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Statement for the Record
Full Committee Hearing
"Biomedical Research: Keeping America's Edge in Innovation"
United States Senate Committee on Appropriations
Wednesday, April 30, 2025

Submitted by

Federation of American Society for Experimental Biology (FASEB) 6120 Executive Boulevard, Suite 230 Rockville, MD 20852

The Federation of American Societies for Experimental Biology (FASEB) appreciates the opportunity to submit this statement for the record concerning the topic of keeping America's edge in biomedical innovation. Founded in 1912, FASEB is a coalition of 22 scientific societies representing over 110,000 researchers in the biological and biomedical sciences. As the nation's largest biomedical coalition, FASEB is the recognized collective policy voice of biological and biomedical researchers.

With the recent termination of approximately 1,300 dedicated and highly skilled employees at the National Institutes of Health (NIH), a proposal to impose a 15 percent cap on facilities and administrative (F&A) costs, the sudden termination of grants, and growing instability across the biomedical funding landscape, there is growing anxiety in the biomedical research community, especially among early-career NIH-funded researchers. Combined with the uncertainty of future financial support from the administration and a lack of transparency from the Department of Health and Human Services, our country has entered a period of unpresented disruption and risk in the biomedical research field. These issues make it clear to FASEB and its researchers that biomedical research is in jeopardy—at precisely the moment global competitors are accelerating investment.

The administration's goal of downsizing the federal government, including our nation's largest public funder of biomedical research in the world, is jeopardizing the work of over 300,000 scientists at universities, medical centers, and independent research institutions nationwide. Becoming a researcher has an exceptionally long pathway from advanced graduate education to independence in your own lab. This can be compared to operating a small business with all its operational aspects from grant writing, staffing, training, execution, and eventually publication and recognition among your peers for the new knowledge generated from both successes and failures. To threaten this pipeline is to dismantle an innovation ecosystem decade in the making.

According to National Security Commission on Emerging Biotechnology (NSCEB), a bipartisan group of lawmakers and policy experts who worked to assess the opportunities and threats



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presented by biotechnology, America's global leadership position is dangerously close to falling behind China. The Commission's report Charting the Future of Biotechnology found that there is rapid advancement taking place in the use of biology far beyond health and is impacting industries from agriculture and infrastructure to manufacturing and defense. The use of artificial intelligence (AI) combined with biological research and the data it has and will continue to generate is accelerating this impact on the country. Biology is the basis of what the founder and executive chairman of the World Economic Forum, Klaus Schwab, calls the Fourth Industrial Revolution, which began in the early 2000s to present. The fusion of biological research with artificial intelligence and big data is accelerating this transformation. In this age human creativity and skilling of a bio-literate workforce across America from the technician to the PhD is needed to take advantage of this change. The NSCEB emphasizes that enhancing biliteracy is crucial for national security and economic competitiveness. They advocate for comprehensive biotechnology education across all levels—from K-12 to postgraduate—and targeted training for federal employees to ensure informed policymaking and effective program management. As Schwab describes, biology is a foundational force in the Fourth Industrial Revolution—one in which global dominance will belong to those nations bold enough to lead.

Regarding the approach of applying a one size fits all cap on F&A costs at NIH and more recently, the Department of Energy, we are concerned that this proposal was developed without any stakeholder consultation. F&A costs, also referred to as "indirect costs," are essential to conduct research, which the federal government recognizes by paying its portion of these costs to support the research infrastructure such as state-of-the art research labs, grant administration, data processing, hazardous waste disposal, national security protections such as export controls, and human subjects protections, maintenance staff, and regulatory compliance. At academic, medical, and independent research institutions where federal research is conducted these entities also contribute their own funds towards research support. However, with F&A costs growing in real dollars, these costs are being subsidized because the Office of Management and Budget puts caps on indirect cost rates leading to chronic underfunding. For example, the NIH share of total funding toward F&A costs reimbursements has remained unchanged at 27-28 percent of total funding for over two decades. ¹

On April 8, 2025, an announcement was made of an effort to spur the development of a more efficient and transparent model for funding indirect costs of federal research grants. This effort seeks to identify and reduce or eliminate regulatory barriers, produce a simple and easily explained model, and increase transparency, all in service of a singular goal: to ensure that taxpayer dollars continue to be used effectively to advance research that benefits all Americans. We urge that any such model be built collaboratively, with robust input from the scientific community.²

¹ FAQ-Costs-of-Research 2.10.25.pdf

² https://www.aamc.org/news/press-releases/national-organizations-announce-joint-effort-develop-new-indirect-costs-funding-model



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The sudden termination of a substantial number of NIH funded grants this year is impacting public health and scientific careers, stalling critical research, and placing the U.S. global standing in biomedical research at risk. Some of these terminated grants have focused on underserved and high-risk populations with a goal of closing the gap in health disparities. Taxpayer funded research should benefit all populations within the U.S. rather than de-selecting and defunding research that can identity the medical and social needs of certain segments based on sex and gender.³ Data generated from several years of research is now in jeopardy and lead principal investigators must fire staff or try to salvage their work by finding alternative sources. This is not just inefficient—it is a direct threat to our nation's health equity and research integrity.

NIH funded research is critical to responding to existing and emerging health challenges such as chronic disease, autoimmune diseases, and novel viruses. Now is not the time for drastic cuts to NIH funding. Some investigators are making the effort to submit appeals for their grant terminations but as they wait, patients with debilitating diseases without any therapeutic treatments or clinical trials just face more pain and suffering. In biomedical research, delays cost lives.

Investments in health research pay dividends in terms of preventive intervention, diagnostics, treatments, and cures. It impacts nearly every <u>congressional district</u> nationwide with high quality jobs and a healthier population able to contribute to society on both the national security and economic development fronts. This is a national investment with measurable returns.⁴

Concerns of a brain drain are also looming as students in science, technology, engineering, and mathematics (STEM) make their decisions concerning which country to study and develop their careers in. The NIH and the National Science Foundation, and other federal agencies provide substantial funding for university-based research. A reduction in such funding could make universities less competitive in attracting top talent, including foreign students who are keen to contribute to high-impact research. As their perception of instability increases and fears of sudden changes in their immigration status to be in the US take hold, they will seek opportunities in other countries such as Canada, Germany, and China rather than contribute to ours. Even US born STEM talent can look for better resourced opportunities in other countries as their career prospects dwindle. There is also a particularly strong effect of students pursuing PhDs or post-doctoral fellowships which are heavily reliant on grants. Expecting the private sector to make up the difference in the budget for a lack of robust and steady federal funding of research is not reasonable and raise concerns since the private sector has a profit motive versus a public good motive. The private sector also has more of an emphasis on applied research rather than fundamental or basic research which is the genesis of applied research. In addition, private

³ Full article: Statement on the Importance of Sexuality and Gender Research

⁴ https://www.faseb.org/science-policy-and-advocacy/federal-funding-data



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companies tend to be more risk adverse than government agencies so pushing the boundaries of understanding new concepts is less likely in the private sector, which needs to see a return on investment and answer to shareholders.

FASEB greatly appreciates the bipartisan efforts of the 119th Congress, and especially the Senate Appropriations Committee, to receive answers from the administration on a myriad of questions concerning the topics of this hearing. Increasing transparency from the administration is necessary to promote accountability, trust, and informed decision making.

FASEB respectfully requests that the entirety of this statement be entered into the official record for this hearing, "Biomedical Research: Keeping America's Edge in Innovation."

We stand ready to be a resource to the committee and look forward to working you to address any questions you may have about this statement.

Sincerely,

Beth A. Garvy, PhD FASEB President

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