

UNIVERSITY OF NEBRASKA

FREQUENTLY ASKED QUESTIONS

TOBACCO SETTLEMENT BIOMEDICAL RESEARCH DEVELOPMENT FUND

2/6/2025

Q: What is the Biomedical Research Development Fund?

A: The Biomedical Research Development Fund was created in 2001 using funds from the Nebraska Tobacco Settlement as part of the Health Care Cash Fund. This fund specifically invests in biomedical research at institutions like the University of Nebraska, Creighton University, and Boys Town. Its goal is to enhance research capacity, improve health outcomes, and stimulate economic growth and employment through innovative technologies.

Q: What is the current funding proposal and how would it impact the University of Nebraska?

A: The current proposal would remove \$11 million of the \$15 million allocated to the Biomedical Research Fund, eliminating the entire portion allocated to the University of Nebraska while leaving funding for Creighton University and Boys Town National Research Hospital intact. This would have devastating effects on the university and the state, as NU is the primary biomedical research institution in Nebraska, attracting the vast majority of federal research funding and conducting large-scale projects that impact public health and economic growth.

Q: Why is the University of Nebraska's portion of the fund critical?

A: NU accounts for the majority of Nebraska's biomedical research activity, particularly in areas such as cancer, neuroscience, and infectious disease research. For every \$1 of investment, NU attracts \$16 in federal and private research funding. Removing this funding would immediately put at risk over \$100 million in active and planned research projects that rely on this state investment as matching funds for federal grants.

NU's biomedical research also supports thousands of jobs in Nebraska, including research faculty, lab technicians, and industry partnerships that develop new medical technologies. Cutting this funding would not only diminish Nebraska's research leadership but would also have far-reaching economic consequences for the state.

Q: Why can't Creighton University or Boys Town National Research Hospital conduct this research on their own?

A: UNMC is Nebraska's primary biomedical research hub, attracting the majority of federal grants and conducting large-scale projects that drive medical innovation. While both are critical research partners, Boys Town specializes in pediatric hearing loss and communication disorders, while Creighton focuses on cancer and community health research. Cutting NU's share of the funding effectively cripples Nebraska's ability to conduct large-scale, federally funded research.

Q: What if the Legislature reduces but does not eliminate the funding?

A: Even a partial reduction would have severe consequences.

Without the full \$11 million in funding, NU will not meet the federal cost-sharing requirements for major research grants, jeopardizing over \$100 million in external funding. Ongoing research projects will be delayed or canceled, leading to lost investments and potential legal or contractual consequences with federal agencies and industry partners.

Top-tier faculty and researchers will leave for institutions in states with stable research funding, taking their expertise and grant funding with them. Nebraska's long-standing reputation as a leader in biomedical research will be damaged, limiting future opportunities for state, federal, and private-sector investment.

Reducing this funding does not save Nebraska money in the long run; rather, it diminishes the state's economic potential and healthcare advancements.

Q: Why doesn't the university take advantage of provider assessment funding to fund this?

A: The provider assessment funding has not yet been released by the federal government, and there is no guarantee that these funds will ever be disbursed. Even if they were, they are designed for hospital reimbursement and not for biomedical research. This is not a viable replacement for the dedicated biomedical research funding from the Tobacco Settlement Fund.

Q: Why can't the university use cash balances to replace this funding?

A: Cash balances provide only a temporary solution and cannot sustain long-term research commitments. Once reserves are spent, they are gone. Using cash to replace recurring funding would lead to a short-term fix followed by a fiscal cliff, requiring deeper cuts, higher tuition, or major reductions in research programs.

Q: How does this investment benefit Nebraska taxpayers?

A: This funding is an investment that yields strong economic and research returns for Nebraska. Every \$1 invested in biomedical research yields \$16 in external research funding, generating a high return for Nebraska taxpayers. Nebraska's biomedical research sector has generated \$5.5 billion in economic impact, with over 14,000 high-paying jobs created. **This is not an expansion of government spending—it is a continuation of a highly successful investment that has positioned Nebraska as a leader in biomedical innovation.**

Cutting this funding weakens Nebraska's ability to compete nationally for research dollars, allowing other states to benefit at Nebraska's expense. The Biomedical Research Fund is a strategic investment in Nebraska's economic future, workforce development, and healthcare advancements.

Q: Why can't the University of Nebraska and other institutions use their own funds for biomedical research? Why rely on state funding?

A: While the University of Nebraska and other institutions do allocate funds for research, the funding in question comes from the Nebraska Tobacco Settlement Trust Fund (NTS) and not from state tax dollars. This trust fund, established from a legal settlement with tobacco companies in 1998, provides a dedicated source of revenue specifically for health-related purposes, including biomedical research.

The Biomedical Research Development Fund has a proven track record of attracting significant federal research dollars—\$1.5 billion to date—which far exceeds the initial investment. Without this funding, the ability to secure these additional funds would be severely compromised, leading to a substantial decrease in research capacity and economic impact.

Q: Can't the federal government or private sector step in to fill the gap if state funding is cut?

A: Federal and private funding is highly competitive and often requires matching funds or initial investments from the state to secure. The Biomedical Research Development Fund serves as a catalyst, enabling Nebraska institutions to compete successfully for these funds.

Furthermore, certain critical areas of research, such as those addressing rural health issues, may not attract sufficient private sector investment due to lower profitability, making this funding indispensable.