



University of California

Office of Federal Governmental Relations • Health Forum 2004

NATIONAL INSTITUTES OF HEALTH

Objective

- ❑ Maintain strong support for the NIH budget in FY2005 and future years.
- ❑ Follow-up with any needed information on NIH research at UC or generally.

Background

FY2005 Budget & Appropriations

The FY2003 appropriations cycle successfully completed the doubling campaign of the NIH budget over five years. This bipartisan, bicameral, two-Administration effort raised the NIH budget from \$13.5 million in FY1998 to over \$27 million in FY 2003. The strong, near-unanimous support for large annual increases to the NIH budget has faded since the historic doubling, in light of budget deficits and what some have dubbed “NIH fatigue.” The FY2004 appropriation for NIH was a 3 percent increase over the previous year. The Budget Request for NIH in FY2005 would provide the agency a 2.6 percent increase, which would not compensate for biomedical inflation, much less the high costs of conducting cutting-edge research. Concern for the future of the NIH grew even further when a White House memo to the agencies was leaked recently. The May 2004 memo offers advises agencies on spending guidelines they begin the process of determining their Budget Requests for FY2006 and indicates that the NIH budget would be cut in the request for FY2006.

Extramural Research Facilities Funding

Once again, the Budget Request eliminates this unique and important account for FY2005. UC advocates that Congress appropriate \$250 million for competitive, peer-reviewed extramural facilities construction grants in the NIH National Center for Research Resources to help fulfill the need for upgraded, state-of-the-art facilities in which to conduct cutting-edge biomedical research. This amount is consistent with authorized levels.

BioSafety Level 3 and 4 Laboratories

The President’s Budget includes \$150 million for construction and renovation of BioSafety Level 3 and 4 (BSL3 and 4) laboratories. The western United States is currently without a BSL 4 laboratory, rendering California and our neighbor states vulnerable to slower diagnosis and response times in the event of an adverse incident. With an unparalleled array of resources to offer, California is uniquely situated to house the western region BSL 4 laboratory and UC would consider competing should the program be funded in FY2005.

National Primate Research Centers (NPRCs)

The NIH supports eight NPRCs across the country including one in California at UC Davis. Biomedical research relies on these Centers to provide research models and expertise with non-human primates to NIH-funded researchers. Support for these resources remains glaringly deficient while demand for them continues to increase, leaving the NPRCs unable to provide sufficient primate resources to accommodate high priority federal research projects such as cancer, AIDS, and biodefense. UC urges that the NIH provide \$78.9 million in base grant funding to the NPRCs for FY 2005, as outlined in the NPRC five-year initiative.

Salary Cap

The NIH salary cap limits the amount of a research grant that can be applied to the researcher's salary. Once again, the President's Budget includes a provision to reduce the salary cap imposed on extramural researchers from Level I of the Executive Pay Schedule to Level II of the Executive Pay Schedule. The University's position is to retain the salary cap limit at Executive Level I, the same level that intramural NIH researchers can be paid.

Conflict of Interest/Oversight/Reauthorization

In the wake of doubling the budget for the NIH, Congress has been carefully scrutinizing the agency, questioning its structure, efficiency, efficacy, and policies and practices. The House Energy and Commerce Committee plans to move an NIH Reauthorization bill this year and has been interviewing NIH officials and holding hearings in preparation. A recent Health Subcommittee.

Additionally, the House and Senate have held a series of hearings about industry consulting contracts held by intramural scientists at the NIH. The level of Congressional interest on the matter heightened when a January 2004 Los Angeles Times article revealed that some NIH scientists were engaging in outside agreements which could be construed as a conflict of interest with their NIH roles. So far, the hearings and investigations have focused on intramural NIH officials and scientists.

“Controversial” Grants

Last year, there was an attempt to de-fund a few specific NIH grants which focused on human sexual behavior. UC communicated our concern about targeting such research to our delegation.

Current Political Environment

In another tight budget year, Members of Congress may have a difficult time justifying further healthy increases for an agency which has recently been doubled. Congressional focus has shifted from increasing the agency's budget to closely examining how the agency operates, including how the NIH sets priorities.