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To: Council on Federal Relations

cc: AAU Associates

From: AAU Staff

Subject: CFR UPDATE (09-#09, 02-18-09)

NIH ACTING DIRECTOR LAYS OUT BROAD OUTLINES FOR USING \$10.4 BILLION IN ECONOMIC RECOVERY ACT

Raynard Kington, Acting Director of the National Institutes of Health (NIH), said today that officials are still working out details of how the agency will spend the \$10.4 billion it will receive under the just-signed American Recovery and Reinvestment Act of 2009, but that NIH plans to obligate the money within two years and does not assume the funding will be added to the NIH base budget. He added that there will be no across-the-board percentage increases in grants or programs.

Dr. Kington emphasized that use of the economic recovery money would not be business as usual: there will be substantially greater reporting requirements, such as information on economic impact and the number of jobs created and retained as a result of a research grant.

The Acting Director made his remarks today during a conference call with AAU senior research officers, which he followed with a presentation to the broader research community sponsored by the American Association for the Advancement of Science.

Dr. Kington described the funding streams in the bill as follows:

- \$8.2 billion for research activities, of which \$7.4 billion is to be allocated across the NIH Institutes, Centers, Divisions, and the Common Fund (which includes cross-cutting activities such as the NIH Roadmap); \$800 million will remain in the Office of the Director;
- \$1 billion for extramural construction, repairs, and alterations through the National Center for Research Resources (NCRR); the review process for construction and renovation projects has not been determined;
- \$300 million for shared instrumentation;
- \$500 million for construction and improvements on the NIH campus; and
- \$400 million transferred from the Agency for Healthcare Research and Quality for comparative effectiveness research.

Research funding will be allocated in three general ways:

1. Funding of grant applications from FY08 and FY09 that were judged to be "highly scientifically meritorious" but not funded. Among the criteria of the selection process will be whether

meaningful progress toward project goals can be achieved with two years of committed funds, rather than the usual four years of funding.

2. Supplements to existing grants to accelerate and/or expand their work. This may include added equipment, training positions, and summer jobs for students. Such additions will not be made by formula, but will be based on scientific opportunity and public health needs. The new money will not be used to restore cuts made to project proposals during earlier negotiations.
3. NIH Challenge Grants. There will be a "reasonable" number of awards made under this new program aimed at supporting cross-cutting research. The Institutes, Centers, and Divisions will have an opportunity to identify areas in which they would like to see applications. NIH will issue a Request for Applications for the program soon.

Dr. Kington said that funding will not be provided in a lump sum, but over two years. When asked if the grants would have carryover authority, he reminded listeners that the money was intended as "a short-term stimulus" and said universities should not ask for money they didn't think they could spend in two years.

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