

Federal R&D Support to Nonprofit Institutions Exceeds \$3 Billion

by Richard J.
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For the past 30 years, the National Science Foundation has collected information on the amounts of Federal support for science and engineering (S&E) research and development (R&D) and R&D plant provided to independent nonprofit institutions. Over this time period, reported Federal obligations to the nonprofit sector have grown from \$194 million in fiscal year (FY) 1968 for 63 selected nonprofit institutions to \$3.375 billion in FY 1999 for 1,038 nonprofit institutions.

Independent nonprofit institutions are defined as legal entities other than universities and colleges, privately organized or chartered to serve the public interest, and exempt from most forms of Federal taxation. Federal obligations for R&D and R&D plant are collected—via the Survey of Federal Science and Engineering Support to Universities, Colleges, and Nonprofit Institutions—for the following types of nonprofit institutions: research institutes, voluntary hospitals, and all other independent nonprofit institutions. The “other” category includes professional or technical societies or academies of science and engineering, private foundations, science exhibitors, trade associations, and agricultural cooperatives.

The Federal Support survey first collected data on nonprofit institutions for FY 1968; it was limited to the 62 research institutes plus 1 private foundation that had reported the largest amounts of federally-financed R&D in a survey of scientific activities of nonprofit institutions during 1966. Beginning with the FY 1980 survey, obligations for all nonprofit types were reported, although the practice continued of including only those institutions that received obligations above a certain minimum amount (\$15,000 from a single agency). Eventually, all R&D and R&D plant obligations for a nonprofit institution were reported to this survey as long as the agency total was

\$500 or more. Publication of the FY 1989 survey findings reflected this expanded coverage by eliminating the word “selected” before “nonprofit institutions” in the report’s title.

FY 1999 Nonprofit Distributions: By Agency and Type of Nonprofit Institution

Federal obligations for S&E R&D and R&D plant to 1,038 independent nonprofit institutions totaled \$3.375 billion for FY 1999. This amount represented an 11.2-percent current dollar increase (9.7 percent in real terms) over the FY 1998 level. Between FYs 1992 and 1999, because of current dollar decreases in four fiscal years, nonprofit obligation levels have increased at only a 1.1-percent current dollar annual average rate.

In FY 1999, the Department of Health and Human Services (HHS) supplied 56 percent of the R&D and R&D plant obligation totals to independent nonprofit institutions. The other leading agency support providers were the Department of Defense (DoD) with 20 percent and the National Aeronautics and Space Administration (NASA) with 9 percent.

Nearly half of all Federal R&D and R&D plant obligations to nonprofits went to research institutes, even though these constitute only about a quarter of all nonprofit institutions. HHS supplied 51 percent and DoD 31 percent of all research institutes’ Federal R&D and R&D plant funding. Similarly, voluntary hospitals, which make up only 10 percent of the nonprofit population, accounted for 28 percent of total funds; HHS, not surprisingly, obligated 94 percent of the hospital total. The nearly two-thirds of all nonprofits that were in the “other” category received just 24 percent of total Federal R&D and R&D plant funds to

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nonprofits; NASA provided 26 percent of these, HHS 24 percent, and DoD 18 percent (figure 1).

The Leading 10 Nonprofit Institutions

The leading 10 independent nonprofit institutions in FY 1999, ranked in terms of Federal R&D and R&D plant obligations received (table 1), accounted for about one-third of all nonprofit obligations. Three of these top 10 nonprofits were research institutes: the Mitre Corporation, the Fred Hutchinson Cancer Research Center, and the Henry M. Jackson Foundation. Four were voluntary hospitals: Massachusetts General Hospital, the Brigham and Women’s Hospital, the Beth Israel Deaconess Medical Center, and the Dana-Farber Cancer Institute. All of the Mitre Corporation’s obligations, nearly all support for the Concurrent Technologies Corporation, and most of the Henry M. Jackson Foundation’s funding came from DoD. The Fred Hutchinson Cancer Research Center was largely funded by HHS. NASA, as might be expect-

ed, was the source of nearly all funding to Universities Space Research.

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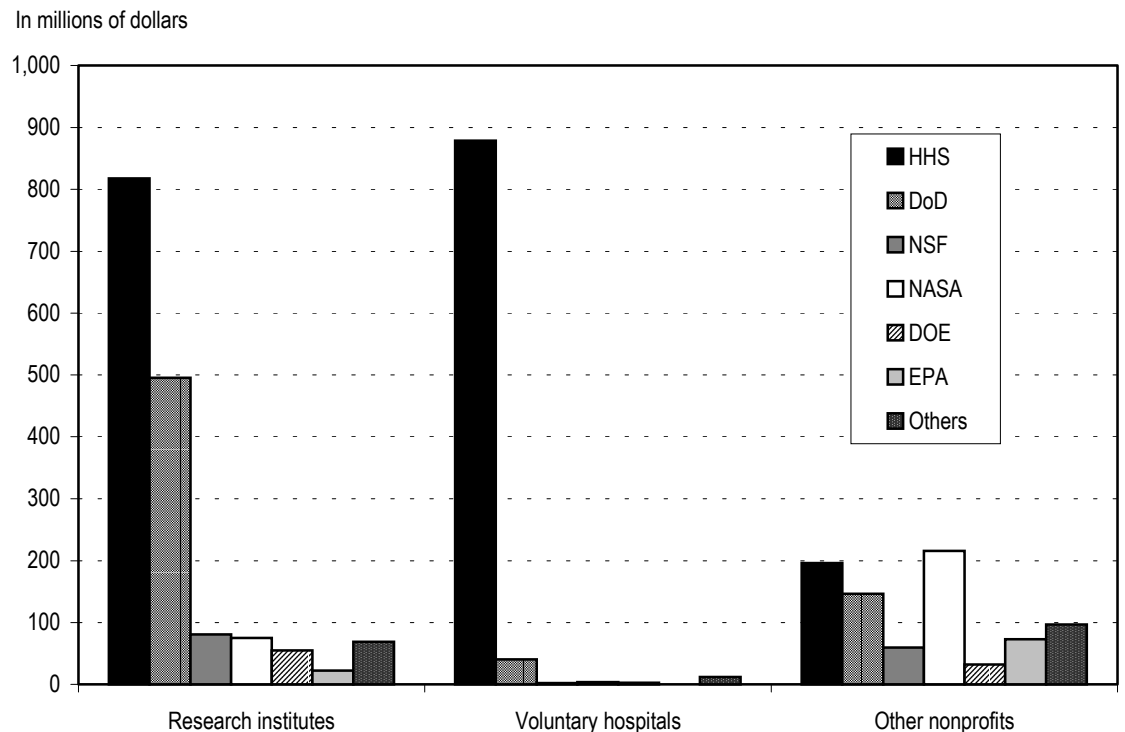
The data presented in this Data Brief were obtained from 16 agencies that reported nonprofit sector R&D and R&D plant obligations in the FY 1999 Survey of Federal Science and Engineering Support to Universities, Colleges, and Nonprofit Institutions. Data from this annual survey allow Federal nonprofit sector R&D and R&D plant support to be reported by funding agency, type of nonprofit institution, institutional ranking, and geographic distribution.

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Ten institutions received 34 percent of the Federal funds.

Figure 1. **Federal science and engineering R&D and R&D plant obligations to independent nonprofit institutions, by agency and type of institution: FY 1999**



SOURCE: National Science Foundation/Division of Science Resources Studies, Survey of Federal Science and Engineering Support to Universities, Colleges, and Nonprofit Institutions: FY 1999.

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Table 1. Top 10 nonprofit institution recipients of Federal obligations for science and engineering R&D and R&D plant, by agency: FY 1999

[In thousands of dollars]

Institution and ranking	Total	Com	DoD	ED	DOE	EPA	HHS	Int	NASA	NSF	Other
Total, all institutions.....	3,374,667	23,843	682,566	54,955	89,393	95,674	1,892,802	8,172	294,191	142,496	90,575
1. Mitre Corporation.....	219,039	0	219,039	0	0	0	0	0	0	0	0
2. MA General Hospital.....	180,205	0	23,755	0	919	0	154,503	0	113	915	0
3. Brigham and Women's Hospital.....	144,734	0	550	0	0	0	141,891	0	1,818	475	0
4. F. Hutchinson Cancer Research Center.....	135,043	0	0	0	712	0	133,976	0	0	355	0
5. Concurrent Technologies Corporation.....	108,720	0	103,339	0	4,256	1,125	0	0	0	0	0
6. Universities Space Research.....	81,590	0	2,049	0	0	0	0	0	79,288	253	0
7. Beth Israel Deaconess Medical Center	72,465	0	699	0	1,564	0	69,962	0	240	0	0
8. Dana-Farber Cancer Institute.....	66,768	0	1,095	0	0	0	65,451	0	0	222	0
9. National Academy of Sciences.....	65,839	90	16,301	50	4,401	2,582	9,763	2,205	17,082	6,578	6,787
10. H. M. Jackson Foundation.....	65,069	0	51,624	0	446	0	12,763	0	60	176	0
Total, 10 institutions.....	1,139,472	90	418,451	50	12,298	3,707	588,309	2,205	98,601	8,974	6,787

KEY: Com = Department of Commerce
 DoD = Department of Defense
 ED = Department of Education
 DOE = Department of Energy
 EPA = Environmental Protection Agency
 HHS = Department of Health and Human Services
 Int = Department of the Interior
 NASA = National Aeronautics and Space Administration
 NSF = National Science Foundation

SOURCE: National Science Foundation/Division of Science Resources Studies, Survey of Federal Science and Engineering Support to Universities, Colleges, and Nonprofit Institutions: FY 1999.

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