDS research and related comorbidities across our government's publicly funded institutions, including the National Institutes of Health (NIH). More importantly, we are representing the hundreds of research institutions and organizations the National Institutes of Health (NIH) provides awards to each year that will be dramatically harmed by the administration's latest policy to cap indirect costs at 15%.

We are concerned about the devastating and long-lasting impact the proposed caps on indirect costs will have on US research institutions, particularly on state universities that rely on Federal indirect costs to support the advanced medical facilities required for research and healthcare. We are concerned the United States leadership in medicine and research will be diminished.

The NIH is the primary source of federal funding for medical research in the United States. Strong and sustained NIH funding is a critical national priority that fosters better health, economic revitalization and supports long-term U.S. competitiveness on the global stage. Federally, the NIH supports innovative research at hospitals, universities and medical schools. Sustained increases in funding are essential to train the next generation of U.S. scientists and to prepare them to make tomorrow's discoveries, and to maintain the status of the U.S. as a world leader in research. Strong research and development investment is essential for innovative and successful biotechnology, medical devices and pharmaceutical industry development.

Indirect spending is vital to the success of biomedical research, training and care. These federally negotiated rates support medical staff, research and safety equipment, salaries and tuition for the next generation of nurses, doctors and researchers. Below are some of the significant impacts the administration's latest policy cap on indirect research costs to academic and research institutions nationwide:

- The University of Alabama (UAB), which received over \$400 million in NIH funding and has a federally negotiated indirect rate of 48.5%. The funds are used to support the medical facilities where research is conducted as well as the maintenance of the



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equipment where life-saving research is conducted every day. UAB has a strong community-engaged research program that works with local communities to ensure research reflects community priorities for health. The dramatic cuts will mean one of the leading virology programs in the country will need to let go of staff and deprioritize life-saving research. From an economic perspective, UAB is the largest employer in the state of Alabama so these cuts will affect state gross domestic product (GDP) and stunt economic growth. For all state research, Alabama would lose over \$46 million if indirect costs are capped at 15%.

- North Carolina has one of the leading public university systems in the country that will suffer severe damages if the cuts to indirect costs are sustained. The Duke University and University of North Carolina at Chapel Hill has a federally negotiated indirect rate of 61.5% and 55.5%, respectively. These two universities are among the NIH's highest grant earners with Duke receiving \$580 million and UNC-Chapel Hill about \$531 million in NIH funding last year. Over the past 50 years, research organizations have relocated to North Carolina building a thriving interconnected research triangle that supports hundreds of jobs and improves the local economy. The loss of indirect funding will limit the ability of universities to conduct outstanding biomedical research and potentially dismantling the economic progress. For all state research, North Carolina would lose over \$226 million if indirect costs are capped at 15%.
- Vanderbilt University School of Medicine in Nashville, TN, has received \$528 million in direct and indirect NIH grant support in Fiscal Year 2023 funding cutting-edge research and innovation to solve the nation's most challenging health problems. The groundbreaking research in cardiovascular and genetic medicine, clinical pharmacology, diabetes, allergy and infectious diseases, gastroenterology, nephrology, and other areas. For all state research, Tennessee would lose over \$133 million if indirect costs are capped at 15%.
- Texas universities are confronting potential reductions in federal funding for biomedical research due to a new National Institutes of Health (NIH) policy on indirect research costs. Previously, some institutions had negotiated rates exceeding 50%. This change threatens significant financial support, with Texas entities anticipating a loss of approximately \$310 million designated for expenses such as facility maintenance and administrative support. The potential funding cuts could lead to layoffs, suspension of clinical trials, and disruptions in ongoing research programs, thereby impacting advancements in areas ranging from infectious diseases to chronic health conditions. Institutions like the Baylor College of Medicine, which relies heavily on NIH grants, express concern over the policy's effect on scientific progress and healthcare quality improvements.



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Beyond the economic and job benefits of NIH investments, there are significant public health ramifications to capping indirect funding for research institutions located in these states. Alabama, North Carolina, Tennessee and Texas comprise of states hardest hit by the HIV epidemic and facing high infection rates across the Southern U.S. These NIH-funded academic and research institutions across these states have played a pivotal role in local and state efforts to end the HIV epidemic by conducting groundbreaking studies, advancing treatment options, implementing community-based interventions, and attracting bright and young researchers to undertake infectious diseases research. These institutions further collaborate with local public health agencies, healthcare providers, AIDS Service Organizations (ASOs) and other organizations to improve prevention strategies, expand access to care, and address factors that contribute to HIV transmission across these states. The work of these research centers is essential in developing innovative solutions and ensuring that affected communities receive the support and resources needed to combat HIV effectively.

In conclusion, FAPP RWG urges Congressional leaders to support the restraining order preventing the National Institutes of Health (NIH) from unlawfully stripping funds that sustain cutting-edge medical and public health research at universities and research institutions nationwide.

Respectfully Submitted,

A handwritten signature in black ink that reads "John Meade".

John Meade Jr.
Senior Program Manager: Policy
AVAC

A handwritten signature in black ink that reads "Kendall Martinez-Wright".

Kendall Martinez-Wright
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Treatment Action Group (TAG)