

Dear Members of the Yale University Community,

On February 7, the National Institutes of Health (NIH) issued a notice capping indirect costs, also known as facilities and administrative costs (F&A), at 15 percent. That is more than a 75 percent decrease from the current rate the federal government set for Yale. This decision poses a considerable threat to Yale's research endeavors, which lead to medical breakthroughs, support patients in clinical trials, and drive economic growth. Currently, indirect costs support the facilities and infrastructure that enable more than 38,000 patients to participate in over 2,000 research trials. Among these clinical trials, 280 are focused on cancer therapy, eighty involve mental health and behavioral care, and fifty are related to heart disease.

This cap on indirect costs directly harms Yale's core research mission and our scientists' ability to discover life-saving cures for people across the country and the world. Since the moment I learned of this news, I have been working with my colleagues at America's leading research universities to explore all options to oppose this action. Earlier today, Yale and more than thirty other universities and university systems provided public declarations in support of a case filed by the attorneys general of twenty-two states asking the courts to issue a temporary restraining order blocking the reduced indirect cost rate from taking effect.

We also are working with peer institutions in other ways to explain to lawmakers that indirect costs are research costs. They include expenses necessary for our research efforts, such as building maintenance, utilities, compliance with federal regulations, lab safety, and the salaries of staff who provide essential clinical and laboratory services. These expenditures ensure that our facilities remain operational and safe, allowing our faculty and students to focus on patient care and research.

Yale does not profit from federal indirect cost reimbursements, which cover the actual expenses incurred in supporting federally funded research as determined through negotiations with the government and ongoing audits. These negotiated rates reflect the true costs of maintaining a world-class research environment.

Our commitment to research is unwavering, demonstrated by significant financial contributions from our own institutional funds. In FY 2024, Yale invested \$432 million in research—more than double the amount received in indirect cost reimbursements from the NIH. While our endowment provides critical support for research, it is not a limitless resource. Most of the endowment is legally restricted to specific uses, and the rest supports core priorities, such as financial aid and long-term investments in research infrastructure.

Reducing indirect cost recovery jeopardizes the symbiotic relationship between universities and the federal government that advances national interests. For decades, this partnership has been instrumental in achieving better health, enhanced quality of life, and economic growth. Curtailing funding threatens not just academic and research communities but also the well-being of our nation. It could impede progress on U.S. medical priorities that introduce improved treatments; slow scientific progress; result in fewer jobs; hinder economic growth; and diminish our global competitiveness.

Given the rapid pace of changes coming from Washington, D.C., we will keep you informed through the leaders of each affected area and related online resources, such as the webpage for [research](#).

Know that I am committed to advancing the mission of our university and to advocating for you and our larger higher education community. I will always work in ways that are most effective, in public or behind the scenes.

Our work realizing Yale's mission of education, research, preservation, and practice is essential. Every day, we contribute to the creation of knowledge and the application of that knowledge to benefit humanity. Together, we will continue this work.

Sincerely,

Maurie McInnis
President
Professor of the History of Art