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August Recess Update: *National Institutes of Health*

Overview

The National Institutes of Health (NIH), a part of the U.S. Department of Health and Human Services (HHS), is the nation's medical research agency, making important discoveries that improve health and save lives. It is made up of 27 Institutes and Centers, each with a specific research agenda, often focusing on particular diseases or body systems. Research funded or conducted by NIH has led to major medical advances, including vaccines, cancer therapies, HIV/AIDS treatments, genetic research, neuroscience breakthroughs, and public health initiatives.

NIH & the Trump Administration

The Trump Administration has sought immense cuts to the NIH budget, cancelling or withholding current funds and proposing massive decreases in future funding. From January to March, the Trump administration cut \$2.7 billion from the NIH budget, terminating over 715 NIH research grants.

On February 7, Matthew Memoli, then the NIH acting director, announced plans to cap the indirect-cost payment rate for all new and existing grants at 15%, a significant decrease versus the existing average of 27% to 28%, though many institutions have much higher indirect cost percentages. Funding for indirect costs covers shared resources such as utilities, lab animal care, information technology, libraries and support staff whose work supports multiple departments. However, this policy was immediately challenged in court. On February 10, 2025, a federal judge in Boston issued a temporary restraining order (TRO), and on February 21, 2025, the TRO was extended to remain in effect pending further court proceedings. In March 2025, a preliminary injunction was issued, which continues to block NIH from implementing the blanket 15% rate for the time being. The court ruled that the rate change likely violated existing statutes and was arbitrary and capricious. Additionally, Congressional panels and university advocacy groups have also expressed significant opposition to the 15% cap, and as of this summer, there is strong resistance in Congress to the administration's proposal.

The NIH research grant cuts have also been challenged in the courts. On April 4, Judge Angel Kelley of the U.S. District Court in Massachusetts issued a permanent injunction. The NIH filed a notice of appeal to the U.S. Court of Appeals for the First Circuit on April 8 to challenge the permanent injunction. Also on April 4, attorneys general from 16 states filed a lawsuit in the U.S. District Court in Massachusetts against HHS and the NIH, asking for preliminary and permanent injunctions that would block the NIH research grant cancellations and require the health agencies to review delayed applications.

President Trump's budget proposal included \$18 billion in cuts to the NIH for next year, a reduction of about 40% from its current funding. In a stark rejection of President Donald Trump's plan, the Senate Appropriations Committee approved a bill that instead gives the NIH a modest raise of \$400 million. The bill provides \$47.2 billion for NIH's base budget, or about 1% more than this year. The Senate bill also rejects White House proposals such as a massive NIH reorganization and a plan to cap the indirect costs added to NIH grants. The House has not yet considered its version of this legislation but will likely do so after the recess.