The ACADEMY for Radiology & Biomedical Imaging Research
Advancing Innovation in Imaging Science

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February 8, 2025

Dear Academy Supporter,

We understand the concern due to the announcement cutting the NIH's Facilities and Administration Cost also known as "indirect cost." A few variables to keep in mind as we traverse through this issue as a community.

What is being done?

The Association of American Universities (AAU) is taking the lead on this and has been since late last night. This is not unexpected. There has been a working group focused on this for several weeks. This working group includes representatives from AAU, APLU, AAMC, APLA, AIRI and COGR.

We have learned from our meetings with AAU, that institutions are modeling the financial impacts of any cut to indirect costs, and that the AAU is considering all options—including legal challenges—in the days to come. There are many moving parts and the Academy is tracking and aware of all efforts to address this.

For additional resources, AAU has several resources that are available for use including this one-pager that highlights to cost of research.

In addition to working with AAU, the Academy has two seats on the AAMC Ad Hoc Group for Medical Research. This group represents more than 400 patient and voluntary health groups, medical and scientific societies, academic and research organizations, and industry. As a Steering Committee, we will be disseminating talking points and collaborating across the board.

One variable to be aware of:
The CFR that they cited as something that gives permission to precipitously change indirect costs in fact says the exact opposite.

45 CFR Appendix III to Part 75, § C.7.a
7. Fixed Rates for the Life of the Sponsored Agreement

a. Except as provided in paragraph (c)(1) of § 200.414, Federal agencies must use the negotiated rates in effect at the time of the initial award throughout the life of the Federal award. Award levels for Federal awards may not be adjusted in future years as a result of changes in negotiated rates. "Negotiated rates" per the rate

agreement include final, fixed, and predetermined rates and exclude provisional rates. “Life” for the purpose of this subsection means each competitive segment of a project. A competitive segment is a period of years approved by the Federal awarding agency at the time of the Federal award. If negotiated rate agreements do not extend through the life of the Federal award at the time of the initial award, then the negotiated rate for the last year of the Federal award must be extended through the end of the life of the Federal award.
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Full text at
https://www.ecfr.gov/current/title-45/subtitle-A/subchapter-A/part-75/subpart-E/subject-group-ECFR1eff2936a9211f7/section-75.414

45 CFR 75.414
(c) Federal Agency Acceptance of Negotiated Indirect Cost Rates. (See § 200.306.)
(1) Negotiated indirect cost rates must be accepted by all Federal agencies. A Federal agency may use a rate different from the negotiated rate for either a class of Federal awards or a single Federal award only when required by Federal statute or regulation, or when approved by the awarding Federal agency in accordance with paragraph (c)(3) of this section

We will keep you updated as a strategy is developed over the next few days. If you have questions pertaining to this issue please reach out to Lynn Marquis lmarquis@acadrad.org.

*Thank you for your interest in these Academy updates. If you are not already part of a supporting Member department/society/company, please consider supporting our extensive advocacy efforts on behalf of this community through Membership. Please view this brief clip about The Value of the Academy, and view our supportive membership here. For additional membership details, we welcome you to connect with Josie Wilkinson at jwilkinson@acadrad.org

Warmest regards,

Renee L. Cruea, MPA
Executive DIrector