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NIH Grants Policy Under the Second Trump Administration

Since President Trump took office on January 20, 2025, the National Institutes of Health (NIH) within the Department of Health and Human Services (HHS)—the nation's leading health and medical research agency—changed grant policies, award processes, and the total number of grants awarded compared with prior years. NIH has provided several policy justifications for the changes, including federal cost savings, government efficiency, and realigning NIH's grants portfolio with the Administration's overall policy objectives. In many cases, these changes have differed from prior agency practice.

Background on NIH Grants

In FY2023 and FY2024, NIH awarded over 64,000 extramural research and training grants to universities, medical centers, and other institutions each year. NIH has been the largest federal funder of research at U.S. institutions of higher education; according to National Science Foundation data, NIH funding accounted for about 56% of all such federal research funding in FY2023. NIH also has been the world's largest single public funder of health and medical research. Its funded research spans all areas of health and includes topics ranging from basic investigations into the fundamental mechanisms of biology to testing of investigational drugs in human clinical trials.

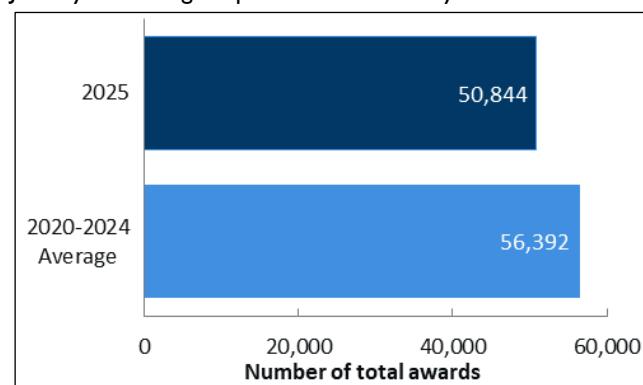
Virtually all NIH grants are awarded through the scientific peer review process. Through this process, NIH evaluates all research funding applications that meet basic requirements using a two-stage, committee-based review. In the first stage, a group of mostly nonfederal scientists from the relevant research field review, evaluate, and rate each application based on scientific and technical merit. In the second stage, the advisory councils of NIH's 24 research institutes and centers (IC) make final funding recommendations by weighing the proposal's scientific and technical merit with other considerations, such as agency priorities. An IC Director makes the final funding decision.

NIH Awards Data: 2025

The figures below provide a comparison of NIH awards in 2025, with average total awards from 2020 through 2024 from January 21 (in 2025, the first full day of the second Trump Administration) until September 30 of each year, the end of each fiscal year. **Figure 1** shows total NIH awards for each time period, including new awards, renewals of awards from prior years, and supplements to existing awards. **Figure 2** shows only new awards and renewals of awards selected through a competitive process for each year. Both figures include both multiyear and single-year awards (see "Multiyear Award Funding"). While CRS refers to these awards as "grants" for simplicity, and as consistent with NIH sources, these data include all NIH extramural research funding mechanisms, including contracts. Several media outlets have published similar analyses in recent weeks.

Figure 1. NIH Total Awards

January 21 through September 30 of each year shown

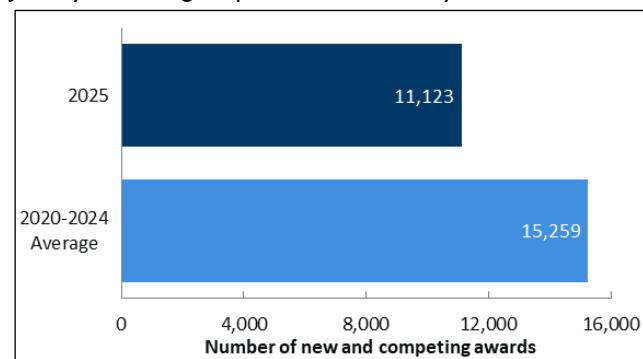


Source: CRS Analysis of NIH RePORTER database, accessed December 4, 2025.

Notes: Includes new awards, competing renewals, noncompeting renewals, and supplements/revisions. Excludes subprojects.

Figure 2. NIH New and Competing Awards

January 21 through September 30 of each year shown



Source: CRS Analysis of NIH RePORTER database, accessed December 4, 2025.

Notes: Includes new and competing renewal awards; excludes subprojects.

As shown, NIH awarded fewer awards in the 2025 time period compared with the average from 2020 to 2024. NIH's overall funding level has remained roughly the same over this timeframe in inflation-adjusted terms. As discussed further, NIH's new multiyear award funding policy likely contributed to the decline in awards for 2025.

Terminated Grant Awards

According to CRS analysis of data on HHS grants terminated in accordance with a presidential memo, as of November 28, 2025, HHS had terminated 977 NIH grant awards totaling \$1.7 billion in value of obligations. Under prior HHS regulations (45 C.F.R. §75.372), an HHS award could have been terminated under certain conditions.

Historically NIH grant terminations were rare; according to

a dissent authored by Justice Ketanji Brown Jackson, the NIH terminated fewer than six grants midstream in the 13 years from 2012 to January 20, 2025.

NIH Obligations and Spending

On August 5, 2025, the Government Accountability Office (GAO) determined that HHS had violated the Impoundment Control Act by withholding NIH funds from obligation and expenditure. GAO reached this conclusion in part based on a review of USASpending.gov data, which GAO stated showed that NIH made fewer awards between February and June of FY2025 than it had during the same time period in prior fiscal years. GAO attributed the decline in NIH obligations to some NIH policy changes under the current Administration, as described below.

CRS subsequently analyzed available NIH budget data and found that by the end of FY2025, NIH had obligated close to 100% of FY2025 appropriations in its one-year discretionary accounts. The agency's total level of discretionary obligations in FY2025 was similar to FY2024.

Selected Grants Policy Changes

Indirect Costs Policy

On February 7, 2025, NIH published supplemental policy guidance that instituted a 15% indirect cost rate for NIH grants. An annual appropriations provision has prohibited NIH from modifying indirect cost policies from those in effect during the last quarter of FY2017. The 2025 indirect cost policy is currently enjoined due to ongoing litigation. Indirect costs represent expenses that are not specific to a research project and that maintain the infrastructure and administrative support for federally funded research. NIH budget data show that out of \$33 billion awarded in FY2024, 28%, or \$9.3 billion, went to indirect costs. According to a 2025 study, fixing the indirect cost rate at 15%, while holding direct costs constant, would reduce NIH funding for many grantees, with most universities losing 15%-20% of their annual NIH funding, and with resulting savings potentially available for reallocation to other NIH research. In its guidance for this new policy, NIH has stated it is "vital to ensure that as many funds as possible go towards direct scientific research costs rather than administrative overhead." For more information, see CRS Insight IN12516, *NIH Indirect Costs Policy for Research Grants: Recent Developments*.

NIH Grants Review Process

Both levels of NIH grant review are subject to requirements of the Federal Advisory Committee Act (5 U.S.C. Chapter 10), including to publish meeting notices in the *Federal Register*. As GAO documented, pursuant to a January 21, 2025, HHS internal memorandum, NIH did not publish any notices for grant review meetings between January 22 and March 3, 2025. Therefore, no grant review meetings were held during this time period, delaying decisions on new awards. NIH announced a new centralized grant review process on March 6, 2025, and an August executive order would change the grant approval process.

Multiyear Award Funding

In recent agency practice, NIH has awarded most grants with "project periods" spanning several years, often four to five years, but the agency did not also *fund* the grant for all of those years. Typically, NIH committed funding to the

award in increments, usually 12 months, known as the "budget period." At the end of each budget period, based on project progress and the recipient meeting other administrative requirements, NIH has typically renewed awards for another budget period. Such a renewal is known as a "noncompeting renewal," because the recipient does not have to compete for the funding for the next budget period. However, there is "no legal obligation" for NIH to fund the project beyond the current budget period. NIH has stated that noncompeting renewals of grant awards are contingent on "satisfactory progress, the availability of funds, and the continued best interests of the Federal government." In past practice, NIH has renewed most grants for all years of their project period, except when there were violations of grant terms and conditions.

In 2025, NIH shifted to funding more multiyear awards where NIH fully funds the grant up front for all years of the project period. In its FY2026 budget request, NIH has proposed to continue to reserve half of the NIH-requested budget for fully funded multiyear awards. According to NIH, this policy "will increase NIH budget flexibility by no longer encumbering large portions of each year's appropriation for the continuation of research projects that were initiated in previous years." This policy also has the effect of reducing total NIH grants awarded in a given year; as shown in the preceding analysis, NIH made fewer awards in FY2025 compared with prior years. The FY2026 Senate Department of Labor, Health and Human Services, and Education, and Related Agencies (LHHS) appropriations committee report (S.Rept. 119-55) expressed concern that the policy "would significantly reduce the number of grants NIH is able to fund" in FY2026.

Research Priorities

In addition to changes to how NIH awards and funds grants, the NIH Director announced a new unified strategy of research priorities in August 2025. The new strategy emphasizes investments in chronic health issues and in new technologies such as artificial intelligence. The strategy also specifies how NIH is to invest in health disparities and transgender care research moving forward.

Related Proposals in the 119th Congress

Some proposals seek to reverse certain policies or to limit NIH's discretion by, for example, reinstating terminated awards (H.R. 5609), curbing authority to terminate grants (H.R. 4007), or prohibiting the impoundment or shifting of funds (H.R. 2855). Provisions in the Senate committee-passed LHHS bill would limit NIH's ability to fully fund multiyear grants in their first year (§ 239); continue an annual prohibition on modifying NIH's indirect cost policy (§224); and place deadlines on posting grant opportunities and awarding funds (§531). Other proposals would affirm recent policy changes at NIH by, for example, limiting indirect costs under grants (H.R. 420). The House committee-passed LHHS appropriations bill would cap indirect costs for certain grantees (§235) and would not include the prohibition to modifications of indirect cost policy as in the Senate bill.

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Kavya Sekar, Specialist in Health Policy

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