Congress of the United States

Washington, DC 20515

February 14, 2025

Matthew J. Memoli, M.D., M.S. Acting Director National Institutes of Health (NIH) 9000 Rockville Pike Bethesda, Maryland 20892

Dear Acting Director Memoli:

The United States is a global leader in biomedical research and innovation due to National Institutes of Health (NIH) funding. That is why we are alarmed by NIH's illegal decision to slash the reimbursement rate for indirect research costs to 15 percent across the board.¹

Because of the NIH, grantee institutions, and a vibrant life sciences sector, the United States has made significant strides in medicine, improving and saving lives with each breakthrough. From 1991 to 2022, the cancer mortality rate in the United States decreased by 34 percent.² Annual HIV infections fell by two-thirds from the height of the HIV epidemic, and 65 percent of individuals diagnosed with HIV in 2022 achieved viral suppression.³ The life expectancy of someone born with cystic fibrosis today is multiple decades longer than it was 30 years ago.⁴ Each of these achievements was driven by research conducted at or funded by NIH.

The dramatically lower indirect cost rate cap will have far-reaching consequences for institutions and researchers nationwide, reducing their capacity to conduct cutting-edge research. Slashing this funding means cutting financial support for the construction and maintenance of laboratories and high-tech facilities; energy and utility expenses; and the essential safety, security, and other support services researchers need to perform their work. Indirect costs make research possible. Without fair reimbursement for indirect costs, research institutions may be forced to close laboratories, lay off staff, stop clinical trials, and pause research programs. This will force Americans to go without lifesaving and life-extending treatments.

The supplemental guidance for this misguided and detrimental announcement states that the "United States should have the best medical research in the world.⁵" Cutting vital funding for indirect costs accomplishes the exact opposite. Instead of supporting efforts to cure disease, this policy will severely compromise the United States' ability to conduct lifesaving research.

A recent *Washington Post* article described how a researcher who studies how cells communicate faced a setback when the lab's "cold room" broke down. This cold room is essential for conducting experiments critical to advancing our understanding of colon cancer and developing potential cures. The expenses

¹ NOT-OD-25-068: Supplemental Guidance to the 2024 NIH Grants Policy Statement: Indirect Cost Rates

² <u>https://pressroom.cancer.org/2025CancerFactsandFigures</u>

³ CDC FACT SHEET: HIV Incidence, 2014-2018

⁴ What's the Life Expectancy for Someone with Cystic Fibrosis?

⁵ <u>https://grants.nih.gov/grants/guide/notice-files/NOT-OD-25-068.html</u>

associated with maintaining cold rooms represent the kind of funding that would be slashed under NIH's policy, compromising the infrastructure that allows researchers to carry out their vital work.

Research universities generate significant economic activity in communities throughout the country. In 2024, the NIH supported work at over 2,500 institutions in all 50 states, as well as in U.S. Territories and Commonwealths.⁶ In Fiscal Year 2023, each dollar of NIH funding generated \$2.46 in economic activity.⁷ The economic pain caused by slashing NIH research funding will not be contained to university campuses. It will reverberate into communities throughout the country, hurting hardworking families already struggling to keep up with rising costs.

The *Further Consolidated Appropriations Act, 2024* was passed by Congress on a bipartisan basis and contains a provision to prevent NIH from unilaterally making changes to how the agency pays for indirect costs. We are encouraged that a federal judge has issued a temporary order halting this controversial decision. However, the uncertainty and disruption caused by these irrational decisions highlight the need for the NIH to immediately rescind this guidance on indirect costs and refrain from taking unilateral action on payment for indirect costs in the future. With this in mind, we request answers to the following questions:

- 1. What measures has the NIH taken to thoroughly assess the impact of capping indirect cost payments?
- 2. Were alternative solutions considered that would allow for budgetary savings without compromising research institutions' ability to conduct research?
- 3. How does the NIH plan to address concerns from research institutions about potential layoffs and halted studies caused by the new indirect cost rate?
- 4. How will significantly reducing funds available to maintain critical laboratory infrastructure impact the overall quality and progress of biomedical research and innovation in the United States?

Thank you for your prompt attention to this important matter. We ask that you provide responses to these questions no later than February 28, 2025.

Thank you,

Gabe Amo Member of Congress

Sincerely,

and Dollate Avide J.

Diana DeGette Member of Congress

Linda T. Sánchez Member of Congress

⁶ Budget | National Institutes of Health (NIH)

⁷ <u>UMR Releases Annual NIH Economic Impact Report: 2024 Update - United For Medical Research</u>

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