

Congress of the United States

Washington, DC 20515

February 14, 2025

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

Dear Acting Director Memoli,

As members of the New York Congressional Delegation, we write to express our deep concern with the recently released supplemental guidance to the National Institutes of Health Grants Policy Statement stating that “indirect costs,” defined as “facilities and administrative” (F&A) costs will now be set at a standard rate of 15% for all NIH grantee institutions.

Indirect costs, also referred to as Facilities and Administrative costs, are expenses incurred by an institution that support the overall research but are not directly attributable to a specific research project. Indirect costs cover essential infrastructure and administrative functions necessary for conducting vital research.

Indirect costs are a necessary component of federally funded research, ensuring that institutions can provide the necessary support for high-quality research without placing an undue financial burden on the researchers themselves.

This cap on indirect costs will decimate jobs and the ability of our New York institutions to continue life-saving research. According to the NIH’s RePORTER database of NIH-funded research projects, New York State has \$5 billion in current NIH grants across 250 entities, with the highest amounts concentrated in academic medical centers and research entities such as cancer centers. New York State is the second leading recipient of NIH funding, and the Greater New York Hospital Association estimates that New York will lose a staggering \$850 million due to the cap on indirect costs.

F&A costs should be seen as a critical investment that helps ensure that the United States remains the world leader in scientific advancement. At a time when our adversaries are making substantial investments in biomedical research and education, now is not the time to make harmful and counterproductive decisions that would only harm the American people and slow the pace of scientific progress.

As you know, Fiscal Year 2024 Appropriations law includes language that prohibits the use of funds to modify NIH indirect costs.¹ Additionally, this cap may be in violation of the Administrative Procedure Act.²

We strongly urge you to rescind this decision and work with Members of Congress to ensure that any proposed changes lead to more jobs for the American people and more cutting-edge research that allows the United States to remain at the forefront of scientific progress and advancement.

We thank you for your attention to this important matter and look forward to your reply.

¹ Consolidated Appropriations Act, 2018, Pub. L. No. 115-141, 132 Stat 348, § 226.

² Gabrielle Mason, *22 states sue NIH over biomedical research grant cap designed to save \$4B annually*, Fierce Biotech, Feb. 10, 2025, <https://www.fiercebiotech.com/biotech/nih-cuts-biomedical-research-grants-says-capping-indirect-costs-will-save-4-billion-year>

Sincerely,



Joseph D. Morelle
Member of Congress



Paul Tonko
Member of Congress



Charles E. Schumer
United States Senator



Andrew R. Garbarino
Member of Congress



Patrick K. Ryan
Member of Congress



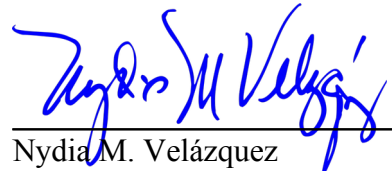
John W. Mannion
Member of Congress



Ritchie Torres
Member of Congress



Dan Goldman
Member of Congress



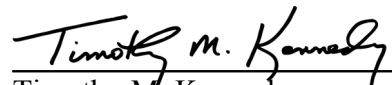
Nydia M. Velázquez
Member of Congress



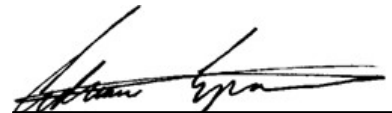
Kirsten Gillibrand
United States Senator



Grace Meng
Member of Congress



Timothy M. Kennedy
Member of Congress



Adriano Espaillat
Member of Congress



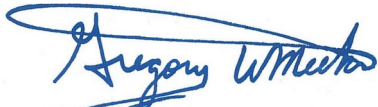
Jerrold Nadler
Member of Congress



Thomas R. Suozzi
Member of Congress



Yvette D. Clarke
Member of Congress



Gregory W. Meeks
Member of Congress



Alexandria Ocasio-Cortez
Member of Congress



Josh Riley
Member of Congress



Laura A. Gillen
Member of Congress



George Latimer
Member of Congress



Michael V. Lawler
Member of Congress