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Building a Stronger Foundation for Science

A letter from David A. Brenner, MD, President and CEO of Sanford Burnham Prebys

The National Institutes of Health's (NIH) proposed cap on Facilities and Administrative (F&A) costs, now paused pending the outcome of several lawsuits, remains ill-conceived and disregards the long, productive relationship between the federal government and the scientific community, one that has made the U.S. research enterprise unparalleled in the world.

In response to my **first letter**, I received several questions about the NIH's rationale for their decision to cap F&A at 15 percent and, in particular, the role of private foundations in supporting research.

The NIH explained its dramatic reduction by noting that foundations typically pay even lower F&A rates than the government. The rationale is misleading.

Private foundations play an indisputably valuable role in the discovery of new drugs and therapies. Their support is often the boost that jumpstarts experiments, closes a critical funding gap, drives a fundamental systems change or simply accelerates progress toward a targeted goal, whether that's a promising new drug to treat Alzheimer's disease or a cure for a rare congenital condition in children.

Every year, foundations and other sources of philanthropy give billions of dollars to specific purposes and causes.

But comparisons between the type of research funded by the federal government and research funded by foundations is apples and oranges. If science is fundable by foundations, it is often precisely because it is not fundable by the NIH.

This is by design. The NIH historically emphasizes support of traditional lab-based biomedical research. Foundations, on the other hand, often specifically target research that NIH does not support because they want to fill gaps in the scientific enterprise to get the most impact from their investments.

They may be involved in global issues like reducing hunger or eliminating diseases endemic in distant parts of the world. They may focus on a specific health issue, such as a rare childhood disease. Or they may focus on early-stage investigators, translational research or high-risk, high-reward research that the NIH doesn't fund.

If scientists want to pursue these projects, foundations are frequently the only source of support. Research institutions often have no choice but to pursue foundation money to support these promising areas of research.

And so they do, even with foundations' lower F&A rates. But the practice does not represent the true cost of science and research institutions must use other sources of money, often philanthropic, to cover the shortfall.

This is possible only because foundation funding comprises a small percentage of support at research institutions. Foundation funding accounts for roughly 6 percent of biomedical research in the United States, according to a **Council on Governmental Relations study.** If foundations made up a larger portion of the funding pie, then research institutions would not be able to fill the shortfall or accept their money.

The NIH is the largest funder of biomedical research in the world. Last year, it devoted **nearly 83 percent of its $48 billion budget** to medical research conducted at universities and research institutions like Sanford Burnham Prebys. That translated to more than $35 billion spent supporting almost 50,000 research grants to 300,000 researchers at more than 2,500 universities, medical schools and research institutions in the U.S. Roughly $9 billion was allocated for F&A expenses.

If neither the NIH nor foundations adequately cover F&A expenses, institutions like Sanford Burnham Prebys must make up the difference themselves, reduce their scientific activity or even abandon aspects of it altogether. The result: Biomedical research *slows* down and cures are *delayed*.

A robust analysis of the role of foundations in the research enterprise would have led the NIH to issue a much different notice: One that called for non-federal funders to begin supporting the true cost of research. Instead, they misrepresented how foundations fund research to falsely rationalize their proposed budget cuts to lifesaving biomedical research.

This is a moment of crisis. The NIH F&A cap represents an unwarranted threat to the health of biomedical research—and by extension, our own health. It is an existential threat to some institutions. We must respond together to achieve our goal: Better, longer lives for all.

The scientific community stands ready to help, to explain why these costs are necessary, and to offer guidance and advocacy.

Sincerely,

David A. Brenner, MD
President and Chief Executive Officer
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