

## To: Ad Hoc Group for Medical Research

Acting NIH Director Raynard Kington met with about 200 representatives from patient groups and scientific organizations and institutions on Wednesday, February 18, to discuss early plans for spending the \$10.4 billion in funding allocated to NIH in the American Recovery and Reinvestment Act that President Obama signed on February 17. The following summary was prepared by members of the Ad Hoc Group Steering Committee.

Dr. Kington described the legislative allocation of the funding:

\$8.2 billion to the Office of the Director for research priorities, of which \$7.4 billion will be transferred to the individual Institutes and Centers and the Common Fund, based on their current proportion in the FY 2009 appropriations bill (Note: According to the Joint Explanatory Statement from the conferees, the remaining \$800 million will remain in the Office of the Director "for purposes that can be completed within two years; priority shall be placed on short-term grants that focus on specific scientific challenges, new research that expands the scope of ongoing projects, and research on public and international health priorities.");

\$1 billion to the National Center for Research Resources (NCRR) for renovation, improvement and construction of extramural research facilities;

\$300 million to NCRR for shared instrumentation;

\$500 million to the buildings and facilities account for intramural facilities; and

\$400 million transferred from the Agency for Healthcare Research and Quality (AHRQ) for comparative effectiveness research.

He emphasized that the money must be obligated within two years. He noted that none of the funds have been added to the base and that NIH was committed to demonstrating that it is a smart investment. All spending decisions will be made recognizing that the funds must be obligated within the two year window.

He said that most of the funding will be allocated to three "Big Buckets" that will all be subject to peer review:

1) **The R01 and related mechanisms:** after the FY2008 funding cycle about 14,000 applications were approved for funding by councils but unfunded. The applications will be reviewed to see if there is any reasonable expectation that two year funding of these awards would be productive. This will not be done in a formulaic manner; rather grants will be analyzed on a cases-by-case basis.

2) **Supplements to existing grants:** some supplements may be competitive, some administrative, and some theme-oriented. He specifically mentioned training and equipment as possible themes.

3) **NIH Challenge Grants:** Two-year awards in areas ICs identify as priority areas, representing important research and public health areas, or that are viewed as cross-cutting. They will be funded at \$500K/year for two years. There will be a new RFA, probably a short application form, and expedited peer review. He said it was expected that the total amount of funding for this mechanism would be \$100-200 million, but would be based on the quality of the responses.

**In general comments,** Dr. Kington emphasized that NIH will rely on peer review to determine scientific merit and will be guided by scientific opportunities and public health needs in identified

areas for funding. He said that an awareness of geographical considerations was appropriate, but would not be formulaic. He also repeatedly emphasized that NIH was starting from today and there would be no look-backs and restorations of any previous cuts or underfunding. He also noted that the stimulus bill required recipients and NIH to provide an unprecedented level of reporting (including the number of jobs created and preserved). NIH will work with HHS and OMB to develop guidance for this reporting.

**In the Q&A period**, he said that NIH already does a fair amount of comparative effectiveness research and would work closely with AHRQ and the Office of the Secretary in determining how to spend the funds.

Asked about NIH funding for the operation of facilities funded by the construction funds, he said that was an institutional responsibility and concern. If an institution doesn't have the funds to operate the facility, they probably shouldn't apply.

Dr. Kington said that concern for new investigations and young faculty would be integrated into everything the NIH does and suggested that supplements were possible.

Asked about whether changes in the peer review system might be suspended or expedited due to the expected crush on peer review, Dr. Kington said that the improvements to the peer review system have made NIH better situated to deal with the expected volume. He said the timing couldn't be better for implementing the changes and that some changes may actually accelerate, such as on-line review processes.

Asked about the Common Fund, he said the NIH reauthorization legislation was clear on the goals and operation of the Fund and that its priority setting processes were set.

Lastly, he was asked about whether the two-year spending window was firm and whether no-cost extensions would be available. Dr. Kington was very firm that if a researcher or institution could not spend the funds within the two-year window they should not apply. The goal is to stimulate the economy and NIH is committed to that goal and to do otherwise would be an embarrassment to the community.

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