



The CHIPS Act and Other Influences of Research Fiscal Policy

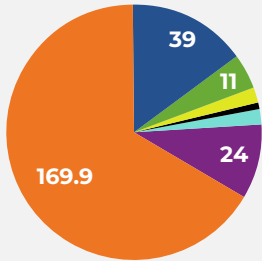
Several years ago, forecasters predicted reduced federal research funding levels, consolidation and outsourcing, further migration to the cloud, and an increased emphasis on science driving research investment and policy. However, the pandemic and other unexpected dynamics have disproven several of these predictions and thrown a wrench into others. For example, research funding levels have increased in certain areas, but access to the dollars remains a challenge. Here we present an assessment of current research fiscal policy drivers and the implications for research institutions.

Funding Is Healthy and So Is the Competition

National Institutes of Health (NIH) funding distributed to research universities — a reliable indicator of available dollars for research — has nearly doubled in the last decade, indicating a positive upward trend. But even that pool pales in comparison with the game-changing CHIPS and Science Act as illustrated in figure 1.

The act authorizes \$248 billion in research and technology investments to boost domestic semiconductor research and manufacturing. With such a massive infusion, additional funding is a certainty for some — and competition among tier-one research (R1) institutions to capture CHIPS and Science Act funding from government agencies will be intense. To ensure their participation, universities are fortifying their chances now in multiple ways:

\$248 Billion in CHIPS Funding



- Department of Commerce Manufacturing Incentives
- Department of Commerce Research and Development
- Workforce and Education Fund
- Defense Fund
- International Technology Security & Innovation Fund
- Public Wireless Supply Chain Innovation Fund
- Investment Tax Credit (for semiconductor manufacturing investments)
- Research & Innovation (through NSF, other federal agencies)

Figure 1. CHIPS and Science Act projected spending in billions

Credit: [Investopedia, CHIPS and Science Act of 2022](#)

- **Analyzing data:** Use dashboards and other technology tools to assess capabilities and set request for proposal (RFP) priorities in areas where institutions are most likely to succeed.
- **Marshaling resources:** Align internal and external resources to these priorities, including corporate relations, government relations, IT, and university leadership on campus and key corporate partners and other research institutions externally.

Moving to the Cloud Is Transforming Research Administration Services

In addition to funding, other trends driving changes in the research space include the creation of formal partnerships or mergers of academic research organizations with traditional healthcare organizations and a move toward outsourcing aspects of research administration to improve service, reduce cost, or address chronic staffing shortages.

Against this backdrop, and with a growing need for business continuity solutions, data warehouses, cloud storage, and processing have become more appealing.

- **Upside:** The U.S. research system is becoming more efficient at streamlining administrative processes.

- **Complicator:** Poor execution can be costly. Selecting and implementing the right technology solution requires smart planning, specialized expertise, and a significant investment in training and change management.

Weighing Research Priorities Remains a Balancing Act

Decisions about research priorities on a national scale can be a complicated mix of science, politics, and practical realities.

- **Upside:** When sound public policy and open discourse drive decision making, long-term investments are made in critical areas that benefit public health, national security, and global competitiveness. Examples of productive efforts include development of the COVID-19 vaccines and passage of the CHIPS and Science Act.
- **Complicator:** The political and public policy environment is likely to continue to be uncertain, and the scientific and research community will need to continue to actively communicate the complexity of their work in ways that rally public support and demonstrate societal value and return on investment.



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