



November 14, 2023

Dear Representative:

On behalf of our organizations representing leading research universities, medical schools, and academic health systems and teaching hospitals all across the United States, we write in strong opposition and urge you to vote no on amendment #109 being offered by Rep. Andy Harris (R-MD), Rep. Michael Burgess (R-TX), Rep. Rich McCormick (R-GA), and Rep. Brad Wenstrup (R-OH) as part of the consideration of H.R. 5894, the Labor, Health, and Human Services, Education, and Related Agencies Appropriations Act for FY2024.

This amendment would impose a 30% cap on all facilities and administrative (F&A) costs (also referred to as "indirect costs") for research awards made by the National Institutes of Health. At a time of increased competition with countries like China, this cut to necessary costs involved in conducting federally sponsored research would undermine our nation's economic competitiveness and erode the United States' longstanding commitment to medical research that has yielded countless benefits to society and our well-being.

F&A costs are essential reimbursements for operational expenses incurred by universities and other research institutions for conducting research on behalf of the government.¹ This amendment would greatly affect the ability of universities, medical centers, and other research institutions to operate cutting-edge laboratories and research facilities, and maintain utilities such as lighting and heating or hazardous waste disposal.² Without the federal government's reimbursement of F&A costs, institutions would be forced to scale back research that may help develop the next vaccine or cure for cancer, Alzheimer's, and other health threats, or the next technological innovation that will create new businesses or medical devices.

In agricultural research, indirect costs are capped at 30%. This cap has had a deleterious impact on infrastructure and facilities at agriculture schools. Two years ago, the Association of Public and Land-grant Universities (APLU) released a comprehensive study, which found that there is a "collective total need of nearly \$11.5 billion in needed repairs and renovations at the building and supporting facilities at schools of agriculture authorized to receive USDA research funding." The report suggests that "increasingly inadequate infrastructure threatens to constrain the ability of these vital institutions to continue to deliver game-change breakthroughs while training the next generation of bioeconomy workers and innovators at a time when America is working to keep up with investments made by global competitors such as China."¹ A similar cap placed on biomedical research at NIH would have an even

¹ New Study Sounds Alarm About Agriculture School Infrastructure (Association of Public and Land-grant Universities, March 2021): <https://www.aplu.org/news-and-media/news/new-study-sounds-alarm-about-agriculture-school-infrastructure/>

greater impact on U.S. competitiveness and give our competitors – particularly China, which is building new biomedical and health facilities and greatly subsidizing their costs – a window of opportunity to gain ground in important research areas.

Simply put, groundbreaking science at research institutions nationwide could not happen if they cannot recover the costs of electricity, laboratory space, and other specific costs necessary to conduct research on behalf of the federal government. As a result, Americans would have to wait longer for cures and our country would cede scientific breakthroughs to foreign competitors. These are real consequences – slower scientific progress, longer waits for cures, and fewer jobs.

We urge you to reject this amendment and other threats to the nation’s medical research enterprise. Thank you for considering our views.

Sincerely,

Association of American Universities

Association of Public and Land-grant Universities

Association of American Medical Colleges