

From the Acting NIH Director—

On Tuesday, February 17, 2009, President Barack Obama signed the **American Recovery & Reinvestment Act of 2009 (ARRA)**, the economic stimulus, into law. This is an extraordinarily challenging time for our entire country, and NIH is extremely grateful to President Obama and Congress for recognizing both the economic and health impacts of biomedical and behavioral research. The \$10.4 billion of investment will have an impact beyond the funding horizon of this Act, as it also supports the economic stimulus.

We are well positioned to fund the best science in pursuit of improving the length and the quality of the lives of our citizens, while at the same time stimulating the economy of the 50 states and territories, through more than 3,000 institutions we currently fund to conduct outstanding biomedical and behavioral research-- institutions that have a direct impact upon the local economies in their towns, cities, and states.

The purpose of the ARRA is to:

- (1) preserve and create jobs and promote economic recovery.
- (2) assist those most impacted by the recession.
- (3) provide investments to increase economic efficiency by spurring technological advances in science and health.
- (4) invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.
- (5) stabilize state and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

As we learned about NIH's possible inclusion in the national economic recovery effort, we worked around the clock to prepare to make the most effective use of these extraordinary resources. NIH grants support jobs and the economy of local communities, and we are preparing to move the funds quickly as we manage and track the impact on economic recovery, as well as the progress on improving human health in a way that increases transparency for the public. We are waiting for guidance from the Department of Health and Human Services and the White House, and no funding decisions have been made.

NIH Funding

The stimulus bill provides a total of \$10.4 billion, all available for two years-- through September 2010. We expect to spend as much as possible in FY 2009 to support the goals of the ARRA and advance scientific priorities. (Note that none of these resources are added to the NIH's future base funding level). Below is a summary:

- \$8.2 billion in support of scientific research priorities
 - o \$7.4 billion is transferred to the Institutes and Centers and Common Fund (CF), based on a percentage-based formula

- \$800 million to the Office of the Director (OD) (not including CF) (For example, support for Challenge Grants), a program designed to focus on health and science problems where progress can be expected in two years.
- To support additional scientific research-related activities that also align with the overall purposes of the Act
- \$1 billion to support Extramural Construction, Repairs, and Alterations
 - Allocated to the National Center for Research Resources (NCRR) in support of all NIH funded research institutions
- \$300 million for Shared Instrumentation and other capital equipment
 - Allocated to NCRR to support all NIH activities
- \$500 million for NIH buildings and facilities
 - To fund high priority repair, construction and improvement projects on NIH campuses that also align with the overall purpose of the Act
- \$400 million for Comparative Effectiveness Research (CER)

Many types of funding mechanisms will be supported, but, in general, NIH will focus scientific activities in several areas:

- 1) We will choose among recently peer reviewed, highly meritorious R01 and similar mechanisms capable of making significant advances in two years. R01 are projects proposed directly from scientists across the country.
- 2) We will also fund new R01 applications that have a reasonable expectation of making progress in two years. The adherence to this time frame is in direct response to the spirit of the law.
- 3) We will accelerate the tempo of ongoing science through targeted supplements to current grants. For example, we may competitively expand the scope of current research awards or supplement an existing award with additional support for infrastructure (e.g., equipment) that will be used in the two-year availability of these funds.
- 4) NIH anticipates supporting new types of activities that fit into the structure of the ARRA. For example, it will support a reasonable number of awards to jump start the new NIH Challenge Grant program. This program is designed to focus on health and science problems where progress can be expected in two years. The number of awards and amount of funds will be determined, based on the scientific merit and the quality of applications. I anticipate—out of the OD funds in the ARRA--NIH will support at least \$100 to \$200 million—but the science will drive the actual level.
- 5) We will also use other funding mechanisms as appropriate.

The impact of this stimulus to scientists cannot be overstated. The impact extends far beyond the current economic challenges and immediate scientists who will receive funds,

to allied health workers, technicians, students, trade workers and others who will receive the leveraged benefits.

We understand to accomplish the goals of ARRA, it will take the help of the entire scientific community. Beyond the immediate economic stimulus, the long-term impact from the science funded by the ARRA will have a positive impact upon the health of the nation for years to come.

The ARRA is complex, with multi-layered reporting requirements. NIH is working with the Administration to ensure transparency and accountability. In the near future, NIH will post information about its role in the recovery and impact on RECOVERY.gov

We are committed, with the outstanding support that has been given by the White House, the Department, and Congress, to make our decisions based on best scientific opportunity and public need. We will seek projects with the broadest impact, work that can be accomplished in two years, that relies heavily on our new streamlined, modernized peer review system. This is not a time for business as usual nor formulaic solutions; this is a time for true innovation, energy, and recovery.

Again, NIH is grateful to all of you who will work with us to successfully implement this important contribution to our national health and economic recovery.

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