

Statement on the NIH Imposed Standard Indirect Cost Rate

On February 7th, the National Institutes of Health (NIH) announced that effective immediately, all NIH grants must have a maximum indirect cost rate of 15% in lieu of the normal rates defined in an institution's negotiated indirect cost rate agreement. This policy change will have massive consequences for potentially life-saving brain and behavior research that benefits millions of Americans. The scope of impact will be immense, including medical care, research, training, and the economy of goods and services that supports these endeavors.

Today, 1 in 5 Americans will experience mental illness in their lifetime and 20% of children, either currently or at some point during their life, have had a seriously debilitating mental disorder. In addition, 1 in 6 Americans have experienced an alcohol use disorder or other substance use disorder in the past year that adversely affect the health and security of our nation. These disorders are often seen together with other conditions, such as alcohol and substance use disorders, that adversely affect the health and security of our nation. The need for innovative science and clinical care to diagnose, treat, and prevent chronic illnesses is widely understood and appreciated. This sentiment can and should transcend other differences in opinion. Cutting funding to research institutions across the country will be catastrophic for the scientific endeavor, slowing scientific progress, and depriving patients, families, and communities across the country of groundbreaking advances in brain and behavior science.

Facilities and Administrative (F&A) costs – also referred to as “indirect costs” – are real and necessary expenses of conducting research that has led to innovative breakthroughs in science for decades. Indirect cost rates are the product of audit-based negotiations between the federal government and individual institutions, and they reflect objective calculations that take into consideration costs in each setting. The research conducted by the members of the below signed organizations is improving the mental health and other brain disorders of millions across this country. However, if these overhead costs are not adequately covered, countless research institutions will struggle or fail to maintain the infrastructure necessary to make groundbreaking advances in brain and behavioral science.

We strongly urge reversal of this decision and implore Congress to reinforce the formal procedures already in accordance with guidelines outlined in governing OMB Circulars (e.g., A-21, A-110), and allow researchers to continue their work to support and improve the mental health and understanding of the brain and nervous system of all Americans.

American College of Neuropsychopharmacology
American Association of Geriatric Psychiatry
American Brain Coalition
American Society of Clinical Psychopharmacology
Flux: The Society for Developmental Cognitive Neuroscience
Research Society on Alcohol
Society of Biological Psychiatry
Society for Neuroscience
Society for Research of Biological Rhythms