

Senate Adds \$2.7 Billion to NIH Budget For \$20.5 Billion Total

(This analysis is part of a series of AAAS R&D Funding Updates on the FY 2001 congressional appropriations process. This analysis includes information on R&D in Senate appropriations for NIH. The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D by agency in FY 2001 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/R&D>) in the "FY 2001 R&D" or the "What's New" sections.)

On May 11, the Senate Appropriations Committee approved an FY 2001 Labor-HHS appropriations bill providing funding for the Departments of Labor, Health and Human Services, and Education. The proposed Senate bill, which is scheduled to go to the Senate floor this week, demonstrates strong congressional support for biomedical research by providing **\$20.5 billion in FY 2001 for the National Institutes of Health (NIH), an increase of \$2.7 billion or 15.2 percent over FY 2000** (see Table 1). The House Appropriations Committee has drafted but not approved its version of the Labor-HHS bill, which provides similar amounts for NIH; details of the House bill will be available shortly. President Clinton, however, quickly issued veto threats against both the House and Senate versions of the bill because they fail to meet his budget requests for education and social services programs.

The Senate appropriation of \$20.5 billion would keep NIH on track to double its budget between FY 1998 and FY 2003, and would be \$1.7 billion above the President's request. In February, President Clinton's proposed FY 2001 budget requested \$18.8 billion for NIH in FY 2001. Although this would be a \$1 billion increase for the agency, the percentage increase of 5.6 percent would be well below the nearly 15 percent increases of the past two years. Many Members of Congress are committed to doubling the NIH budget in five years, with FY 2001 as the third year in an effort that began with large increases in FY 1999 and FY 2000. Keeping NIH on a five-year doubling track would require a 15 percent increase to \$20.5 billion, a target the Senate bill meets.

NIH classifies 96 percent of its budget as R&D; the remainder is for research training and overhead costs. The Senate bill would provide \$19.7 billion for NIH R&D, up \$2.6 billion or 15.4 percent from the FY 2000 total.

Every institute would receive an increase greater than 14 percent in the Senate bill, and three would receive increases greater than 20 percent (see Table 1). The largest percentage increase would go to the newest institute, the National Center for Complementary and Alternative Medicine (NCCAM), which would receive \$100 million for its third year, a substantial increase of \$31 million or 45.0 percent reflecting the Senate's strong support for its work in rigorously reviewing complementary and alternative therapies. Most of the other institutes would receive increases between 14.8 and 15.5 percent.

The National Cancer Institute (NCI) would once again have the largest budget with \$3.8 billion, an increase of \$492 million or 14.9 percent. The budget of the National Institute of Allergy and Infectious Diseases (NIAID), NIH's primary supporter of HIV/AIDS research, would exceed \$2 billion for first time with an appropriation of \$2.1 billion, 15.0 percent more than FY 2000. The Senate bill would appropriate **HIV/AIDS research** funds within individual institute budgets, instead of in a consolidated account as the Administration proposed.

The Senate bill would grant the \$149 million request for Buildings and Facilities, which would allow construction to begin on NIH's proposed National Neuroscience Research Center (\$47 million in FY 2001).

The Administration also requested \$26 million in FY 2002 funds for the center, but the Senate bill does not include an advance appropriation. In addition to these intramural construction funds, the Senate bill would provide \$75 million in the National Center for Research Resources (NCRR) budget to support extramural research facilities construction, slightly above \$73 million in FY 2000. The NCRR appropriation would also provide \$60 million (up from \$40 million) for the Institutional Development Award (IDeA) program designed to broaden the geographic distribution of NIH grants by enhancing the research competitiveness of institutions which have traditionally been less successful in obtaining NIH funding. IDeA is similar to the Experimental Program to Stimulate Competitive Research (EPSCoR) programs run by the National Science Foundation and other agencies.

Although NIH has come under increasing congressional scrutiny over the past year because of several controversies in areas such as gene therapy research, stem cell research, and the use of fetal tissue, the Senate Labor-HHS bill is relatively free of legislative provisions to restrict the types of research NIH can fund. The only major provision is the restatement of an existing ban on NIH using its funds to create **human embryos for research purposes** or to fund any research in which human embryos are destroyed.

The Labor-HHS bill would provide increases for R&D programs in other agencies within the **Department of Health and Human Services** (HHS; see Table 2). R&D in the Centers for Disease Control and Prevention would increase by 6.4 percent to \$508 million, and R&D in the Health Care Financing Administration (HCFA) would increase by 6.6 percent to \$65 million. HCFA finances R&D on health-care outcomes and alternative health-care delivery systems in Medicare and Medicaid. R&D in the Agency for Healthcare Research and Quality (AHRQ) would increase dramatically to \$227 million (up 34.9 percent), with a special emphasis on research on medical errors reduction. Total HHS R&D would rise 14.9 percent to \$20.8 billion.

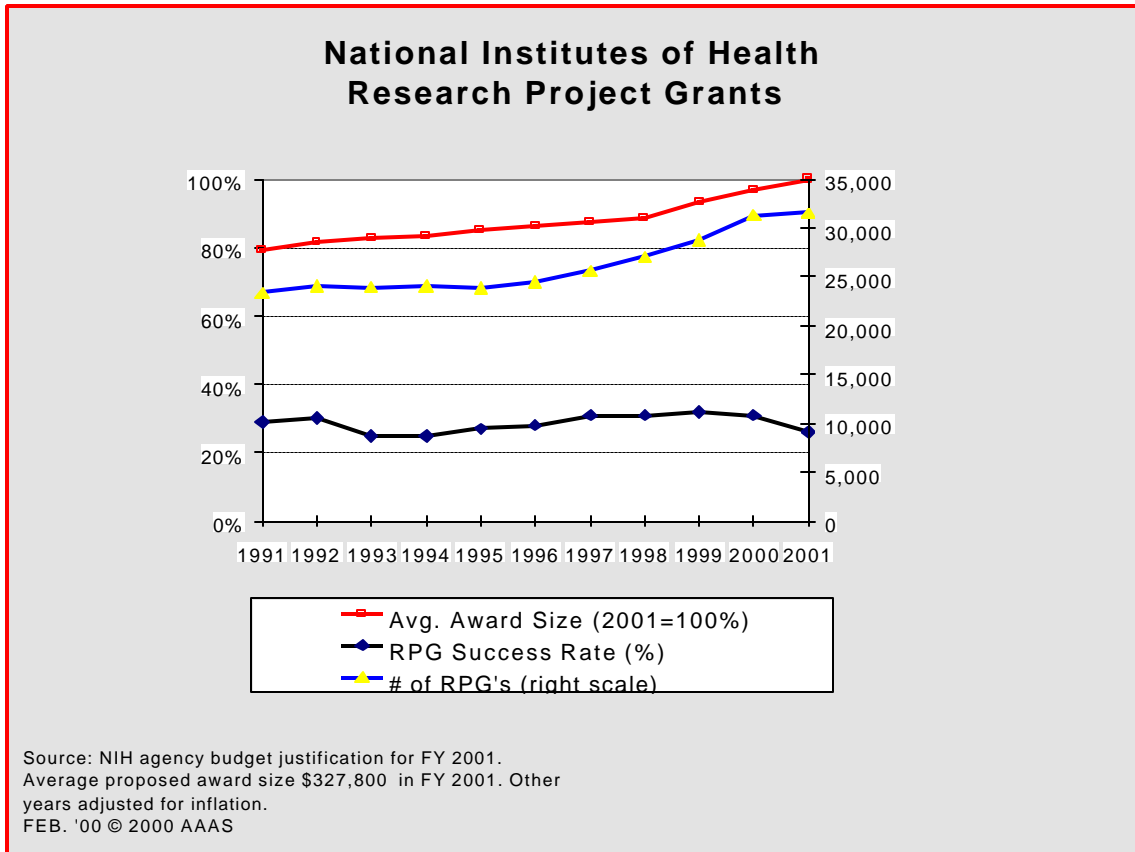


Figure 1.

Although other R&D funding agencies have struggled to maintain their budgets in the past several years, NIH has enjoyed extraordinary success on Capitol Hill and its budget growth is accelerating. As shown in Figure 1, large increases in the past several years have enabled NIH to keep its average grant size ahead of the inflation rate while steadily increasing the number of Research Project Grants (RPG) awards. The President's FY 2001 requested increase, however, would keep the total number of RPGs at the FY 2000 level and would result in a drop in the RPG success rate. The FY 2001 Senate bill, by contrast, should provide sufficient funds to keep success rates steady or increasing while at the same time increasing both the number and average size of RPGs.

The FY 2001 Senate Labor-HHS bill stands a good chance of winning full Senate approval by Memorial Day. If the House version moves as quickly through the House, a compromise Labor-HHS bill could be ready by June. In most of the past several years, this bill has been the most difficult of the appropriations bills to write and approve, and appropriators have been unable to enact it into law as a stand-alone bill, instead bundling it into a year-end omnibus bill. While this year's swift progress so far and the large increase for NIH are good news, passage of the bill and its increase for NIH are far from secured. President Clinton's veto threats for both the House and Senate versions mean that quick enactment of the bill is unlikely, and a final bill capable of securing the President's signature may have to wait until high-level negotiations in the early fall between the President's top officials and the congressional leadership can come up with additional billions to bring social services and education funding closer to the President's request.

-May 15, 2000

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**Table 1. National Institutes of Health
Senate Action on R&D in the FY 2001 Budget
(budget authority in millions of dollars)**

	FY 2000 Estimate	FY 2001 Request	Action by Senate				
			FY 2001 Senate	Chg. from Request		Chg. from FY 2000	
				Amount	Percent	Amount	Percent
Cancer	3,312	3,505	3,804	299	8.5%	492	14.9%
Heart, Lung and Blood	2,026	2,137	2,328	191	9.0%	302	14.9%
Dental and Cranofacial Research	269	284	310	26	9.1%	41	15.1%
Diabetes, Digestive and Kidney	1,141	1,209	1,318	109	9.0%	177	15.5%
Neurological Disorders and Stroke	1,030	1,085	1,189	105	9.6%	160	15.5%
Allergy and Infectious Diseases	1,797	1,906	2,067	160	8.4%	270	15.0%
General Medical Sciences	1,354	1,428	1,554	126	8.8%	200	14.8%
Child Health & Human Development	859	905	986	81	9.0%	127	14.8%
Eye	450	474	517	43	9.0%	67	14.8%
Environmental Health Sciences	443	469	508	40	8.5%	66	14.8%
Aging	688	726	795	69	9.5%	107	15.5%
Arthritis & Musculoskeletal & Skin	349	369	401	32	8.8%	52	14.8%
Deafness and Comm. Disorders	264	278	304	26	9.2%	40	15.1%
Mental Health	975	1,031	1,118	87	8.4%	143	14.7%
Drug Abuse	687	725	790	65	8.9%	103	14.9%
Alcoholism and Alcohol Abuse	293	309	337	28	9.1%	44	14.9%
Nursing Research	90	93	107	14	15.5%	17	19.3%
Research Resources	675	714	775	61	8.5%	100	14.8%
Human Genome Research	336	358	386	28	7.9%	50	14.9%
Fogarty International Center	43	48	61	13	27.6%	18	41.4%
National Library of Medicine	215	230	257	27	11.7%	42	19.4%
Office of the Director	282	309	352	43	14.0%	70	24.9%
Office of AIDS Research ¹	0	[2,111]	0	--	--	--	--
Buildings and Facilities ²	165	149	149	0	0.0%	-16	-10.0%
Complementary & Alternative Med.	69	72	100	28	38.3%	31	45.0%
Total NIH Budget	17,813	18,813	20,513	1,700	9.0%	2,700	15.2%
<i>subtract:</i>							
- <i>Estimated Research Training</i>	<i>550</i>	<i>564</i>	<i>615</i>	<i>51</i>	<i>9.0%</i>	<i>65</i>	<i>11.7%</i>
- <i>Other Non-R&D</i>	<i>161</i>	<i>155</i>	<i>169</i>	<i>14</i>	<i>9.0%</i>	<i>8</i>	<i>5.1%</i>
Total NIH R&D	17,102	18,094	19,729	1,635	9.0%	2,627	15.4%

AAAS estimates based on FY 2001 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2000 and FY 2001 request figures based on OMB R&D data and supplemental agency budget data.

All figures are rounded to the nearest million. Changes calculated from unrounded figures.

¹ The FY 2001 request consolidates NIH-wide AIDS research into the Office of AIDS Research (\$2.1 bil.).

FY 2001 request figures adjusted for comparability with FY 2000 and FY 2001 Senate figures, which distribute AIDS funds among the institutes.

² FY 2000 includes advance appropriation of \$40 million. FY 2001 figures do not include \$26 million advance appropriation requested for FY 2002.

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**Table 2. Department of Health and Human Services
Senate Action on R&D in the FY 2001 Budget
(budget authority in millions of dollars)**

	FY 2000 Estimate	FY 2001 Request	Action by Senate				
			FY 2001 Senate	Chg. from Request Amount	Percent	Chg. from FY 2000 Amount	Percent
National Institutes of Health	17,102	18,094	19,729	1,635	9.0%	2,627	15.4%
Centers for Disease Control	477	518	508	-10	-2.0%	31	6.4%
Food and Drug Administration	135	146	140	-6	-4.3%	5	3.4%
Health Care Financing Administration	61	55	65	10	18.2%	4	6.6%
Health Resources and Services Admin.	15	15	15	0	0.0%	0	0.0%
Healthcare Research and Quality ¹	168	209	227	18	8.4%	59	34.9%
Administration for Children & Families	41	43	41	-2	-4.7%	0	0.0%
Office of Aging	33	38	33	-5	-13.2%	0	0.0%
Departmental Administration	50	50	20	-30	-60.0%	-30	-60.0%
Total HHS R&D	18,082	19,168	20,777	1,609	8.4%	2,695	14.9%

AAAS estimates based on FY 2001 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2000 and FY 2001 request figures based on OMB R&D data and supplemental agency budget data.

All figures are rounded to the nearest million. Changes calculated from unrounded figures.

¹ Formerly the Agency for Health Care Policy and Research.

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