July 7, 2017

The Honorable John Lewis
343 Cannon House Office Building
Washington, DC 20515

Dear Congressman Lewis:

We write to express our strong opposition to the proposed 10 percent cap on facilities and administrative (F&A) costs on NIH and other biomedical research awards. This proposal, offered as a way for the federal government to achieve cost reductions, will impact our nation’s ability to perform health and biomedical research that lead to advances in medical treatments and cures to debilitating diseases. In Georgia, the cap will result in more than $110 million in cuts to the state’s research enterprise and may slow the trajectory of our institutions’ economic impact on the state.

We are pleased and grateful for the strong bipartisan Congressional support of the NIH and biomedical research; however, this proposed cap on F&A would severely undercut the research supported by NIH and other federal agencies. Put simply, a cut to F&A costs is a cut to research and, therefore, outcomes. Research cannot be performed in the absence of specialized facilities and laboratories, utilities, high-speed data processing and storage, human and animal research review boards, radiation and chemical safety activities, and other infrastructure and compliance activities required for the conduct of federally funded research. These costs are the necessary infrastructure by which this innovative research can be conducted. Such a drastic cap on F&A costs will stymie progress and have a swift and devastating impact on our healthcare system for the foreseeable future.

At its current level of federal research funding, the proposed 10 percent cap on F&A would require our institutions to further subsidize federal research at untenable levels. These rates are negotiated with the government to ensure that the government pays only the costs directly attributable to the performance of federally funded research. Our institutions invest significant resources to make up for the remaining unreimbursed F&A costs. Universities, medical centers, and research institutions are struggling to sustain this level of support even at current F&A rates. The proposed cap would result in the discontinuance of significant portions of the federal research activities currently conducted at our institutions. This includes the termination of promising research programs ranging from cancer to infectious disease, closure of several state-of-the-art research facilities, reduction of graduate and post-graduate training programs, and potentially large-scale layoffs.

Our nation’s nearly 70-year-long partnership between the federal government and research universities is world renowned for its success, productivity, and innovation—and for the tremendous improvements in human health that it has produced through basic, translational, and clinical research. In particular, NIH-funded research has led to an increase in life expectancy and declines in deaths from cancer, heart disease, stroke, diabetes, and other devastating and debilitating diseases. The U.S. is the global leader in medical research, basic scientific research, and innovation which has led to significant economic benefits, job growth, and advances in healthcare that benefit all Americans. The economic benefits of research cannot be understated. During fiscal year 2016 alone, researchers at our eight research universities competed for and received over 1,110 grants from NIH, equaling more than $525 million. Our institutions leverage these grants to help deliver a statewide economic impact of more than $20 billion, according to available economic impact reports. This research helps our nation and our state remain competitive. Stable and consistent funding of the entire spectrum of research infrastructure and support activities is necessary to maintain our nation’s standing and competitiveness.

Sincerely,

Mark P. Becker, Ph.D.
President, Georgia State University

C. Michael Cassidy
President and CEO, Georgia Research Alliance

Ronald A. Johnson, Ph.D.
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William D. Underwood, J.D.
President, Mercer University

G.P. “Bud” Peterson, Ph.D.
President, Georgia Institute of Technology

Claire E. Sterk, Ph.D.
President, Emory University

cc: Secretary Tom Price
Senator Johnny Isakson
Senator David Perdue
Congressman Buddy Carter
Congressman Sanford Bishop
Congressman Drew Ferguson
Congressman Hank Johnson
Congresswoman Karen Handel
Congressman Rob Woodall
Congressman Austin Scott
Congressman Doug Collins
Congressman Jody Hice
Congressman Barry Loudermilk
Congressman Rick Allen
Congressman David Scott
Congressman Tom Graves