

Since the change in Federal Administration, there has been a great deal of attention on government efficiency and federal spending. While the debate around spending continues in Washington, D.C., the direct impacts of actual, planned, and perceived federal cuts have already begun to significantly and potentially negatively impact our region's economy.

- On February 13, 2025, RTI International announced a temporary layoff of 226 US staff, including 61 people in North Carolina, due to the ongoing pause in US foreign assistance.<sup>1</sup> RTI was created in 1959, is headquartered in Research Triangle Park, and is a leading non-profit research institution.
- Similarly, FHI 360, headquartered in Durham, is a non-profit research organization that announced a furlough to 36% of its US staff, including 200 in North Carolina, on February 7 because of federal funding issues.<sup>2</sup>
- Last week, UNC's vice chancellor for research wrote a letter to university researchers last Friday stating that NIH's potential change would have "a significant and negative impact" on UNC-Chapel Hill.<sup>3</sup>

In addition to public and private employers, our region also hosts a large federal employee presence. In a future post, I will spend time on our federal employment base. Today, I want to focus on federal grants and contracts coming into the region to highlight how much money is received and provide a clearer picture of where federal funds are spent. It is essential to recognize that federal grants and contracts significantly impact our region's economy, and changes to federal priorities and spending will likely have downstream implications for our region. It is also important to have a robust public debate about the use and effectiveness of government spending. This piece intends to help frame how federal funds are used in the Central Pines Region and hopefully to assist in the discussion of whether prioritization and spending levels align with public spending goals.

The data I reference comes directly from USASPENDING.GOV<sup>4</sup> and only includes Federal Fiscal Years 2024 and 2025.

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<sup>1</sup> <https://www.rti.org/news/rti-international-announces-temporary-staff-layoffs>

<sup>2</sup> <https://www.fhi360.org/news/fhi-360-announces-u-s-staff-furloughs/>

<sup>3</sup> <https://www.axios.com/local/raleigh/2025/02/11/nih-funding-cuts-unc-duke-triangle-north-carolina>

<sup>4</sup> <https://www.usaspending.gov/>

**More than \$55.6 Billion in federal grants and contracts obligated<sup>5</sup> to the Central Pines Region (Moore, Lee, Chatham, Orange, Durham, Wake, and Johnston Counties) from the federal fiscal years 2024 and 2025.**

To put this into perspective, the entire North Carolina State Government Budget for Fiscal Year 2024 is \$19.6 Billion.<sup>6</sup> Federal spending is undeniably a significant driver of our region’s economy, and any changes to this spending can have far-reaching implications.

The total amount of grants is \$42.4 billion, with about \$13.2 billion in contracts. The remainder of this piece will explore where and how funding is being spent across our region.

**Where and How is Grant Funding Being Spent in Our Region**

\$42,448,003,536 in federal grants was obligated to our seven-county region for Federal Fiscal Years 2024 and 2025.

\*\*An important note about federal spending for our region is that we are home to the State Capital. Some of the funding listed in this analysis is sent to the State and distributed across North Carolina. One example in Table 2 is Broadband funds. Those funds were granted to the State, which distributed the funding across North Carolina.

County	Obligated Amount
Chatham	\$761,411,472
Durham	\$11,730,424,674
Johnston	\$1,679,346,958
Lee	\$684,847,264
Moore	\$1,312,950,399
Orange	\$5,614,469,629
Wake	\$20,664,553,138
<b>Total</b>	<b>\$42,448,003,536</b>

Table 1 – Federal Grants and Assistance Sorted by County in the Central Pines Region

*How is the money being spent?*

There are endless ways to categorize and review federal spending across our region, highlighting how complex any review of federal spending can be. For this piece, I will utilize the Catalog of Federal Domestic Assistance taxonomy to highlight how federal spending is

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<sup>5</sup> Code of Federal Regulations 80.91 An obligation of funds is a legal liability to disburse funds immediately or at a later date as a result of a series of actions.

<sup>6</sup> <https://www.urban.org/policy-centers/cross-center-initiatives/state-and-local-finance-initiative/projects/state-fiscal-briefs/north-carolina>

directed. The table below lists the top 20 spending categories across the seven-county region.

CFDA Category	Amount
<b>96.002: Social Security Retirement Insurance - The Social Security Retirement benefit is a monthly payment that replaces part of your income when you reduce your hours or stop working altogether. The monthly payment does not replace all of your income.</b>	\$8,996,557,279
<b>97.036: Disaster Grants – Public Assistance (Presidentially Declared Disasters) - To assist state, local, territorial, and tribal (SLTT) governments and eligible private non-profits in responding to and recovering from the devastating effects of disasters by providing assistance for debris removal, emergency protective measures, and the repair, restoration, reconstruction or replacement of public and eligible private non-profit facilities or infrastructure damaged or destroyed as the result of Presidentially-declared major disasters or emergencies.</b>	\$2,961,494,171
<b>64.109: Veterans Compensation for Service-Connected Disability - Compensate Veterans for disabilities incurred in or aggravated during military service according to the average impairment in earning capacity such disability would cause in civilian occupations.</b>	\$1,601,548,250
<b>11.035: Broadband Equity, Access, and Deployment Program - The Commerce Department's National Telecommunications and Information Administration will provide federal funding for grants to eligible entities for broadband planning, deployment, mapping, equity, and adoption projects.</b>	\$1,532,999,481
<b>93.774: Medicare Supplementary Medical Insurance - To provide medical insurance protection for covered services to persons age 65 or over, to certain disabled persons and to individuals with end-stage renal disease. Enrollment in Part B is voluntary.</b>	\$1,299,946,670
<b>84.027: Special Education Grants to States - To provide grants to States to assist them in providing special education and related services to all children with disabilities.</b>	\$1,195,089,940
<b>20.205: Highway Planning and Construction - This Assistance Listing encompasses several transportation programs: 1) Federal-aid Highway Program: The purpose of the Federal-aid Highway Program is to assist the States in providing for construction, preservation, and improvement of highways and bridges on eligible Federal-Aid routes, (including the National Highway System (NHS) - an integrated, interconnected transportation system important to interstate commerce and travel), and for other special purpose programs and projects. 2) The Federal Lands Highway Program: The Federal Lands Transportation Program (FLTP) provides assistance to the Federal Land Management Agencies (FLMAs) for Federally-owned roads and trails. 3) The Infrastructure Investment and Jobs (IIJA) Act also known as the Bipartisan Infrastructure Law (BIL) is</b>	\$1,091,127,522

<p>a once-in-a-generation investment in our infrastructure that will help grow the economy, enhance U.S. competitiveness, create good jobs, and build our safe, resilient, and equitable transportation future. BIL provides the basis for FHWA programs and activities through September 30, 2026.</p> <p>4) The Highway Infrastructure Programs in the Department of Transportation Appropriations Act, 2018, included two new discretionary programs: Competitive Bridge Program and Nationally Significant Federal Lands and Tribal Projects Program.</p>	
<p><b>84.010: Title I Grants to Local Educational Agencies - To help local educational agencies (LEAs) improve teaching and learning in high-poverty schools in particular for children failing, or most at-risk of failing, to meet challenging State academic standards.</b></p>	<p>\$1,037,045,691</p>
<p><b>96.001: Social Security Disability Insurance - Social Security pays benefits to people who can't work because they have a medical condition(s) that's expected to last at least one year or result in death. Certain members of the individual's family may be eligible for benefits based on the individual's work history.</b></p>	<p>\$919,320,555</p>
<p><b>93.773: Medicare Hospital Insurance - To provide hospital insurance protection for covered services to persons age 65 or above, to certain disabled persons and to individuals with chronic renal disease.</b></p>	<p>\$873,344,937</p>
<p><b>97.039: Hazard Mitigation Grant - The objective of the program is to provide funding support to states, Indian tribal governments, territories, communities, and other eligible applicants to reduce the risk of future damage, loss of life and property in any area affected by a major disaster. This program promotes implementation of activities designed to reduce injuries, loss of life, hardship, suffering, and damage and destruction to property from natural hazards which is consistent with DHS QHSR Goal 5.1, "Mitigate Hazards" and links to Presidential Policy Directive (PPD-8) - National Preparedness, Security, Resilience, Prevention, Mitigation, Response, Protection, and Recovery.; 97.036: Disaster Grants – Public Assistance (Presidentially Declared Disasters). To assist state, local, territorial, and tribal (SLTT) governments and eligible private non-profits in responding to and recovering from the devastating effects of disasters by providing assistance for debris removal, emergency protective measures, and the repair, restoration, reconstruction or replacement of public and eligible private non-profit facilities or infrastructure damaged or destroyed as the result of Presidentially-declared major disasters or emergencies.</b></p>	<p>\$784,584,361</p>
<p><b>93.837: Cardiovascular Diseases Research - To foster heart and vascular research in the basic, translational, clinical and population sciences, and to foster training to build talented young investigators in these areas, funded through competitive research training grants. Small Business Innovation Research (SBIR) program: To stimulate technological</b></p>	<p>\$772,551,824</p>

innovation; use small business to meet Federal research and development needs; foster and encourage participation in innovation and entrepreneurship by socially and economically disadvantaged persons; and increase private-sector commercialization of innovations derived from Federal research and development funding. Small Business Technology Transfer (STTR) program: To stimulate technological innovation; foster technology transfer through cooperative R&D between small businesses and research institutions, and increase private sector commercialization of innovations derived from federal R&D. **93.855: Allergy and Infectious Diseases Research** - To assist public and private nonprofit institutions and individuals to establish, expand and improve biomedical research and research training in infectious diseases and related areas; to conduct developmental research, to produce and test research materials. To assist public, private and commercial institutions to conduct developmental research, to produce and test research materials, to provide research services as required by the agency for programs in infectious diseases, and controlling disease caused by infectious or parasitic agents, allergic and immunologic diseases and related areas; **93.838: Lung Diseases Research** - The Division of Lung Diseases supports research and research training on the causes, diagnosis, prevention, and treatment of lung diseases and sleep disorders. Research is funded through investigator-initiated and Institute-initiated grant programs and through contract programs in areas including asthma, bronchopulmonary dysplasia, chronic obstructive pulmonary disease, cystic fibrosis, respiratory neurobiology, sleep and circadian biology, sleep-disordered breathing, critical care and acute lung injury, developmental biology and pediatric pulmonary diseases, immunologic and fibrotic pulmonary disease, rare lung disorders, pulmonary vascular disease, and pulmonary complications of AIDS and tuberculosis. Small Business Innovation Research (SBIR) program: To stimulate technological innovation; use small business to meet Federal research and development needs; foster and encourage participation in innovation and entrepreneurship by socially and economically disadvantaged persons; and increase private-sector commercialization of innovations derived from Federal research and development funding. Small Business Technology Transfer (STTR) program: To stimulate technological innovation; foster technology transfer through cooperative R&D between small businesses and research institutions, and increase private sector commercialization of innovations derived from federal R&D; **93.866: Aging Research** - To encourage biomedical, social, and behavioral research and research training directed toward greater understanding of the aging process and the diseases, special problems, and needs of people as they age; **93.310: Trans-NIH Research Support** - This listing covers multiple offices in the NIH Office of the Director that

offer assistance awards or supplements to assistance awards; **93.360: Biomedical Advanced Research and Development Authority (BARDA), Biodefense Medical Countermeasure Development** - The purpose of this program is to coordinate the acceleration of countermeasure and product advanced research and development by—(A) facilitating collaboration between the Department of Health and Human Services and other Federal agencies, relevant industries, academia, and other persons, with respect to such advanced research and development; (B) promoting countermeasure and product advanced research and development; (C) facilitating contacts between interested persons and the offices or employees authorized by the Secretary to advise such persons regarding requirements under the Federal Food, Drug, and Cosmetic Act and under section 351 of the Public Health Service Act; and (D) promoting innovation to reduce the time and cost of countermeasure and product advanced research and development. ; **93.853: Extramural Research Programs in the Neurosciences and Neurological Disorders** - To support extramural research funded by the National Institute of Neurological Disorders and Stroke (NINDS) including: basic research that explores the fundamental structure and function of the brain and the nervous system; research to understand the causes and origins of pathological conditions of the nervous system with the goal of preventing these disorders; research on the natural course of neurological disorders; improved methods of disease prevention; new methods of diagnosis and treatment; drug development; development of neural devices; clinical trials; and research training in basic, translational and clinical neuroscience. The Institute is the largest funder of basic neuroscience in the US and supports research on topics including but not limited to: development of the nervous system, including neurogenesis and progenitor cell biology, signal transduction in development and plasticity, and programmed cell death; synapse formation, function, and plasticity; learning and memory; channels, transporters, and pumps; circuit formation and modulation; behavioral and cognitive neuroscience; sensorimotor learning, integration and executive function; neuroendocrine systems; sleep and circadian rhythms; and sensory and motor systems. In addition, the Institute supports basic, translational and clinical studies on a number of disorders of the nervous system including (but not limited to): stroke; traumatic injury to the brain, spinal cord and peripheral nervous system; neurodegenerative disorders; movement disorders; brain tumors; convulsive disorders; infectious disorders of the brain and nervous system; immune disorders of the brain and nervous system, including multiple sclerosis; disorders related to sleep; and pain. Programmatic areas, which are primarily supported by the Division of Neuroscience, are also supported by the Division of Extramural Activities, the Division of Translational Research, the Division



<p>of Clinical Research, the Office of Training and Workforce Development, the Office of Programs to Enhance the Neuroscience Workforce, and the Office of International Activities; <b>93.307: Minority and Health Disparities Research</b> - To support basic, clinical, social, and behavioral research; promote research infrastructure and training; foster emerging programs; disseminate information; and reach out to minority and other health disparity communities</p>	
<p><b>93.279: Drug Use and Addiction Research Programs</b> - To support basic, clinical, translational, and implementation research in the field of substance use. To develop new knowledge and approaches for the prevention, diagnosis, and treatment of drug use, misuse, and addiction, drug overdose, and related health outcome, including HIV/AIDS. To support research training and research scientist development. To support dissemination of research findings. ; <b>93.855: Allergy and Infectious Diseases Research</b> - To assist public and private nonprofit institutions and individuals to establish, expand and improve biomedical research and research training in infectious diseases and related areas; to conduct developmental research, to produce and test research materials. . ; <b>93.936: National Institutes of Health Acquired Immunodeficiency Syndrome Research Loan Repayment Program</b>; <b>93.865: Child Health and Human Development Extramural Research</b> - To conduct and support laboratory research, clinical trials, and studies with people that explore health processes. ; <b>93.855: Allergy, Immunology and Transplantation Research</b> - To assist public and private nonprofit institutions and individuals to establish, expand and improve biomedical research and research training in infectious diseases and related areas; to conduct developmental research, to produce and test research materials. <b>93.279: Drug Use and Addiction Research Programs.</b> To support basic, clinical, translational, and implementation research in the field of substance use. To develop new knowledge and approaches for the prevention, diagnosis, and treatment of drug use, misuse, and addiction, drug overdose, and related health outcome, including HIV/AIDS. To support research training and research scientist development. To support dissemination of research findings. Small Business Innovation Research (SBIR) legislation is intended to expand and improve the SBIR programs to emphasize and increase private sector commercialization of technology developed through Federal SBIR research and development; increase small business participation in Federal research and development; and foster and encourage participation of socially and economically disadvantaged small business concerns and women-owned small business concerns in the SBIR program. The Small Business Technology Transfer (STTR) legislation is intended to stimulate and foster scientific and technological innovation through cooperative research and development carried out between small business concerns and research institutions;</p>	<p>\$722,565,234</p>

<p>foster technology transfer between small business concerns and research institutions; increase private sector commercialization of innovations derived from Federal research and development; and foster and encourage participation of socially and economically disadvantaged small business concerns and women-owned small business concerns in technological innovation.</p>	
<p><b>98.001: USAID Foreign Assistance for Programs Overseas.</b> The Foreign Assistance Program works to support long-term and equitable economic growth and advance U.S. foreign policy objectives by supporting economic growth, agriculture and trade; global health; and democracy, conflict prevention and humanitarian assistance.</p>	<p>\$660,274,519</p>
<p><b>93.855: Allergy and Infectious Disease Research.</b> To assist public and private nonprofit institutions and individuals to establish, expand and improve biomedical research and research training in infectious diseases and related areas; to conduct developmental research, to produce and test research materials. To assist public, private and commercial institutions to conduct developmental research, to produce and test research materials, to provide research services as required by the agency for programs in infectious diseases, and controlling disease caused by infectious or parasitic agents, allergic and immunologic diseases and related areas. Projects range from studies of microbial physiology and antigenic structure to collaborative trials of experimental drugs and vaccines, mechanisms of resistance to antibiotics as well as research dealing with epidemiological observations in hospitalized patients or community populations and progress in allergic and immunologic diseases. Because of this dual focus, the program encompasses both basic research and clinical research. Small Business Innovation Research (SBIR) program expands and improves private sector participation in biomedical research. The SBIR Program intends to increase and facilitate private sector commercialization of innovations derived from Federal research and development; to increase small business participation in Federal research and development; and to foster and encourage participation of socially and economically disadvantaged small business concerns and women-owned small business concerns in technological innovation. The Small Business Technology Transfer (STTR) program stimulates and fosters scientific and technological innovation through cooperative research and development carried out between small business concerns and research institutions; to foster technology transfer between small business concerns and research institutions; to increase private sector commercialization of innovations derived from Federal research and development; and to foster and encourage participation of socially and economically disadvantaged small business concerns and women-owned small business concerns in technological innovation. Research Career</p>	<p>\$645,485,779</p>



<p><b>Development Awards support the development of scientists during the formative stages of their careers. Individual National Research Service Awards (NRSAs) are made directly to approve applicants for research training in specified biomedical shortage areas. In addition, Institutional National Research Service Awards are made to enable institutions to select and make awards to individuals to receive training under the aegis of their institutional program.</b></p>	
<p><b>96.004: Social Security Survivors Insurance. Social Security helps survivors by providing income for the families of workers who die.</b></p>	\$635,935,826
<p><b>97.048: Federal Disaster Assistance to Individuals and Households in Presidential Declared Disaster Areas - To provide financial assistance, and if necessary, direct services to individuals and households affected as a direct result of a Presidentially-declared major disaster or emergency, who have uninsured or underinsured, necessary expenses and serious needs and are unable to meet such expenses or needs through other means. This program supports disaster recovery by providing the financial means or direct services to disaster survivors for Housing Assistance and Other Needs Assistance administered by FEMA</b></p>	\$590,735,517
<p><b>84.063: Federal Pell Grant Program. To provide eligible undergraduate postsecondary students who have demonstrated financial need with grant assistance to help meet educational expenses.</b></p>	\$481,534,642
<p><b>93.859: Biomedical Research and Research Training. The National Institute of General Medical Sciences (NIGMS) supports basic research that increases our understanding of biological processes and lays the foundation for advances in disease diagnosis, treatment, and prevention. NIGMS also supports research in specific clinical areas that affect multiple organ systems: anesthesiology and peri-operative pain; clinical pharmacology common to multiple drugs and treatments; and injury, critical illness, sepsis, and wound healing. NIGMS-funded scientists investigate how living systems work at a range of levels—from molecules and cells to tissues and organs—in research organisms, humans, and populations. Additionally, to ensure the vitality and continued productivity of the research enterprise, NIGMS provides leadership in supporting the training of the next generation of scientists, enhancing the diversity of the scientific workforce, and developing research capacity throughout the country.</b></p>	\$443,427,145
<p><b>93.866: Aging Research. To encourage biomedical, social, and behavioral research and research training directed toward greater understanding of the aging process and the diseases, special problems, and needs of people as they age.</b></p>	\$433,094,966

*Table 2 – Federal Grants and Assistance Sorted by CFDA Code in the Central Pines Region*

**Federal Contracts**

The Federal government also holds hundreds of contracts with private and public agencies across our region. These contracts, during Federal Fiscal Years 2024 and 2025, account for approximately \$13.2 billion in potential spending.

Like grants, federal contracts stretch across our region, and the table below shows how they are distributed in each of the counties.

County	Contract Value
Chatham	\$66,493,499.80
Durham	\$10,563,918,101.41
Johnston	\$80,417,110.36
Lee	\$3,396,997.94
Moore	\$129,433,162.18
Orange	\$453,805,462.41
Wake	\$1,949,638,216.06
<b>Total</b>	<b>\$13,247,102,550.16</b>

Table 3 – Federal Contracts Sorted by County in the Central Pines Region

The table below lists the top 20 recipients of federal contracts in the region during the Federal Fiscal Years 2024 and 2025

Company	Contract(s) Values
Research Triangle Institute	\$2,842,375,666
Salient CRGT, Inc.	\$1,573,381,002
Duke University	\$899,530,985
Wico Limited	\$783,861,654
Family Health International	\$705,702,397
Emergency Biodefense Operations Lansing LLC	\$630,384,987
Seqirus Inc.	\$418,322,070
Science Applications International Corporation	\$327,299,085
University of North Carolina at Chapel Hill	\$261,612,906
Applied Research Associates, Inc.	\$254,459,262
LC Industries Inc.	\$237,199,386
Glaxo Smith Kline, LLC	\$173,197,313
Rho Incorporated	\$148,499,308
Biocryst Pharmaceuticals, Inc	\$121,496,136
DLH Holdings Corp	\$118,267,141
Merck & Co., Inc.	\$ 102,299,548
NVT Technologies, Inc.	\$100,853,839
Experimental Pathology Laboratories, Inc.	\$94,776,469
Integrated Laboratory Systems, LLC.	\$85,376,287
Locus Biosciences, Inc.	\$84,878,879

*Table 4 – Federal Contracts Sorted by Company in the Central Pines Region*

**Key Takeaways**

- Approximately \$55.6 billion in federal spending is slated for the Central Pines Region as part of the federal government’s Fiscal Year 2024 and 2025 budget.
- Of the \$55.6 billion, \$13.2 billion is contractual spending, and \$42.4 billion is in grants and direct payments.
- The federal spending slated for our region is 3 ½ times more than the State of North Carolina’s annual budget
- Significant cuts in federal spending will impact our region economically. Several regional companies, such as RTI and FHI, have had to lay off and furlough employees, and significant anchor institutions, such as the University of North Carolina at Chapel Hill, have expressed concern about the impacts they may see from cuts.