Legislative Scorecard

**Issues—FY2013 NIH/NEI Funding**

**Impact of Six-Month CR on NEI Still Uncertain**

<table>
<thead>
<tr>
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<th>FY2012 FINAL</th>
<th>FY2012 Net of 1.08% Reduction</th>
<th>FY2013 President’s Budget</th>
<th>FY2013 Senate Bill</th>
<th>FY2013 House Bill</th>
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<tbody>
<tr>
<td>NIH*</td>
<td>$30.78</td>
<td>$30.64</td>
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<td>NEI</td>
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<td>$702.71M</td>
<td>$693.01M</td>
<td>$695.1M</td>
<td>$701.1M</td>
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* Program Level—Net of Transfer  ** $6.7M cut due to dissolution of CMV retinitis study and transfer of funds; Senate adds $2M  * House Bill cut on CMV trial transfer  ** Six-Month Continuing Resolution (CR) funds NIH at FY2012 level net of 1.08% recession; assumes no transfer of NEI-CMV trial funding

On September 28, President Obama signed the six-month Continuing Resolution (CR, House Joint Resolution 117) that funds most government operations at the FY2012 level until March 27, 2013. The CR, which avoided the threat of a government shutdown when FY2013 began on October 1 since Congress had not passed appropriations bills, was passed by the Senate on September 22 and the House on September 13. The CR does not alter the looming sequester—the automatic budget cuts to both defense and nondefense discretionary spending that are set to take effect on January 2, 2013 (see next page).

The Office of Management and Budget (OMB) also issued spending guidance on September 28. Although the CR had an across-the-board spending increase of 0.612 percent, the OMB guidance indicates that each federal agency will only receive that increase if a request is made. At this time, it is unclear whether the Department of Health and Human Services (DHHS) plans to make such a request on behalf of some or all of its agencies, including the National Institutes of Health (NIH). Absent that request, NIH and the NEI would be funded during the six-month CR at the FY2012 level (per the funding chart, the net of a 0.189 percent recession) of $30.64 billion and $702.7 million, respectively. This assumes that the NIH’s Office of AIDS Research will not transfer $8.2 million from the NEI due to the dissolution of the Cytomegalovirus (CMV) retinitis clinical trials, as proposed in the President’s FY2013 budget and the Senate’s FY2013 Labor, Health and Human Services, and Education (HHHS) spending bill. The House bill is silent on this transfer.

NAEVR is hosting a February 7, 2013, Advocacy Day for the ARVO Annual Meeting Program Committee, ensuring that the Members of NAEVR is hosting a February 7, 2013, Advocacy Day for the ARVO Education (LHHS) spending bill. The House bill is silent on this transfer.

Although Congress could pass another six-month CR in March 2013 and avoid finalizing appropriations bills—which depends heavily on the elections results—NAEVR has analyzed the FY2013 Senate bill (S. 3295) approved June 14 by the Senate Appropriations Committee and the House bill (approved July 18 by the House LHHS Appropriations Subcommittee) for differences in funding and management oversight. The House bill did not move prior to the August recess since many considered it unworkable due to its elimination of funding for all Patient Prevention and Affordable Care Act of 2010 (P.L. 111-148) provisions.

Per the funding chart above, the House bill flat-funds NIH at $30.6 billion, per the President’s budget request, but is $100 million below that in the Senate bill. The House bill funds NEI at $701.8 million, reflecting a minimal 0.01 percent cut from the FY2012 level of $702.7 million, unlike the President’s budget proposal which cut the NEI by $8.9 million (1.2 percent) due primarily to an $8.2 million transfer of AIDS funding reflecting dissolution of the Cytomegalovirus (CMV) retinitis clinical trials. The Senate bill cuts NEI funding by $8.9 million but then adds back in $2 million for a net funding level of $695.1 million (0.9 percent cut). There is a net $6.7 million difference in NEI funding between the bills.

The bills also significantly differ in the provisions that relate to NIH management and oversight, with the House bill having a significant number of policy riders—see the comparison chart below. Highlights include:

- **Salary Cap:** The House proposes to reduce it to Executive Level III ($165,300) from EL II ($179,700), which was the level proposed in the Senate bill and that in FY2012 funding, where it was reduced from EL I ($197,900) for the first time.

- **Program Evaluation Transfer:** Since the House bill proposes the elimination of the Agency for Healthcare Research and Quality (AHRQ), the program evaluation transfer that all DHHS agencies pay would decrease to 1 percent from the current 2.5 percent of budgets. The Senate bill maintains AHRQ and the transfer at 2.5 percent, rejecting the President’s proposal to increase it to 3.2 percent.

- **NCATS/CAN:** The House bill reduces funding for NIH’s new National Center for Advancing Translational Sciences (NCATS) by funding its Cures Acceleration Network (CAN) at $10 million versus $40 million as in the Senate bill. It also precludes CAN funding until NIH seeks public comments on the potential for it to “create duplication, redundancy, or competition with industry.” The House also specifies funding for the Clinical and Translational Science Awards (CTSA) program within NCATS at $487.7 million (not specified in Senate bill) and states that changes cannot be made to the CTSA program until Institute of Medicine (IOM) review of NIH changes to its clinical trials programs, per previous IOM recommendations.

- **Institutional Development Awards (I DeA) Program:** The House bill funds the program, which is managed by the National Institute of General Medical Sciences (NIGMS), at “not less than” $376.4 million, a full $100 million greater than that in the Senate bill. The IDEA program, which provides funding to institutions that typically do not receive NIH funding or do at a very low percent, was the subject of extensive discussion at the House LHHS Appropriations Subcommittee’s March 20, 2012, hearing.

- **Grants Management:** Although the Senate bill was generally silent on grants management issues, the House bill specifies a minimal number of funding changes and requires that NIH’s allocation of funding should be 90 percent to extramural activities, 10 percent for intramural activities, and at least 55 percent toward basic science activities. The House bill also precludes NIH from using any funds for “economic research programs, projects, or activities.”

NAEVR and ARVO have joined with 200-plus organizations as signatories on an October 1 letter to Congressional LHHS appropriations leadership expressing concern about several issues in the House bill. Regardless of the fate of the bills, the management oversight and policy riders in the House bill could become important in future negotiations on funding legislation or in an NIH reauthorization bill.

**FY2013 House, Senate LHHS Bills Differ on NIH Funding, Oversight**

Visit the NIH/NEI funding section of NAEVR’s Web site at www.eyeresearch.org for full details.