NATIONAL INSTITUTES OF HEALTH
American Recovery & Reinvestment Act of 2009 (ARRA)
Talking Points

These talking points describe what is in the Act and the broad outline of how we plan to proceed.

- On Tuesday, February 17, 2009, President Barack Obama signed the American Recovery & Reinvestment Act of 2009 (ARRA) into law.

- NIH is extremely grateful to President Obama and the Congress for recognizing both the economic and health impacts of biomedical and behavioral research and affording, through the ARRA, to provide economic stimulus to the Nation, while furthering our mission to uncover new knowledge that will lead to better health for everyone.

- Investing in American science will have an impact beyond the funding horizon of this Act.

- The ARRA is complex, with multi-layered reporting requirements. NIH is working with the Department of Health and Human Services and the White House to ensure transparency and accountability.

- 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.

  NIH has been working to make the most effective and transparent use of these funds. We are awaiting guidance from HHS and the White House, and no funding decisions have been made.

<u>NIH Funding</u>

1) A total of $10.4 billion, all available through September 2010.
    1) We expect to spend as much as possible in FY 2009 to support the goals of the ARRA and advance scientific priorities.
2) A specific breakdown of the $10.4 billion (all 2-year funds to NIH):
   - $8.2 billion in support of scientific research priorities
     - $7.4 billion is transferred to ICs and Common Fund (CF), based on a

percentage-based formula
    - $800 million in the Office of the Director (OD) (not including CF)
        - An example is support for Challenge Grants, a program designed to focus on health and science problems where progress can be expected in two years

    - All funds to be used 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 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)

Note: These funds are intended for the two year stimulus and not as an increase to NIH's future base funding level

- NIH is preparing to move the funds quickly and wisely
- We expect these resources to help support grants, jobs, and ongoing discovery to benefit human health.
- NIH grants support jobs in the local community and provide an economic multiplier to local regions of the country.
    - For example, if $100,000 is provided to a local university through a grant or administrative supplement, it can provide an additional $200,000 of impact to the local community. The original $100,000 is used to buy goods and services and support additional jobs in that community.

    - Additionally, advancing science will have a longer-term payback of improved health for the Nation.

- Congress has provided NIH with the flexibility to maximize the impact of two year funds.

<u>Funding Mechanisms</u>

In general, NIH expects to allocate resources across several major activities:

(1) We will choose among recently peer reviewed, highly meritorious R01 applications from scientists across the country. R01s are the projects proposed directly by scientists.

(2) NIH will also fund new RO1 applications, and other similar mechanisms, that have a reasonable expectation of making progress in two years.

(3) We will accelerate the tempo of ongoing science via NIH's supplement program for currently supported scientists. For example, we may competitively expand the scope of current research awards or support additional infrastructure (e.g., equipment) by supplementing an award that can be used within the two year time frame.

(4) NIH anticipates supporting new types of activities that fit into the structure of the ARRA. For example, we expect to support a reasonable number of awards to jump start the new NIH Challenge Grant program. This new program is designed to focus on health and science problems where progress can be expected in two years. We anticipate--out of the Office of the Director 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.

<u>Summary Points</u>

The impact of this stimulus for the nation and its scientists cannot be overstated.

- NIH funds scientific activity across this great country,
  - In 3,000 institutions and
  - In all 50 states and territories

- The impact extends far beyond the current economic challenges and immediate scientists who will get funded, to allied health workers, technicians, students, trade workers, and others who will receive the leveraged benefits from this investment.

- Decisions will be based upon best scientific opportunity and public need.

- The process will rely heavily on our streamlined peer review to support science that will have the broadest impact within the two-year time frame.

- This is not business as usual, the approach will not be formulaic, but will be designed to have the greatest impact with the greatest transparency.

- The number of awards and amount of funds will be determined based on the scientific merit and quality of the applications.

- Most importantly, the science funded by this bill ultimately will have a direct impact on the health of this nation for many years to come.