Congressional Research Service
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NIH Funding: FY1994-FY2016

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March 6, 2015

Congressional Research Service
7-5700
www.crs.gov
R43341

CRS REPORT
Prepared for Members and
Committees of Congress

c11173008

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The National Institutes of Health (NIH) is the primary federal agency charged with conducting and supporting biomedical and behavioral research. Its activities cover a wide range of basic, clinical, and translational research, focused on particular diseases, areas of human health and development, or more fundamental aspects of biomedical research. Its mission also includes research training and health information collection and dissemination.[1] About 83% of the NIH budget funds extramural research through grants, contracts, and other awards.[2] This funding supports research performed by more than 300,000 non-federal scientists and technical personnel who work at more than 2,500 universities, hospitals, medical schools, and other research institutions around the country and abroad.[3] About 11% of the agency's budget supports intramural research performed by NIH scientists and non-employee trainees in the NIH laboratories and Clinical Center; the remaining 6% funds research management, support, and facilities' needs.[4]

Funding for NIH comes primarily from the annual Labor, Health and Human Services (HHS), Education and Related Agencies appropriations bill, with an additional amount for Superfund-related activities from the Interior/Environment appropriations bill. Those two bills provide NIH's discretionary budget authority.[5] In addition, NIH receives mandatory funding of $150 million annually that is provided in the Public Health Service (PHS) Act for a special program on type 1 diabetes research and funding from a PHS Act transfer. The total funding available for NIH activities, taking account of add-ons and transfers, is known as the NIH program level.

Table 1 outlines NIH program level funding over the past 23 years. Between FY1994 and FY1998, funding for NIH grew modestly from $11.0 billion to $13.7 billion in nominal terms. Over the next five years, Congress doubled the NIH budget to $27.2 billion in FY2003. In each of these years, the agency received annual funding increases of 14% to 16%. Since FY2003, however, NIH funding has increased more gradually in nominal dollars. Funding peaked in FY2010 before declining in FY2011 through FY2013 with small increases in subsequent years.[6]

These funding trends are illustrated in **Figure 1** in both current and constant (i.e., inflation-adjusted) 2012 dollars. The top half of **Figure 1** illustrates NIH funding in *current dollars* (also called nominal dollars) over the period of FY1994 through FY2016. Increases since FY2003 have

[1] For further information on NIH, see CRS Report R41705, *The National Institutes of Health (NIH): Background and Congressional Issues*, by Judith A. Johnson.

[2] Department of Health and Human Services, *Fiscal Year 2016 Budget in Brief*, Washington, DC, February 2, 2015, p. 49, http://www.hhs.gov/budget/fy2016/fy-2016-budget-in-brief.pdf.

[3] Ibid.

[4] Ibid.

[5] NIH received a total of $10.4 billion in supplemental, one-time FY2009 appropriations in the American Recovery and Reinvestment Act (ARRA) of 2009 (P.L. 111-5). ARRA funds were made available for obligation for two years; $4.95 billion was obligated in FY2009, and $5.45 billion in FY2010. CRS Report R43304, *Public Health Service Agencies: Overview and Funding*, coordinated by C. Stephen Redhead.

[6] Amounts shown in **Table 1** include appropriations for the Global Fund to Fight AIDS, TB, and Malaria (FY2002-FY2011) that were subject to transfer-out. As of FY2012, NIH no longer receives appropriations for the National Institute of Allergy and Infectious Diseases (NIAID) identifying resources for the Global Fund; this responsibility was transferred to another federal agency. For further details on the amounts transferred out by fiscal year, see the "Supplemental Appropriation Data Table" for "History of Congressional Appropriations, Fiscal Years 2000-2012" at http://officeofbudget.od.nih.gov/approp_hist.html.

been more modest (between about 1% and 3% each year), and, in some years, funding for the agency decreased in nominal dollars. For instance:

- the FY2006 total was 0.1% lower than the previous year, the first time that the NIH appropriation had decreased since FY1970;
- the FY2011 total, provided in the Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10), was 1.0% below the previous year; and
- the FY2013 total, provided in the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6), was reduced by the March 2013 sequestration and a transfer of funding under the authority of the HHS Secretary ($1.553 billion and $173 million respectively), resulting in a budget that was 5.5% lower than the prior year.[7]

The NIH program level in FY2015 is $30.311 billion.[8] P.L. 113-235, the Consolidated and Further Continuing Appropriations Act, 2015, provides $30.084 billion for NIH in Division G (the Labor/HHS and Education appropriations act): $29.369 billion for the NIH institutes and centers plus $715 million from a Public Health Service (PHS) Act transfer.[9] Congress directed the entire $715 million to one NIH institute, the National Institute of General Medical Sciences (NIGMS), offsetting the more than $700 million reduction in discretionary budget authority for NIGMS in P.L. 113-235 compared with its FY2014 funding level. NIH received about $77 million for Superfund-related research from Division F of P.L. 113-235.[10] In addition, NIH receives mandatory funding of $150 million annually that is provided in the PHS Act for a special program on type 1 diabetes research.[11]

The President's FY2016 budget requests an NIH program level total of $31.311 billion, an increase of $1 billion (3.3%) over the FY2015 level of $30.311 billion. The FY2016 program level request for NIH includes $150 million in mandatory funding for research on type 1 diabetes, which is proposed for reauthorization in FY2016. The FY2016 program level amount also proposes $847 million in funding transferred to NIH by the PHS Act transfer.

The lower half of **Figure 1** portrays NIH funding adjusted for inflation (in constant 2012 dollars) using the Biomedical Research and Development Price Index (BRDPI).[12] It shows that the

[7] The FY2012 amount of $30.861 billion appears to be 0.2% below the FY2011 amount of $30.916 billion. However, the FY2011 amount includes $297.3 million that was subject to transfer-out for the Global Fund to Fight AIDS, TB, and Malaria.

[8] This amount does not include $238,000,000 for the National Institute for Allergy and Infectious Diseases (NIAID) for research on Ebola that was provided in P.L. 113-235, Title VI of Division G; for more information, see CRS Report R43807, *FY2015 Budget Requests to Counter Ebola and the Islamic State (IS)*, coordinated by Susan B. Epstein.

[9] NIH and other HHS agencies and programs authorized under the PHS Act are subject to a budget assessment called the PHS Program Evaluation Set-Aside, also called the evaluation tap. Section 241 of the PHS Act (42 U.S.C. §238j) authorizes the Secretary of HHS to use a portion of eligible appropriations to study the effectiveness of federal health programs and to identify improvements.

[10] Division F of P.L. 113-235 is the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2015.

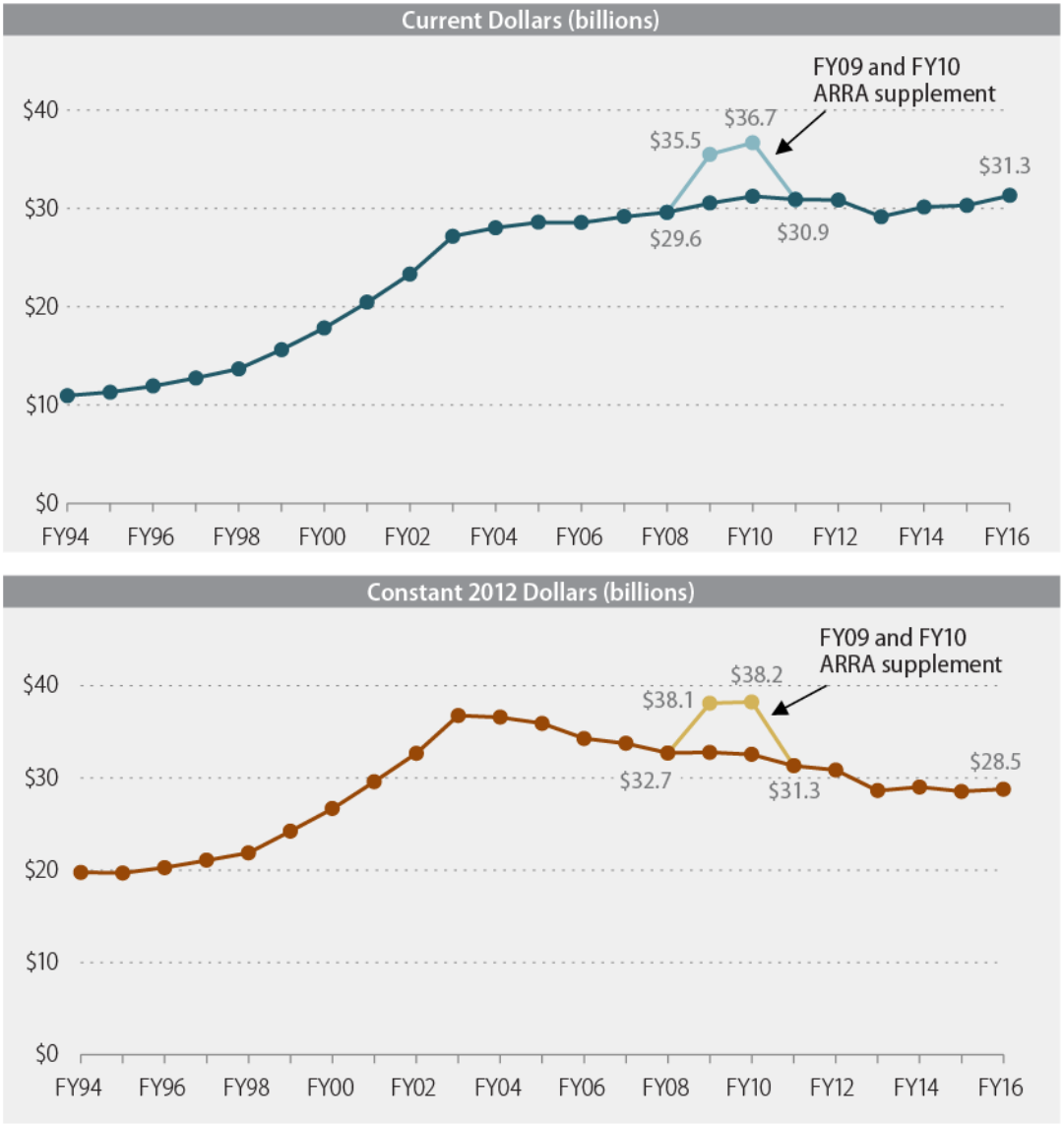
[11] Mandatory funds for type 1 diabetes research under PHS Act §330B, provided most recently by P.L. 112-240 in FY2014 and P.L. 113-93 in FY2015.

[12] The index is developed each year for NIH by the Bureau of Economic Analysis of the Department of Commerce. It reflects the increase in prices of the resources needed to conduct biomedical research, including personnel services, supplies, and equipment. It indicates how much the NIH budget must change to maintain purchasing power. See "NIH (continued...)

purchasing power of NIH funding (non-ARRA) peaked in FY2003 (the last year of the five-year doubling period) and has steadily declined in the years since. In constant 2012 dollars, FY2015 funding is 22% lower than the FY2003 level.

Figure 1. National Institutes of Health (NIH) Funding, FY1994-FY2016

Program Level Funding in Current and Constant (2012) Dollars



Sources: NIH Budget Office, Appropriations History by Institute/Center (1938 to Present), at http://officeofbudget.od.nih.gov/approp_hist.html, and Department of Health and Human Services, Fiscal Year 2016 Budget in Brief, Washington, DC, February 2, 2015, p. 44, http://www.hhs.gov/budget/fy2016/fy-2016-

(...continued)

Price Indexes," at http://officeofbudget.od.nih.gov/gbiPriceIndexes.html.

budget-in-brief.pdf. Inflation adjustment reflects the Biomedical Research and Development Price Index (BRDPI), updated February 2, 2015, http://officeofbudget.od.nih.gov/gbiPriceIndexes.html.

Notes: Program level includes all budget authority including appropriations for the Global Fund to Fight AIDS, TB, and Malaria (FY2002-FY2011) that were subject to transfer-out. As of FY2012, NIH no longer receives appropriations for the National Institute of Allergy and Infectious Diseases (NIAID) identifying resources for the Global Fund; this responsibility was transferred to another federal agency. Excludes other transferred amounts to and from HHS accounts, such as the PHS Act transfer (evaluation tap). ARRA supplementary funding is from the American Recovery and Reinvestment Act of 2009, P.L. 111-5. FY2015 amount does not include $238,000,000 for the National Institute for Allergy and Infectious Diseases (NIAID) for research on Ebola that was provided in P.L. 113-235, Title VI of Division G.

Table 1. NIH Funding, FY1994–FY2016

Program Level Funding in Current and Constant (2012) Dollars (billions)

Fiscal Year	Program Level	% Change	Program Level Constant '12 $	% Change	% Loss below '03
1994	$10.956		$19.762		
1995	11.300	3.1%	19.699	-0.3%	
1996	11.928	5.6%	20.275	2.9%	
1997	12.741	6.8%	21.072	3.9%	
1998	13.675	7.3%	21.875	3.8%	
1999	15.629	14.3%	24.234	10.8%	
2000	17.841	14.1%	26.669	10.0%	
2001	20.459	14.7%	29.598	11.0%	
2002	23.321	14.0%	32.658	10.3%	
2003	27.167	16.5%	36.751	12.5%	
2004	28.037	3.2%	36.565	-0.5%	-0.5%
2005	28.594	2.0%	35.896	-1.8%	-2.3%
2006	28.560	-0.1%	34.267	-4.5%	-6.8%
2007	29.179	2.2%	33.729	-1.6%	-8.2%
2008	29.607	1.5%	32.694	-3.1%	-11.0%
2009	30.545	3.2%	32.771	0.2%	-10.8%
2010	31.238	2.3%	32.543	-0.7%	-11.4%
2011	30.916	-1.0%	31.312	-3.8%	-14.8%
2012	30.861	-0.2%	30.861	-1.4%	-16.0%
2013	29.151	-5.5%	28.615	-7.3%	-22.1%
2014	30.151	3.4%	29.007	1.4%	-21.1%
2015	30.311	0.5%	28.532	-1.6%	-22.4%
2016	31.311	3.3%	28.779	0.9%	-21.7%
NIH Funding including ARRA Supplement					
2009	35.499		38.086		
2010	36.684		38.217		

Source: NIH Budget Office, Appropriations History by Institute/Center (1938 to Present), at http://officeofbudget.od.nih.gov/approp_hist.html, and Department of Health and Human Services, Fiscal Year 2016 Budget in Brief, Washington, DC, February 2, 2015, p. 44, http://www.hhs.gov/budget/fy2016/fy-2016-budget-in-brief.pdf. Inflation adjustment reflects the Biomedical Research and Development Price Index (BRDPI), updated February 2, 2015, http://officeofbudget.od.nih.gov/gbiPriceIndexes.html.

Notes: Amounts in table may differ from actuals in many cases. By convention, budget tables, such as **Table 1** do not subtract the amount of transfers from the agencies' funding. Program Level includes all budget authority, including appropriations for the Global Fund to Fight AIDS, TB, and Malaria (FY2002-FY2011) that were subject to transfer-out. As of FY2012, NIH no longer receives appropriations for the National Institute of Allergy and Infectious Diseases (NIAID) identifying resources for the Global Fund; this responsibility was transferred to another federal agency. Excludes other transferred amounts to and from HHS accounts, such as the PHS Act transfer (evaluation tap). ARRA supplementary funding is from the American Recovery and Reinvestment Act of 2009, P.L. 111-5. FY2015 amount does not include $238,000,000 for the National Institute for Allergy and Infectious Diseases (NIAID) for research on Ebola that was provided in P.L. 113-235, Title VI of Division G.

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