

## **FY 2003 Omnibus Bill Completes NIH Doubling Plan; Large Increases for Bioterrorism R&D and Facilities**

(This analysis is part of a series of AAAS R&D Funding Updates on the FY 2003 congressional appropriations process. This analysis includes information on R&D in the FY 2003 omnibus (final) appropriations bill for the Department of Health and Human Services (HHS), including the National Institutes of Health (NIH). The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D by agency in FY 2003 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/rd>) in the “FY 2003 R&D” or the “What’s New” sections.)

On February 20, President Bush signed into law the mammoth omnibus appropriations bill (H.J. Res. 2; Public Law 108-7) that ended the FY 2003 appropriations process more than four months after the fiscal year began. The legislation had been approved by the House and Senate one week earlier. Included in the \$397.4 billion spending bill are \$27.2 billion in appropriations for the **National Institutes of Health (NIH)**, effectively completing the plan hatched in Congress to double the NIH budget over five years beginning in FY 1998. Although President Clinton never embraced the plan and never requested the increases needed each year to achieve the goal, President Bush made finishing the doubling effort a presidential campaign promise. In fact, the FY 2003 Bush request actually came in \$177 million higher than the final congressional appropriation (see Table). **NIH R&D, which makes up 97 percent of the NIH budget, climbs to \$26.2 billion (up 15.5 percent).** The remaining 3 percent of the NIH budget goes toward research training and overhead costs.

The National Institutes of Health, an agency within the Department of Health and Human Services (HHS), is the second-largest supporter of R&D in the federal government after the Department of Defense (DOD). It is by far the largest supporter of basic research, applied research, and R&D at colleges and universities, and has a disproportionate impact on support for the life and medical sciences and other fields.

In contrast to the strong across-the-board growth enjoyed by all of the institutes under the NIH umbrella over the first four years of the doubling plan, a new picture begins to emerge in FY 2003. As a result of increased priority-setting in the direction of homeland security, the final FY 2003 budget features disproportionate increases for **bioterrorism research** and **facilities construction** (see Table 1 for NIH appropriations by institute). Most of the new funds for bioterrorism research go to the **National Institute of Allergy and Infectious Diseases (NIAID)**, which enjoys a hefty 46.8 percent increase in its overall budget to \$3.7 billion as NIH’s lead institute for bioterrorism R&D. Much of this funding will go toward basic and applied research aimed at developing biomedical tools to detect, prevent, and treat infection by biological agents. NIAID will also receive \$375 million for extramural facilities construction grants for research on biological and other agents. Additionally, the report language that accompanies the bill gives NIAID some latitude in determining the proper mix of bioterrorism research and infrastructure development.

The bill also provides funds from NIAID to the **Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis** – an international public-private partnership to provide grants for the prevention, treatment, and cure of these diseases. The bill provides \$100 million in FY 2003 for this fund, the same as FY 2002.

The NIH **Buildings and Facilities** account more than doubles in size, jumping from \$296 million in FY 2002 to \$629 million in FY 2003. These funds will be used to address bioterrorism and laboratory security needs. Included in this amount is \$150 million for a new NIH laboratory on the grounds of Fort Detrick, Maryland, home to the United States Army Medical Research and Materiel Command. There are also construction funds in other accounts. In addition to the \$375 million for bioterrorism-related facilities in NIAID, there is also \$120 million for competitively awarded extramural facilities construction grants in the National Center for Research Resources (NCRR).

**NCRR** also fares well in general, seeing its budget rise 15.6 percent, or \$154 million, to \$1.1 billion. NCRR is charged with developing and supporting critical research technologies and shared resources that underpin biomedical research. One beneficiary of these increases in NCRR funding is the Institutional Development Award (IDeA) program, a program that provides capacity-building assistance for biomedical research in states that have not previously participated fully in the research programs of NIH. The final FY 2003 appropriations direct \$210 million to IDeA, up from \$160 million in FY 2002 and \$100 million in FY 2001. Established in FY 1993, IDeA has grown dramatically in the past few years and is open to proposals from 23 states and Puerto Rico. It is similar in intent to the National Science Foundation's Experimental Program to Stimulate Competitive Research (EPSCoR).

In purely percentage terms, the **National Center for Minority Health and Health Disparities** also sees a large increase, climbing 18 percent (\$28 million) to \$186 million. **Most of the other institutes receive increases between 8 and 12 percent.**

Among other HHS agencies, the **Centers for Disease Control and Prevention (CDC)** sees its R&D budget increase by **6.9 percent to \$557 million** (see Table 2). In the aftermath of the fall 2001 anthrax attacks, the CDC received substantial sums of emergency money, mostly for non-R&D activities such as procuring vaccines or improving security at CDC facilities, but also for CDC's anthrax and other bioterrorism R&D efforts. Most of CDC's bioterrorism R&D shifts to NIH in FY 2003, but the agency will continue some R&D efforts in its own laboratories. All other HHS agencies suffer cuts in their R&D budgets; one exception is the Administration for Children and Families (ACF), up 45.6 percent to \$35 million. ACF's research programs focus on Head Start, child care, and child welfare.

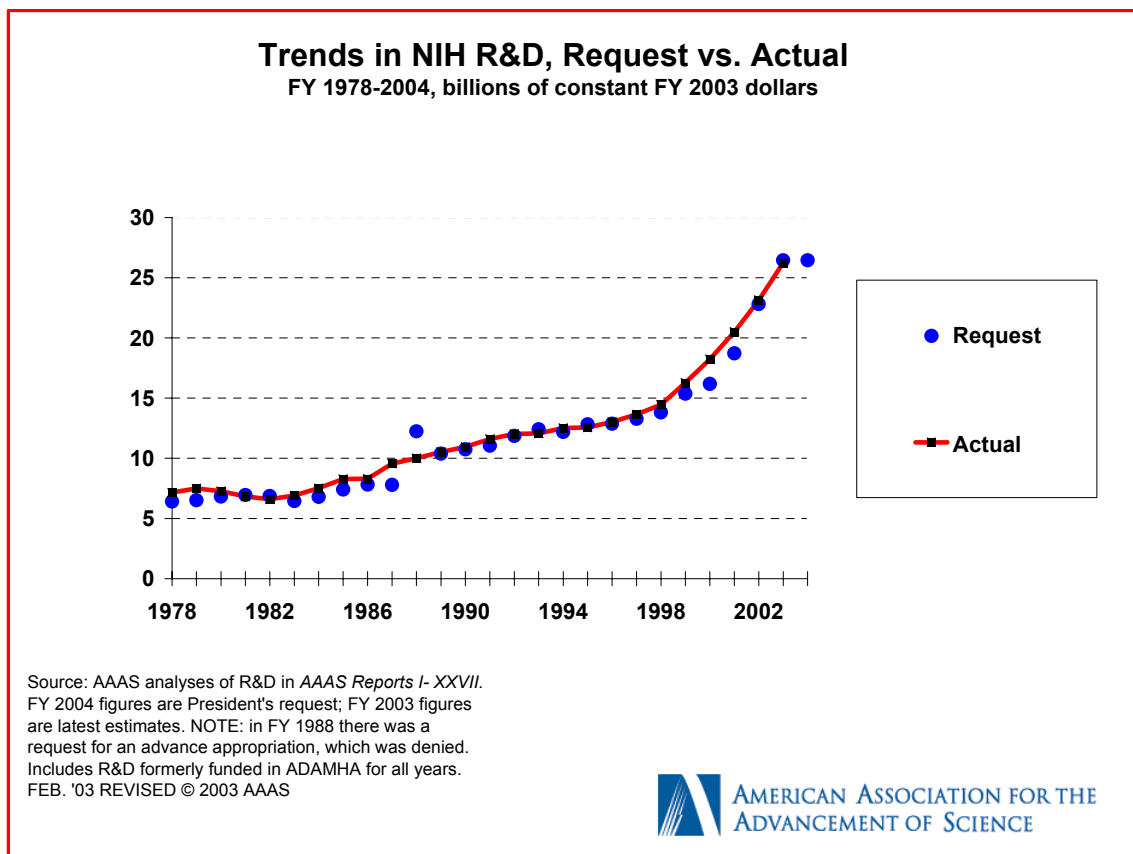


Figure 1. (click on the image to view or download a color, full-size PDF version of the chart)

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 accelerated over the past five

years. As shown in Figure 1, NIH has enjoyed steady growth in its R&D budget over the past two decades. NIH's budget growth has accelerated in the last five years as the NIH budget doubled (in non-inflation adjusted terms) in the five years to FY 2003. The FY 2004 request for NIH would slow growth down to 2.7 percent, just ahead of the expected rate of inflation (see the AAAS Analysis of R&D in the FY 2004 Budget for information on the FY 2004 budget proposal).

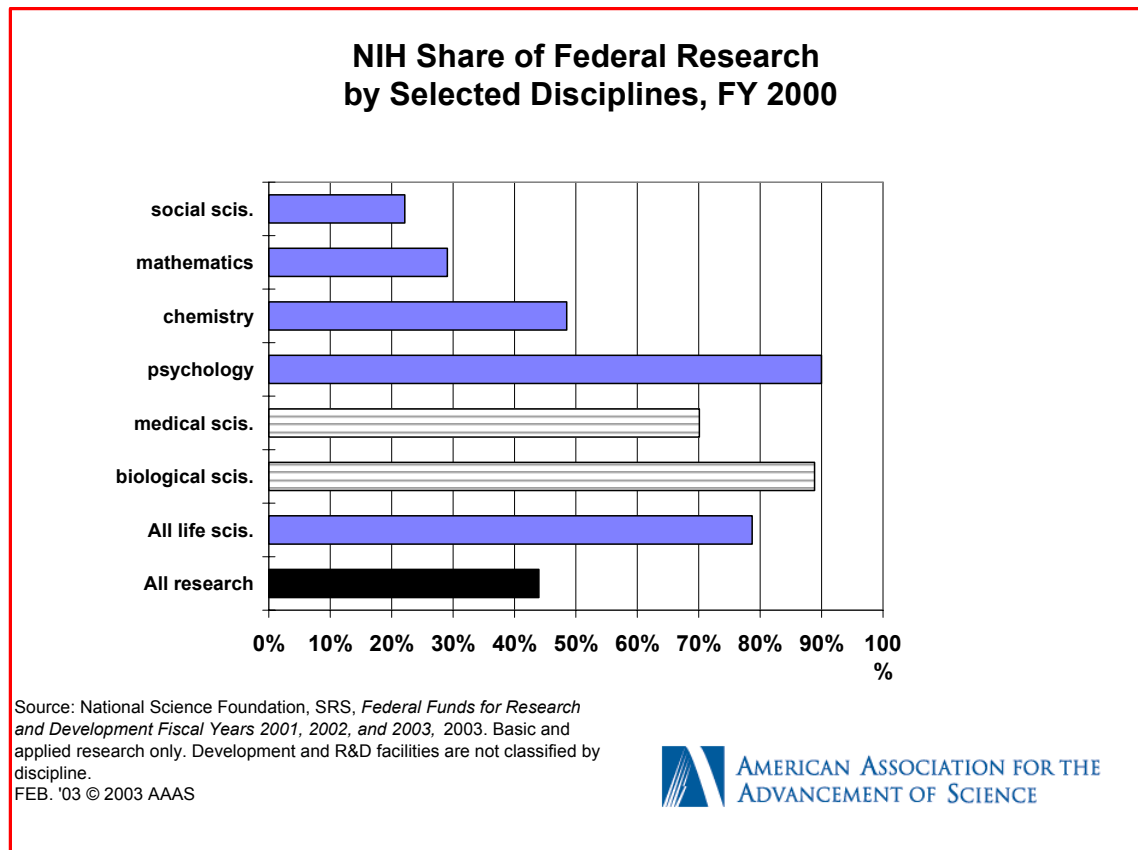


Figure 2. (click on the image to view or download a color, full-size PDF version of the chart)

As shown in Figure 2, NIH provides nearly 80 percent of all federal support for the life sciences, and nearly 90 percent of federal support for the sub-discipline of the biological sciences. NIH also funds 90 percent of all federal psychology research. For most other science and engineering disciplines, NIH plays a relatively minor funding role. One exception is chemistry, for which the National Institute of General Medical Sciences (NIGMS) is a major sponsor and provides nearly 50 percent of all federal support for chemistry. NIH is also a major supporter of social sciences research. NIH is also beginning to play a major role in mathematics research. In FY 2003, because NIH budget growth far outpaces growth in other agencies' research budgets, NIH alone is expected to fund 47 percent of all federal support for basic and applied research.

NIH's research portfolio is skewed dramatically to the life sciences, and the life sciences have benefited the most from the steady growth in the NIH budget. The life sciences receive 79 percent of NIH's total research portfolio, with all other disciplines receiving the remaining 21 percent.

**NIH alone now accounts for two-thirds of all federal support for R&D in colleges and universities.**

Figure 3 shows that a majority of HHS R&D funds go to colleges and universities; because of the size of the NIH budget in comparison to other federal agencies, NIH is the dominant funding source for nearly all colleges and universities with medical schools. NIH's intramural laboratories, mostly in Maryland, perform a fifth of total NIH R&D. Nearly all of the 17 percent of NIH R&D which goes to 'other' performers (see

Figure 3) goes to independent nonprofit institutions, including non-university research hospitals, out of the NIH budget. Because of the enormous increases for NIH R&D in the FY 2003 budget, universities and colleges and medically oriented nonprofits can expect substantial increases in federal R&D support in FY 2003, while the NIH laboratories will also receive substantial increases.

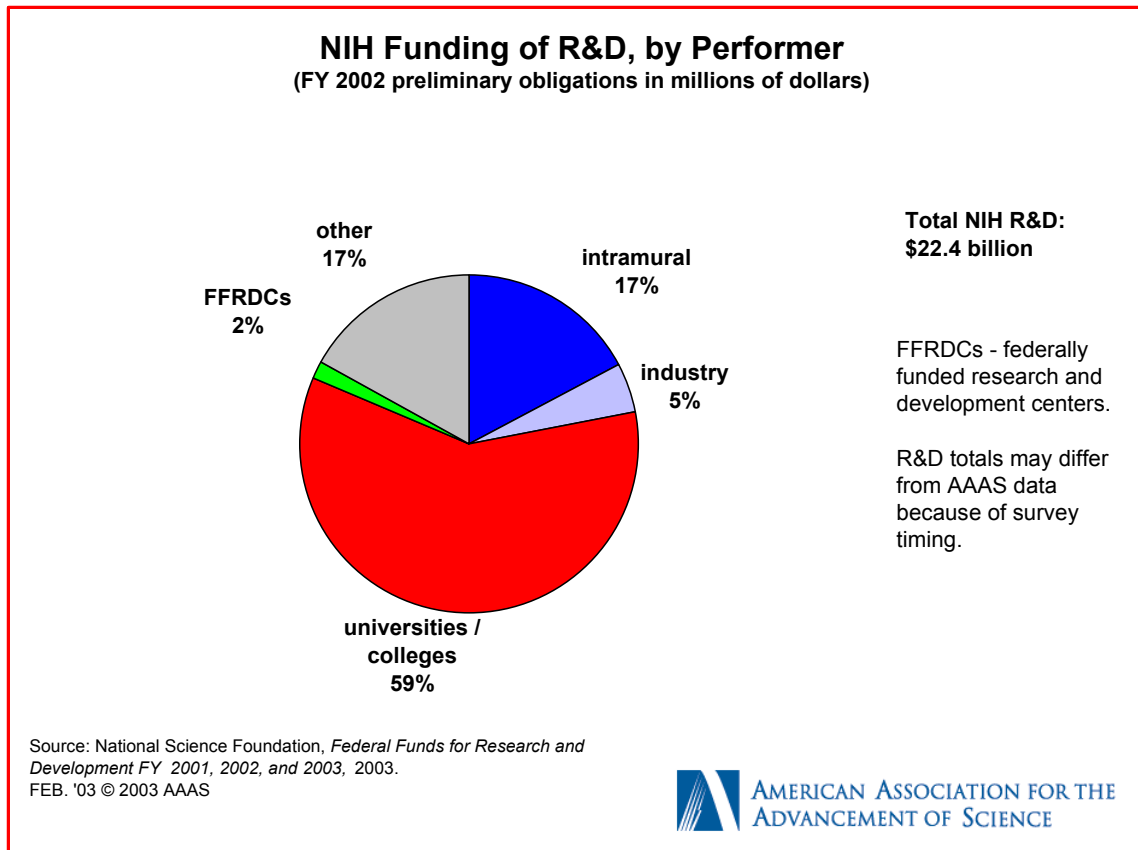


Figure 3. (click on the image to view or download a color, full-size PDF version of the chart)

- February 25, 2003

AAAS R&D Budget and Policy Program  
1200 New York Ave, NW  
Washington, DC 20005  
(202) 326-6607; -6600  
fax (202) 289 4950  
science\_policy@aaas.org  
www.aaas.org/spp/rd (Note: New URL)

**Table 1. National Institutes of Health  
Congressional Action on R&D in the FY 2003 Budget  
(budget authority in millions of dollars)**

	FY 2002 Actual	FY 2003 Request	Action by Congress				
			FY 2003 Approved	Chg. from Request Amount	Chg. from Request Percent	Chg. from FY 2002 Amount	Chg. from FY 2002 Percent
Cancer	4,114	4,609	<b>4,592</b>	-17	-0.4%	479	11.6%
Heart, Lung and Blood	2,554	2,762	<b>2,794</b>	31	1.1%	240	9.4%
Dental and Cranofacial Research	342	369	<b>372</b>	2	0.6%	30	8.7%
Diabetes, Digestive and Kidney	1,560	1,703	<b>1,723</b>	20	1.1%	163	10.5%
Neurological Disorders and Stroke	1,309	1,416	<b>1,456</b>	40	2.8%	147	11.2%
Allergy and Infectious Diseases	2,526	3,981	<b>3,707</b>	-274	-6.9%	1,181	46.8%
General Medical Sciences	1,698	1,849	<b>1,847</b>	-2	-0.1%	149	8.8%
Child Health & Human Development	1,109	1,195	<b>1,206</b>	11	0.9%	97	8.7%
Eye	580	625	<b>633</b>	8	1.3%	54	9.3%
Environmental Health Sciences <sup>1</sup>	644	685	<b>698</b>	13	1.9%	54	8.3%
Aging	891	958	<b>994</b>	36	3.8%	103	11.5%
Arthritis & Musculoskeletal & Skin	447	485	<b>486</b>	1	0.1%	39	8.7%
Deafness and Comm. Disorders	341	366	<b>370</b>	5	1.3%	29	8.6%
Mental Health	1,234	1,333	<b>1,341</b>	9	0.6%	107	8.7%
Drug Abuse	892	960	<b>962</b>	2	0.2%	70	7.8%
Alcoholism and Alcohol Abuse	383	415	<b>416</b>	1	0.3%	33	8.7%
Nursing Research	120	130	<b>131</b>	1	0.7%	10	8.7%
Research Resources	985	1,065	<b>1,139</b>	74	6.9%	154	15.6%
Human Genome Research	428	458	<b>465</b>	7	1.6%	37	8.7%
Fogarty International Center	56	62	<b>63</b>	2	2.7%	8	14.3%
National Library of Medicine	274	306	<b>300</b>	-6	-1.9%	26	9.4%
Office of the Director	253	274	<b>266</b>	-8	-2.8%	13	5.0%
Buildings and Facilities	296	769	<b>629</b>	-140	-18.3%	333	112.5%
Complementary & Alternative Med.	104	112	<b>113</b>	1	0.9%	9	8.8%
Biomed. Imaging/Bioengineering <sup>2</sup>	262	270	<b>278</b>	8	2.9%	17	6.3%
Minority Health & Health Disparities	157	186	<b>186</b>	0	-0.1%	28	18.0%
<b>Total NIH Budget</b>	<b>23,559</b>	<b>27,343</b>	<b>27,167</b>	<b>-177</b>	<b>-0.6%</b>	<b>3,608</b>	<b>15.3%</b>
<i>subtract:</i>							
- Estimated Research Training	-653	-693	<b>-689</b>	4	-0.6%	-35	5.4%
- Other Non-R&D	-192	-221	<b>-233</b>	-12	5.5%	-41	21.4%
<b>Total NIH R&amp;D</b>	<b>22,714</b>	<b>26,430</b>	<b>26,245</b>	<b>-184</b>	<b>-0.7%</b>	<b>3,531</b>	<b>15.5%</b>

AAAS estimates based on FY 2003 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2002 and FY 2003 request figures based on OMB R&D data and supplemental agency budget data.

FY 2002 figures adjusted to reflect supplemental appropriations in the FY 2002 supplemental bill (Public Law 107-206).

FY 2003 Approved figures include 0.65% across-the-board cut mandated in legislative language.

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

<sup>1</sup> Funding for all years includes Superfund-related transfers and appropriations.

<sup>2</sup> FY 2002 and FY 2003 request figures adjusted to reflect transfers from other NIH institutes.

**February 21, 2003 - AAAS estimates of final FY 2003 funding levels.**

**Table 2. Department of Health and Human Services  
Congressional Action on R&D in the FY 2003 Budget  
(budget authority in millions of dollars)**

	FY 2002 Actual	FY 2003 Request	Action by Congress				
			FY 2003 Approved	Chg. from Request Amount	Chg. from Request Percent	Chg. from FY 2002 Amount	Chg. from FY 2002 Percent
National Institutes of Health	22,714	26,430	<b>26,245</b>	-184	-0.7%	3,531	15.5%
Centers for Disease Control	521	521	<b>557</b>	36	6.9%	36	6.9%
Food and Drug Administration	154	142	<b>143</b>	1	0.9%	-11	-7.0%
Centers for Medicare & Medicaid Services <sup>1</sup>	117	28	<b>74</b>	46	163.3%	-43	-37.0%
Health Resources and Services Admin.	52	18	<b>23</b>	5	26.9%	-29	-56.1%
Healthcare Research and Quality <sup>2</sup>	3	0	<b>0</b>	0	--	-3	-100.0%
Administration for Children & Families	24	54	<b>35</b>	-19	-35.3%	11	45.6%
Departmental Administration	111	127	<b>128</b>	1	0.6%	17	15.0%
<b>Total HHS R&amp;D</b>	<b>23,696</b>	<b>27,320</b>	<b>27,205</b>	<b>-115</b>	<b>-0.4%</b>	<b>3,509</b>	<b>14.8%</b>

AAAS estimates based on FY 2003 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2002 and FY 2003 request figures based on OMB R&D data and supplemental agency budget data.

FY 2002 figures adjusted to reflect supplemental appropriations in the FY 2002 supplemental bill (Public Law 107-206).

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

FY 2003 Approved figures include 0.65% across-the-board cut mandated in legislative language.

<sup>1</sup> Formerly the Health Care Financing Administration.

**February 21, 2003 - AAAS estimates of final FY 2003 funding levels.**