NIH Funding and Management Issues

ARVO Advocates for Vision

Research Funding

NAEVR Testifies at March 29 House Public Witness Hearing

NAEVR—one of twenty organizations selected out of 125 that had requested to appear—was represented by Hendrik Scholl, M.D., who serves as The Dr. Frieda Bambas Professor of Ophthalmology at the Wilmer Eye Institute of the Johns Hopkins University School of Medicine. Dr. Scholl, who received his medical degree in Germany, provided an international perspective. As a clinician-scientist who focuses on diseases of the retina, primarily retinal degenerations that include age-related macular degeneration (AMD), he urged the Subcommittee not to cut FY2013 NEI funding by $8.9 million to a level of $693 million, as proposed in the President’s budget.

“The proposed FY2013 level is just slightly above the FY2009 level. It results in a net $14 million loss in NEI funding since its highest funding level in FY2010, which translates into about 40 research grants—any one of which could hold the promise of curing a blinding eye disease. It also represents just a little over one percent of the $68 billion that blindness and vision impairment cost the United States each year.”

NAEVR and ARVO: Restore the Extramural Salary Cap to Executive Level I

On May 16, NAEVR and ARVO joined 160 other signatories on a letter urging the Chairmen and Ranking Members of the Senate and House LHHS Appropriations Subcommittees to restore the extramural salary cap to Executive Level I in FY 2013 appropriations. In an unprecedented move, the FY 2012 Consolidated Appropriations Act (P.L. 112-74) reduced the direct salary in grants from Executive Level I ($199,700) to Executive Level II ($179,700), a ten percent cut. This was opposed by the medical research advocacy community. In part, the letter reads:

“This change...comes at a time when research institutions’ discretionary funds for clinical revenues and other sources are increasingly constrained and less available to invest in research. As institutions and departments divert funds to compensate for the reduction in the salary limit, they will have less funding for critical activities such as providing bridge funding to investigators who may be between grants, and to provide seed grants and start-up packages for young investigators.”

The letter also notes that the change disadvantages the most productive investigators, as well as physician investigators, and serves as a deterrent to their recruitment into research careers.

Sequestration Update: Advocacy Community Forms Coalition to Oppose Cuts

On June 4, NAEVR participated in the first meeting of the Nondefense Discretionary (NDD) Coalition, a group formed to oppose mandatory budget cuts and to ensure that nondefense discretionary spending does not bear the full burden of sequestration. As background, the Budget Control Act of 2011 (P.L. 112-25) established caps on discretionary spending over ten years, resulting in $1 trillion in cuts spread across defense and NDD programs. The law also directed a Congressional Joint Select Committee on Deficit Reduction to identify an additional $1.2 trillion in budgetary savings over ten years. The failure of this bipartisan “Super Committee” to come to agreement on a deficit reduction plan triggered a sequester to take effect on January 2, 2013.

On May 10, the House passed an expansive reconciliation package that would replace scheduled defense cuts with greater domestic spending reductions. The Senate currently does not have a plan to address the sequester.

On April 16, FASEB released its estimate of the impact of potential budget cuts on the NIH. Although the CBO has estimated cuts to NDD at 8.4 percent (up from its initial 7.8 percent), FASEB has estimated that cuts to the NIH extramural research program could be as high as 11 percent, due to spending categories exempt from cuts in other agencies as well as within NIH. For NIH, the cut would be to its FY2013 appropriation, on which Congress is currently working.

The sequester is just one of several issues that Congress must address by January 2013, including various income and payroll tax cuts, expiration of emergency unemployment insurance, and Medicare physician cuts.

Members Urge Adequate NEI, Defense Vision Funding

In both early March and May, Dean of the UAB School of Optometry Rod Nowakowski, O.D., Ph.D. and UAB Ophthalmology Department Chair Chris Girkin, M.D. sent joint letters to Senator Richard Shelby (R-AL), Ranking Member on the LHHS Appropriations Subcommittee and a Defense Appropriator, requesting that he support NIH/NEI and defense vision research funding increases in FY2013 appropriations.

UMR Report: Declining NIH Investment Threatens U.S. Global Competitiveness

On May 17, UMR released a report showing that the United States’ leadership in global life sciences industry is under threat due to a constant dollar decline in NIH biomedical research funding and intensifying global competition from countries that have expanded their financial support for biomedical research and enacted policies to enhance their biomedical innovation ecosystems. Leadership in Decline: Assessing U.S. International Competitiveness in Biomedical Research was published jointly by the Information Technology and Innovation Foundation (ITIF) and UMR, which is a coalition of the nation’s leading scientific research institutions and industries and health and patient advocates. The report finds that:

• If present trends continue, China’s financial commitment to biomedical research will be twice that of the United States in the next five years (and four times greater as a share of GDP);
• Growth in high-wage, high-skill jobs in the life sciences sector is flat-lining in the United States while employment in other countries, like Germany and France, shows consistent growth;
• The United States accumulated a $136.7 billion trade deficit in pharmaceutical products over the last decade, a period when many competitors realized increasing trade surpluses;
• The United States’ share of global biopharmaceutical patents and overall industry output is shrinking, while China’s continues to expand in these areas; and
• China already has more gene sequencing capacity than the entire United States and about one-third of total global capacity.