



**Association of Independent Colleges and Universities of Pennsylvania**  
www.AICUP.org

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March 10, 2025

Dear Representative,

Thank you for your service to our state and our country.

I'm writing today about a topic that affects Pennsylvania's colleges and universities, Pennsylvania's economy, and the health of Pennsylvania's citizens. I write on behalf of the [85](#) member institutions of the Association of Independent Colleges and Universities of Pennsylvania (AICUP), for whom I have the honor to serve as President.

Current NIH and NSF proposals would

- 1) [Cut](#) funding to the National Science Foundation (NSF) by 66%, from its current budget of \$9B down to \$3B, and
- 2) Reduce indirect cost rates for land and equipment to 15% for all existing and new research grants of the National Institutes of Health (NIH), which would [cut](#) \$4B in NIH funding.

I write today to let you know that these proposed cuts will do severe damage to **Pennsylvania's economy** and jeopardize America's role as *the* world leader in science and research, potentially for generations. The bottom line is that this national research funding is an investment that pays dividends across Pennsylvania. Let me offer four reasons for that conclusion.

**First, NIH/NSF funding recruits and grows talent in PA.** These grants directly *enable PA to win "the talent wars"* by

- attracting more **college graduates** ([51% increase in 2023](#)) and **out-of-state students** (PA is the [2<sup>nd</sup> top destination](#) in the USA)
- winning new capital investment, and
- helping to change the "**Rust Belt**" narrative into a story of success and [innovation](#).

Education and research are what makes this all [possible](#). **Higher education is the 5<sup>th</sup> largest industry in Pennsylvania** (according to the [PA Chamber](#) of Business and Industry). The independent nonprofit part of this sector (the AICUP schools) alone sustains nearly 200,000 jobs and [adds](#) \$29B to the state economy each year. Simply put, PA higher education is a [key player](#) in the sciences and research prominence of the US, along with significant PA partners in both the non-profit and for-profit sectors.

**Second, NIH/NSF funding grows jobs in PA.** The inventions and innovations made by academic research in PA have a [multiplier effect](#), a figurative "rising tide" that literally creates new wealth in

this state. Today, someone at your office will utilize a federally-funded innovation [born in PA](#), like [WiFi](#) and [Java](#) code (both pioneered at one of our member schools). The private sector [benefits](#) from academic research. In [fact](#), it is estimated that, “**every major technological transformation in the US, from electric cars to Google to the iPhone, can trace its roots back to basic science research once funded by the federal government.**” Simply put, *slashing NIH and NSF funding dismantles a foundation for American prosperity.*

**Third, NIH/NSF funding is a major economic driver for PA.** Pennsylvania-based researchers won [\\$1.8B](#) in NIH funds last year alone, with [\\$915M](#) awarded to the AICUP members. Just one year of NIH funding in Pennsylvania [generates](#) \$5.2B in economic activity and supports 21,787 jobs. NSF funding amounted to another [\\$332M for Pennsylvania](#) in fiscal year 2024, [\\$186M](#) of which was won by the AICUP member colleges and universities.

**Fourth, it is simply inaccurate to characterize indirect costs as “administrative overhead” or “bureaucratic bloat.”** Unlike other kinds of academic and corporate research, the kind of research these grants support involves the creation of unique laboratories, the invention/purchase of expensive equipment and the capacity to run experiments in time frames that require 24-hour supervision. These costs are not waste but in fact processes that are essential to the results which produce cancer defying medications, heart saving therapies, and so much more. What happens if you reduce so called overhead to 15%? In PA, that is \$425M in NIH funds alone to for-profit and non-profit organizations that would disappear overnight.

**Finally, multiple sources warn that these proposed cuts are a “[self-inflicted wound](#)” that “would kill American science and [boost China](#).”** Foreign countries are already talking about seizing this opportunity to [poach American talent](#), create their own patented solutions and penalize American manufacturers and markets. We’re already seeing the shrinking of graduate school programs, while some see signs of an impending “[‘mass exodus’](#) of researchers seeking to leave the United States.”

This issue **transcends party politics**, because academic **research benefits all Americans**. When the USSR sent Sputnik into space, President Eisenhower responded to what was called the “**Sputnik moment**,” with increased and new funding for [STEM and higher education](#) -- investments from which we still benefit today. We are on the cusp of many more Sputnik moments coming fast and furious (like when a [trillion dollars of market value is wiped away](#) in an instant by a single stealthy innovation). We need to be able to recognize the next Sputnik moments and be able to rise to that challenge. These kinds of cuts will handicap our scientists and put us behind in the science race that is central to continued American progress in healthcare, leadership in the world of innovation, and economic prosperity.

Thank you so much for all your work, and for your attention to this critical issue.

Sincerely,

Thomas P. Foley, J.D.

President

Association of Independent Colleges and Universities in Pennsylvania (AICUP)

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