

## Senate Proposes \$1 Billion Increase for NIH

### AAAS R&D Funding Update on R&D in Senate FY 2006 NIH Appropriations

#### Highlights

- The Senate would give \$29.6 billion to the National Institutes of Health (NIH) next year, a \$1.0 billion increase (see Table 1). In contrast to the House and the budget request's 0.5 percent increase, the Senate appropriation would be a 3.7 percent boost, ahead of expected biomedical research inflation.

- **Most NIH institutes would receive increases of between 2.8 and 3.8 percent in the Senate plan.**

- The largest percentage increase would go to the Office of the Director (OD; up 36.1 percent to \$487 million) for a transfer of homeland security R&D funds totaling \$97 million from the Office of the HHS Secretary, but also for increases in OD funding for clinical research, high-risk basic research, and collaborative research in the NIH Roadmap for Biomedical Research.

- **NIH research (basic and applied) would increase 4.1 percent** to \$28.6 billion in the Senate plan.

- R&D in the other Department of Health and Human Services (HHS) agencies combined would fall 10.9 percent to \$1.2 billion (see Table 2). Most of the overall cut, however, would be due to the transfer of homeland security R&D from the Office of the Secretary to NIH.

#### NIH R&D in FY 2006 Senate Appropriations

On July 14, the Senate Appropriations Committee approved its version of the FY 2006 Labor-HHS-Education appropriations bill (HR 3010), following House approval of its own version in June. The Senate bill may be debated and approved by the full Senate later this month. Despite the same tight restraints on domestic spending agreed to by Congress and the President earlier this year, the Committee managed to add nearly \$4 billion to the request for programs covered by the bill by shifting a program payday from FY 2006 to FY 2007 and other accounting maneuvers. The bill is nearly \$3 billion above the House version. A large chunk of the additional funds would go to NIH: **the Senate Labor-HHS bill would provide \$29.6 billion for the NIH budget in FY 2006, \$905 million more than the request and \$1.0 billion more than FY 2005** (see Table 1). The 3.7 percent Senate-proposed increase compares to a 0.5 percent House and requested increase.

NIH classifies 97 percent of its budget as R&D, including R&D facilities (the remainder is for overhead costs and research training). **The Senate plan would provide \$28.8 billion for NIH R&D, also a 3.7 percent increase over this year.** (For details of the NIH request, see Chapter 8 of *AAAS Report XXX: R&D FY 2006* or the March 4 AAAS R&D Funding Update. For details of House appropriations for NIH, see the June 21 R&D Funding Update). NIH support of basic and applied research would grow slightly faster than total R&D with a 4.1 percent increase to \$28.6 billion because of a drop in R&D facilities funding.

After a completed five-year doubling campaign involving 15 percent increases for each of the five years between 1998 and 2003, biomedical researchers hoped for a gradual easing into slower growth rates. But growth in the NIH budget slowed sharply to 3.2 percent in 2004, and slowed even further to just 2.0 percent in 2005. Tight restraints on overall domestic spending would push NIH budget growth down to just 0.5 percent next year in both the request and the House plan, marking the first time in 24 years that the NIH R&D portfolio would fail to keep pace with inflation in the economy as a whole after just barely

staying ahead of inflation in 2004 and 2005 (see Figure 1). NIH has already fallen behind its own Biomedical Research and Development Price Index (BRDPI), an index that attempts to calculate the inflation rate for goods and services purchased by the NIH budget. Recently, NIH projected the BRDPI increase for FY 2006 to be 3.2 percent after a 3.3 percent increase in 2005. In recent years, the BRDPI inflation rate has outpaced the economy-wide inflation rate by roughly 2 percent a year. (AAAS and the federal government use the economy-wide GDP deflator to adjust R&D dollars for inflation.)

The Senate bill harshly criticizes NIH for falling behind the biomedical inflation index in new grants awards next year. The Senate increase should allow NIH to increase the average new grant by the 3.2 percent BRDPI increase next year and would keep the overall NIH budget just ahead of economy-wide inflation (see Figure 1).

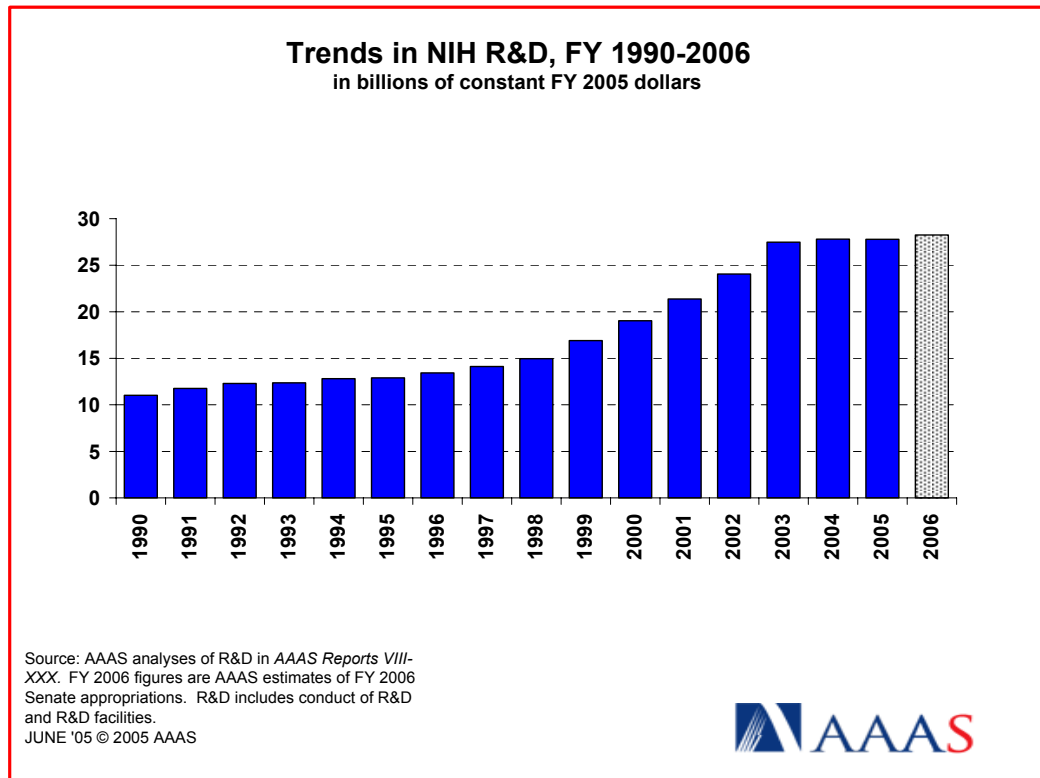


Figure 1. (click on the image for PDF)

**Most NIH institutes would receive increases in a range between 2.8 and 3.8 percent** in the Senate plan. The National Center for Research Resources (NCRR) budget would increase 6.5 percent to \$1.2 billion in contrast to a requested cut. The Senate would provide \$30 million to continue an extramural facilities construction program that the House and NIH would eliminate.

**The largest increase would go to the Office of the Director (OD) with a 36.1 percent boost to \$487 million, but primarily because the Senate would transfer \$97 million from the Office of the HHS Secretary to NIH.** The Office of the Secretary requested \$97 million (see Table 2) for transfer to NIH to spend on developing medical countermeasures against nuclear, radiological, and chemical terrorist attacks, nearly double this year's funding level because of the introduction of chemical countermeasures to the 2006 program. Both the House and now the Senate would bypass the Office of the Secretary and give the requested funds directly to NIH (see Table 1). But after excluding the transfer, the remaining increase for OD would still be a substantial 9 percent to boost OD funding for clinical research, high-risk basic research, and collaborative research in the **NIH Roadmap for Biomedical Research**. The Roadmap would receive \$333 million in FY 2006 (up 41 percent) in the request, with \$83 million from OD and \$250

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million coming from other institutes' budgets, with their contributions going from 0.63 percent of institute budgets this year to 0.89 percent in 2006.

In research policy, the Senate **bill contains language that follows up on a recent change in how NIH-funded research is published.** Last year's House Labor-HHS appropriations report contained language calling on NIH to outline a policy to allow public access to all NIH-funded research results. Since then, NIH has implemented a policy requesting all scientists who publish research papers resulting from NIH-funded work to deposit the paper manuscript in the freely accessible NIH PubMed Central database within a year of publication. The current NIH policy is modified from an earlier draft which would have required scientists to archive their work with PubMed Central. Language accompanying both the House and Senate Labor-HHS bills request NIH to prepare a progress report on the policy, including estimates of the number of peer-reviewed journal articles that have been deposited with NIH, the average delay between paper publication and public access through NIH, and an estimate for how much this policy is costing the National Library of Medicine (NLM).

Although the Senate would not make any changes to current policy, **language accompanying the bill criticizes the current Bush Administration policy on federal funding for human embryonic stem cell (HES) research.** The language strongly urges the Administration to modify the current policy to allow for an expansion of federal funding, and criticizes NIH's implementation of the current policy for leading to only \$24 million in NIH funding this year for HES research. The Senate is expected to vote on separate bills later this month that would modify the current policy; among the bills is one that would match a House-approved bill to expand federal funding for embryonic stem cell research beyond the currently approved lines to lines derived after the August 2001 cut-off date of the current policy.

### **R&D in Other HHS Agencies**

Total R&D in the Department of Health and Human Services (HHS) would be \$30.0 billion in FY 2006, a gain of 3.0 percent (see Table 2). NIH dominates the HHS R&D portfolio, but excluding NIH the rest of HHS would fund a still-substantial \$1.2 billion in R&D in FY 2006 under the Senate plan, a cut of 10.9 percent. Most of the steep cut would be due to the transfer of medical countermeasures R&D from the Office of the Secretary to NIH, but in an extremely tight budget environment all other HHS R&D agencies would face flat funding or cuts.

### **Next Steps**

The Senate hopes to debate and approve the Labor-HHS bill this month, but a logjam of other appropriations bills and other legislation may push back Senate consideration until September. Although the Senate's accounting maneuvers allow the NIH to receive a healthy increase, the House has taken a dim view of such maneuvers in the past. If House opposition prevails in conference as expected, then the additional billions in the Labor-HHS bill could disappear in conference and the NIH appropriation could end up at the House-approved flat funding level instead of the Senate increase.

(This analysis is one of a series of AAAS R&D Funding Updates on FY 2006 congressional appropriations. The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D in FY 2006 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/rd>) in the "FY 2006 R&D" or the "What's New" sections.)

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Table 1. National Institutes of Health R&amp;D in FY 2006 Senate Appropriations

**Table 1. National Institutes of Health  
Senate Appropriations Committee Action on R&D in the FY 2006 Budget  
(budget authority in millions of dollars)**

	FY 2005 Estimate	FY 2006 Request	FY 2006 House	Senate Action				
				FY 2006 Senate	Chg. from Request Amount	Percent	Chg. from FY 2005 Amount	Percent
Cancer	4,825	4,842	4,842	<b>4,961</b>	119	2.5%	136	2.8%
Allergy and Infectious Diseases 1/	4,403	4,459	4,359	<b>4,547</b>	88	2.0%	144	3.3%
Heart, Lung and Blood	2,941	2,951	2,951	<b>3,023</b>	72	2.4%	82	2.8%
General Medical Sciences	1,944	1,955	1,955	<b>2,003</b>	47	2.4%	59	3.0%
Diabetes, Digestive and Kidney 2/	1,864	1,872	1,872	<b>1,918</b>	46	2.4%	54	2.9%
Neurological Disorders	1,539	1,550	1,550	<b>1,592</b>	42	2.7%	52	3.4%
Mental Health	1,412	1,418	1,418	<b>1,460</b>	43	3.0%	48	3.4%
Child Health & Human Dev.	1,270	1,278	1,278	<b>1,311</b>	33	2.6%	41	3.2%
Research Resources	1,115	1,100	1,100	<b>1,188</b>	88	8.0%	73	6.5%
Aging	1,052	1,057	1,057	<b>1,091</b>	33	3.2%	39	3.7%
Drug Abuse	1,006	1,010	1,010	<b>1,035</b>	25	2.5%	29	2.9%
Environmental Health Sciences 3/	724	728	728	<b>748</b>	20	2.7%	23	3.2%
Eye	669	673	673	<b>694</b>	20	3.0%	24	3.7%
Arthritis /musculoskeletal	511	513	513	<b>526</b>	13	2.5%	15	2.9%
Human Genome	489	491	491	<b>503</b>	12	2.4%	14	2.9%
Alcohol Abuse and Alcoholism	438	440	440	<b>452</b>	12	2.7%	14	3.2%
Deafness and Communication	394	397	397	<b>409</b>	12	3.0%	15	3.8%
Dental Research	392	393	393	<b>405</b>	12	3.1%	13	3.4%
Office of the Director 4/	358	385	482	<b>487</b>	102	26.5%	129	36.1%
National Library of Medicine	315	318	318	<b>327</b>	9	2.9%	12	3.8%
Biomed/bioengineering	298	300	300	<b>309</b>	9	3.1%	11	3.6%
Minority Health / Disparities	196	197	197	<b>203</b>	6	3.0%	7	3.7%
Nursing Research	138	139	139	<b>143</b>	4	2.8%	4	3.2%
Complementary and Alternative	122	123	123	<b>127</b>	4	3.5%	5	4.0%
Buildings and Facilities	110	82	82	<b>114</b>	32	38.7%	3	3.0%
Fogarty International Center	67	67	67	<b>69</b>	2	2.5%	2	3.2%
<b>Total NIH Budget</b>	<b>28,594</b>	<b>28,740</b>	<b>28,737</b>	<b>29,645</b>	<b>905</b>	<b>3.1%</b>	<b>1,050</b>	<b>3.7%</b>
<i>subtract:</i>								
- Estimated Research Training	762	764	764	<b>789</b>	24	3.1%	26	3.5%
- Other Non-R&D	48	51	51	<b>53</b>	2	3.1%	4	8.6%
<b>Total NIH R&amp;D</b>	<b>27,784</b>	<b>27,925</b>	<b>27,922</b>	<b>28,804</b>	<b>879</b>	<b>3.1%</b>	<b>1,020</b>	<b>3.7%</b>

AAAS estimates based on FY 2006 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2005 and FY 2006 request figures based on OMB R&D data and supplemental agency budget data.

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

1/ Includes \$99 mil. in FY 2005 and \$100 mil. in FY 2006 request and Senate for the Global Fund for HIV/AIDS, Tuberculosis and Malaria.

2/ Includes \$150 million in FY 2005 and FY 2006 in mandatory funding for juvenile diabetes.

3/ Funding for all years includes Superfund-related transfers and appropriations from the VA-HUD or Interior bill.

4/ FY 2006 Senate and House appropriations include \$97 million for biodefense countermeasures previously appropriated in the Office of the Secretary (HHS).

**July 15, 2005 - AAAS estimates of Senate Appropriations Committee-approved bills.**

**These figures may be amended or rejected by the full Senate.**

Table 2. Department of Health and Human Services R&amp;D in FY 2006 Senate Appropriations

**Table 2. Department of Health and Human Services  
Senate Appropriations Committee Action on R&D in the FY 2006 Budget  
(budget authority in millions of dollars)**

	FY 2005 Estimate	FY 2006 Request	FY 2006 House	Senate Action				
				FY 2006 Senate	Chg. from Request Amount	Chg. from Request Percent	Chg. from FY 2005 Amount	Chg. from FY 2005 Percent
National Institutes of Health 2/	27,784	27,925	27,922	<b>28,804</b>	879	3.1%	1,020	3.7%
Centers for Disease Control 2/	485	485	485	<b>485</b>	0	0.0%	0	0.0%
Food and Drug Administration	151	149	148	<b>148</b>	-1	-0.5%	-3	-1.8%
Centers for Medicare & Medicaid Svcs.	78	45	65	<b>78</b>	33	74.4%	0	0.6%
Health Resources and Services Admin.	57	30	22	<b>30</b>	0	0.0%	-27	-47.4%
Healthcare Research and Quality 1/	351	348	348	<b>353</b>	5	1.4%	2	0.6%
Administration for Children & Families	38	35	35	<b>38</b>	3	8.6%	0	0.0%
Office of Aging	3	0	0	<b>0</b>	0	--	-3	-100.0%
Office of the Secretary 2/	137	122	25	<b>25</b>	-97	-79.5%	-112	-81.8%
<b>Total HHS R&amp;D</b>	<b>29,084</b>	<b>29,139</b>	<b>29,050</b>	<b>29,961</b>	<b>823</b>	<b>2.8%</b>	<b>878</b>	<b>3.0%</b>

AAAS estimates based on FY 2006 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2005 and FY 2006 request figures based on OMB R&D data and supplemental agency budget data.

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

1/ Figures reflect estimated R&D program levels from all receipts, not just appropriated BA.

2/ FY 2006 Senate and House appropriations would move Office of the Secretary biodefense R&D to CDC and NIH accounts.

**July 15, 2005 - AAAS estimates of Senate Appropriations Committee-approved bills.**

**These figures may be amended or rejected by the full Senate.**