February 11, 2025

The Honorable Marsha Blackburn
U.S. Senate
357 Dirksen SOB
Washington, DC 20510

The Honorable Bill Hagerty
U.S. Senate
251 Russell SOB
Washington, DC 20510

The Honorable Diana Harshbarger
U.S. House of Representatives
167 Cannon HOB
Washington, DC 20515

The Honorable Tim Burchett
U.S. House of Representatives
1122 Longworth HOB
Washington, DC 20515

The Honorable Chuck Fleischmann
U.S. House of Representatives
2187 Rayburn HOB
Washington, DC 20515

The Honorable Scott DesJarlais
U.S. House of Representatives
2304 Rayburn HOB
Washington, DC 20515

The Honorable Andy Ogles
151 Cannon HOB
U.S. House of Representatives
Washington, DC 20515

The Honorable John Rose
2238 Rayburn HOB
U.S. House of Representatives
Washington, DC 20515

The Honorable Mark Green
2446 Rayburn HOB
U.S. House of Representatives
Washington, DC 20515

The Honorable David Kustoff
560 Cannon HOB
U.S. House of Representatives
Washington, DC 20515

The Honorable Steve Cohen
2268 Rayburn HOB
U.S. House of Representatives
Washington, DC 20515

Members of the Tennessee Congressional Delegation:

As leaders of Tennessee research universities and medical centers, we write to express grave concern with a February 7th policy issued by the National Institutes of Health (NIH) outlining a change in grants policy that will drastically reduce support for vital research infrastructure and activities in Tennessee.[1] **We urge you to encourage HHS leadership to rescind this policy and continue Congress' bipartisan support for appropriations language affirming the use of**

[1] NOT-OD-25-068: Supplemental Guidance to the 2024 NIH Grants Policy Statement: Indirect Cost Rates. https://grants.nih.gov/grants/guide/notice-files/NOT-OD-25-068.html

institution-specific negotiated Facilities and Administrative (F&A) cost rates on NIH awards.[2] Put simply, this new policy would devastate biomedical research across the United States, including the significant presence we have built in Tennessee.

Our institutions are proud of the longstanding partnership we have with NIH to advance medical knowledge and research on behalf of the American taxpayer and patients. Investigators on our campuses are highly competitive and have made countless contributions to medical advancements leading to new therapies, medical devices, and diagnostics. In Tennessee, NIH supports a wide range of work, including cancer clinical trials for adults and children, the development of early detection technologies, and innovations in treating previously deadly childhood diseases. NIH grants also fund Alzheimer's research, antibody therapies to protect U.S. service members from pathogenic threats, and advancements in traumatic brain injury treatment and veterans' care. Additionally, they drive progress in advanced surgical robotics, among other areas. In Fiscal Year 2023, Tennessee-based researchers secured $770 million in NIH funding, supporting over 9,000 jobs and contributing to nearly $2 billion in economic activity.[3]

Scaling back our research capacity will slow scientific progress and have severe consequences for our global competitiveness. As countries like China expand investments in biomedical research, cutting billions from NIH surrenders U.S. competitive edge, eliminates jobs, slows economic growth, and hinders progress in American medical, scientific and technological innovation. In short, this move will cede our leadership in biomedical research to China.

NIH research grants include a component designed to defray facilities and administrative costs related to performing research. These costs are sometimes referred to as indirect costs. F&A costs are real and essential costs that include maintenance of core research infrastructure and facilities, utilities (keeping the lights on), security, data storage, as well as important health and safety compliance activities. Grantee institutions like ours engage in significant dialogue with the U.S. government every few years to review institution-specific expenses and arrive at jointly agreed upon F&A rates that are site- and institution-specific. This longstanding HHS grant administration approach acknowledges the complexity of conducting research. It recognized that a one-size-fits-all cost model does not suit the dynamic and evolving US biomedical research ecosystem.

The current F&A rates do not even cover the actual cost of performing research at our institutions. Our institutions invest hundreds of millions annually to cover research costs not fully funded by federal grants. We cannot replace lost federal support and sustain the same level of research.

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[2] Section 224 of Public Law (PL) 118–47 as carried forward by PL 118-158.
[3] United for Medical Research "NIH's Role in Sustaining the U.S. Economy, 2024". https://www.unitedformedicalresearch.org/wp-content/uploads/2024/03/UMR-NIHs-Role-in-Sustaining-the-US-Economy-2024-Update.pdf

The NIH F&A policy change will reduce research, limit clinical trials, close labs, cut jobs for established and early-career researchers, limit training opportunities for future scientists and risk America's leadership in biomedical science.

Thank you for your continued support for Tennessee's medical research capabilities, professionals, and institutions.

Sincerely,

Jeffrey R. Balser, MD, PhD
President and CEO
Vanderbilt University Medical Center

Randy Boyd
President
University of Tennessee System

Daniel Diermeier
Chancellor
Vanderbilt University

James R. Downing, MD
President and CEO
St. Jude Children's Research Hospital

James E.K. Hildreth, MD, PhD
President and CEO
Meharry Medical College