

Senate Completes NIH Doubling Plan, Boosts Bioterrorism R&D

(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 Senate-approved FY 2003 appropriations 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.)

As part of a rush to draft all 13 FY 2003 appropriations bills before a month-long August recess, the Senate Appropriations Committee approved on July 18 its version of a bill (S 2766) that provides funding for the Departments of Labor, Health and Human Services, and Education (hereafter referred to as the Labor/HHS bill). The **Senate Labor/HHS bill would provide \$27.3 billion in FY 2003 for the National Institutes of Health (NIH). This represents an increase of 15.9 percent or \$3.7 billion above the FY 2002 funding level, and would complete the campaign to double the NIH budget between FY 1998 and FY 2003** (see Table 1). The total is \$25 million above the Bush Administration request. [The full Senate is scheduled to debate the bill in September.]

NIH R&D, which makes up 97 percent of the NIH budget, would total \$26.4 billion (up 16.2 percent). The remaining 3 percent of the NIH budget would go to research training and overhead costs.

The Senate’s proposed 15.9 percent increase, and the Administration request, would follow increases of nearly 15 percent in each of the last four years. The past four years’ increases were intended by Congress to be the first four installments of a plan 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. The FY 2003 Bush request would provide the final installment of the doubling plan with a request of \$27.2 billion; the Senate would meet the goal and go \$25 million higher to reach \$27.3 billion.

The National Institutes of Health (NIH), 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.

The strong growth in the NIH budget would not be as evenly distributed as in previous years because of increased priority-setting in the FY 2003 budget and the identification of three high-priority needs for additional investment: **bioterrorism, facilities construction, and cancer**. The Senate would stick closely to the request in allocating additional resources to these areas (see Table 1 for NIH appropriations by institute).

- **NIH support of bioterrorism R&D would increase five-fold to reach \$1.5 billion in FY 2003**, up from only \$275 million in FY 2002. The Senate would trim slightly the request for \$1.7 billion. In FY 2003, NIH would become the lead research agency in the burgeoning federal effort to combat bioterrorism, in a profound shift from DOD’s traditional lead role dating back to when bioterror concerns were focused on military troops rather than the U.S. civilian population. Most of the new funds would go to the National Institute of Allergy and Infectious Diseases (NIAID), which would receive a boost of 47.1 percent in its overall budget to \$3.7 billion as NIH’s lead institute for bioterrorism R&D. Roughly \$1 billion would go to basic and applied research aimed at developing biomedical tools to detect, prevent, and treat infection by biological agents. NIAID would also receive \$150 million in R&D facilities funds for construction of new biosafety laboratories. (The remaining

bioterrorism funds would go to the Buildings and Facilities account (see below)). Recently, the **Bush Administration proposed to transfer the NIH bioterrorism R&D portfolio to the proposed Department of Homeland Security (DHS)**. The Administration legislation would not transfer any employees or laboratories to DHS. Instead, DHS would take control of the \$1.7 billion requested R&D portfolio and transfer these funds to NIH for distribution through existing NIH grant and laboratory infrastructures. DHS would, however, gain the authority to set the bioterrorism research agenda in consultation with HHS. The proposal is currently under consideration in the House and Senate; there is some opposition to the proposed transfer, so it is still unclear whether the bioterrorism portfolio will stay in the NIH budget. In the meantime, the Senate appropriation would provide these funds directly to NIH. (For more information on the Administration's proposed Department of Homeland Security, please see the June 21 AAAS R&D Funding Update on DHS.)

- **The Senate would nearly double the NIH Buildings and Facilities** appropriation, as requested, for a total of \$633 million (up from \$326 million). The FY 2003 total would be nearly quadruple the FY 2001 investment of \$161 million; funding for this account soared last year because of the infusion of counter-terrorism emergency funds. The FY 2003 funds would continue to address bioterrorism and laboratory security needs. There would be funds for improved NIH laboratory security (\$80 million); a new laboratory in Fort Detrick, Maryland, for bioterrorism research (\$105 million); a new laboratory on the NIH campus to study infectious agents (\$186 million); and the last installment of funds for the NIH Neuroscience Research Center (\$168 million). There would also be construction funds in other accounts. In addition to the \$150 million for bioterrorism-related facilities in NIAID (see above), there would be \$125 million for extramural, competitively awarded facilities construction grants in the National Center for Research Resources (NCRR), up from \$110 million in FY 2002. In total, counting facilities funding in all NIH institutes, the NIH investment in R&D facilities would be \$922 million in FY 2003 under the Senate plan, double the FY 2002 level.
- Cancer is a high priority in the FY 2003 budget. The **National Cancer Institute (NCI)** would receive the requested amount of \$4.6 billion in the Senate bill, an increase of 12.5 percent. Combined with cancer-related research in other institutes, total NIH cancer research would exceed \$5 billion in FY 2003.
- The Senate bill would, as requested, provide 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 Senate bill would provide \$100 million in FY 2003 for this fund, the same as FY 2002. (The Agency for International Development (AID) contributes another \$100 million in FY 2002, and proposes to contribute the same amount in FY 2003; the Senate would provide \$200 million). The Global Fund was in the spotlight at the recent 14th International AIDS Conference in Barcelona, Spain; although plans called for the fund to spend \$10 billion a year from the leading industrial nations and private contributors, contributions have so far fallen far short of the goal. [The FY 2002 supplemental appropriations bill signed into law on August 2 provides another \$100 million in FY 2002 for the Fund through AID.]
- **The Senate would increase funding for the National Center for Research Resources (NCRR) by 17.7 percent to \$1.2 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 would be 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 Senate bill would provide \$220 million for IDeA – up sharply from \$160 million in FY 2002 and \$100 million in FY 2001. IDeA, established in FY 1993, 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). NCRR also funds extramural facilities construction (see above; \$125 million).

-
- **Most of the other institutes would receive increases between 8 and 12 percent.** The Senate would mostly add on to institutes' requests (which proposed increases between 8 and 9 percent) by cutting some of the NIAID bioterrorism request and distributing the funds to the other institutes.

Among other HHS agencies, **the Centers for Disease Control and Prevention (CDC) would see its R&D budget increase by 1.4 percent to \$600 million**, over an FY 2002 total already inflated by emergency counter-terrorism appropriations (see Table 2). In the aftermath of last fall's 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. While most of CDC's bioterrorism R&D would shift to NIH in FY 2003, the agency would continue some R&D efforts in its own laboratories. The largest R&D unit in CDC is the National Institute for Occupational Safety and Health (NIOSH), which would have an R&D budget of \$253 million in the Senate bill (same as FY 2002). Some of CDC's anthrax research would be funded through the Office of the Secretary in an \$18 million transfer of funds out of a total R&D appropriation of \$43 million (down 33 percent from FY 2002). Most other HHS agencies would see cuts in their R&D budgets; one exception would be the Agency for Healthcare Research and Quality (AHRQ), up 2.0 percent to \$255 million. AHRQ's programs evaluate the quality and delivery of health care services, fund research on health care outcomes, and explore ethnic and racial health care disparities.

The Senate version of the Labor/HHS bill now awaits floor debate and approval by the full Senate. [Floor debate will take place in September.] The House has not drafted its version of the bill; the House has drafted 6 of the 13 bills and had originally planned to make the Labor/HHS bill one of the last to be drafted. But last week, House conservatives won a promise from House appropriators to make the Labor/HHS bill the first bill after the August recess to be drafted. After Labor Day, House appropriators will have a difficult time drafting the bill because the House allocation for the bill is more than \$4 billion below the Senate total of \$134.1 billion; under such a constrained total the House Appropriations Committee may find it impossible to write a bill that can win a majority of votes for passage. If they do succeed, it may be at the cost of shortchanging several programs such as the NIH appropriation, a tempting target because of its large requested increase.

- July 24, 2002 (revised August 5)
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
Senate Appropriations Committee Action on R&D in the FY 2003 Budget
(budget authority in millions of dollars)**

	FY 2002 Estimate	FY 2003 Request	FY 2003 Senate	Action by Senate			
				Chg. from Request		Chg. from FY 2002	
				Amount	Percent	Amount	Percent
Cancer	4,128	4,642	4,642	0	0.0%	514	12.5%
Heart, Lung and Blood	2,560	2,776	2,820	44	1.6%	260	10.1%
Dental and Cranofacial Research	343	372	374	2	0.5%	31	9.0%
Diabetes, Digestive and Kidney	1,466	1,605	1,637	33	2.0%	171	11.7%
Neurological Disorders and Stroke	1,313	1,424	1,466	42	2.9%	153	11.7%
Allergy and Infectious Diseases	2,535	3,990	3,727	-263	-6.6%	1,193	47.1%
General Medical Sciences	1,700	1,855	1,854	-1	-0.1%	153	9.0%
Child Health & Human Development	1,113	1,214	1,214	0	0.0%	101	9.0%
Eye	581	630	634	4	0.7%	53	9.1%
Environmental Health Sciences ¹	642	690	693	3	0.4%	51	8.0%
Aging	893	969	1,000	31	3.2%	107	12.0%
Arthritis & Musculoskeletal & Skin	449	487	489	3	0.6%	41	9.1%
Deafness and Comm. Disorders	342	371	373	2	0.5%	31	9.0%
Mental Health	1,238	1,343	1,351	8	0.6%	113	9.1%
Drug Abuse	888	965	968	3	0.4%	80	9.0%
Alcoholism and Alcohol Abuse	384	417	419	2	0.5%	35	9.0%
Nursing Research	120	130	131	1	0.8%	11	9.1%
Research Resources	987	1,065	1,161	96	9.0%	175	17.7%
Human Genome Research	429	465	468	3	0.6%	39	9.0%
Fogarty International Center	57	63	61	-3	-3.9%	4	7.0%
National Library of Medicine	277	310	310	0	0.0%	33	11.9%
Office of the Director	235	255	258	3	1.1%	23	9.6%
Buildings and Facilities	326	633	633	0	0.0%	307	94.1%
Complementary & Alternative Med.	105	113	114	1	0.8%	10	9.1%
Biomed. Imaging/Bioengineering ²	262	271	283	12	4.4%	21	8.1%
Minority Health & Health Disparities	158	187	187	0	0.0%	29	18.5%
Total NIH Budget	23,532	27,244	27,269	25	0.1%	3,737	15.9%
<i>subtract:</i>							
- Estimated Research Training	654	689	689	1	0.1%	35	5.3%
- Other Non-R&D	173	194	194	0	0.1%	21	12.2%
Total NIH R&D	22,704	26,361	26,385	24	0.1%	3,681	16.2%

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.

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

All figures adjusted to exclude President's proposal to fully fund federal retiree costs, and therefore differ from figures presented in *AAAS Report XXVII*.

¹ Funding for all years includes Superfund-related transfers and appropriations.

FY 2003 Senate figure assumes Superfund transfer will be at the requested level.

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

July 24, 2002 - Senate Appropriations Committee-approved funding levels.

These funding levels may be amended or rejected on the Senate floor.

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

	FY 2002 Estimate	FY 2003 Request	Action by Senate				
			FY 2003 Senate	Chg. from Request Amount	Percent	Chg. from FY 2002 Amount	Percent
National Institutes of Health	22,704	26,361	26,385	24	0.1%	3,681	16.2%
Centers for Disease Control	592	540	600	60	11.2%	8	1.4%
Food and Drug Administration *	174	168	168	0	0.0%	-6	-3.4%
Centers for Medicare & Medicaid Services ¹	117	28	68	40	144.3%	-49	-41.5%
Health Resources and Services Admin.	53	21	31	10	47.6%	-22	-41.5%
Healthcare Research and Quality ²	250	197	255	59	29.8%	5	2.0%
Administration for Children & Families	24	54	24	-30	-55.6%	0	0.0%
Departmental Administration	65	17	43	26	155.9%	-22	-33.1%
Total HHS R&D	23,980	27,385	27,576	190	0.7%	3,596	15.0%

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.

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

All figures adjusted to exclude President's proposal to fully fund federal retiree costs, and therefore differ from figures presented in *AAAS Report XXVII*.

* Funded in the Agriculture bill, which has not been drafted yet by the Senate. FY 2003 Senate assumes requested level.

¹ Formerly the Health Care Financing Administration.

² Figures reflect estimated R&D program levels from all receipts.

July 24, 2002 - Senate Appropriations Committee-approved funding levels.

These funding levels may be amended or rejected on the Senate floor.