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Fact sheet: Impact of Sequestration on the National Institutes of Health

The [National Institutes of Health](http://www.nih.gov/about/) (<http://www.nih.gov/about/>) is the nation's medical research agency and the leading supporter of biomedical research in the world. NIH's [mission](http://www.nih.gov/about/mission.htm) (<http://www.nih.gov/about/mission.htm>) is to seek fundamental knowledge about the nature and behavior of living systems and apply that knowledge to enhance health, lengthen life, and reduce the burdens of illness and disability. Due in large measure to [NIH research](http://www.nih.gov/about/impact/index.htm) (<http://www.nih.gov/about/impact/index.htm>), a person born in the United States today can expect to live nearly 30 years longer than someone born in 1900.

[More than 80](#)

<http://report.nih.gov/NIHDatabook/Charts/Default.aspx?showm=Y&chartId=283&catId=1>) percent of the NIH's [budget](http://www.nih.gov/about/budget.htm) (<http://www.nih.gov/about/budget.htm>) goes to over 300,000 research personnel at more than 2,500 universities and research institutions throughout the United States. In addition, about 6,000 scientists work in NIH's own Intramural Research laboratories, most of which are on the NIH main campus in Bethesda, Md. The main campus is also home to the [NIH Clinical Center](http://www.cc.nih.gov/ccc/crc/) (<http://www.cc.nih.gov/ccc/crc/>), the largest hospital in the world totally dedicated to clinical research.

Sequestration:

On March 1, 2013, as required by statute, President Obama signed an order initiating sequestration. The sequestration requires NIH to cut 5 percent or \$1.55 billion of its fiscal year (FY) 2013 budget. NIH must apply the cut evenly across all programs, projects, and activities (PPAs), which are primarily NIH institutes and centers. This means every area of medical research will be affected.

NIH FY2013 operating plans:

- [NIH FY2013 Operating Plan](http://officeofbudget.od.nih.gov/pdfs/FY13/FY%2013%20Full-Year%20CR%20Operating%20Plan%20Posting.pdf) (http://officeofbudget.od.nih.gov/pdfs/FY13/FY 2013 Full-Year CR Operating Plan Posting.pdf)
- [NIH FY2013 Operating Plan Mechanism Table](http://officeofbudget.od.nih.gov/pdfs/FY14/FY%2013%20Mechanism%20Table%20-%20Operating%20Plan%20-%20NIH%20Totals%20%285%29.pdf) (http://officeofbudget.od.nih.gov/pdfs/FY14/FY 2013 Mechanism Table - Operating Plan - NIH Totals %285%29.pdf)
- [NIH Guide Notice: Fiscal Policy for Grant Awards FY2013](http://grants.nih.gov/grants/guide/notice-files/NOT-OD-13-064.html) (http://grants.nih.gov/grants/guide/notice-files/NOT-OD-13-064.html)
- [NIH Institutes and Centers FY2013 Funding Strategies](http://grants.nih.gov/grants/financial/index.htm#strategies) (http://grants.nih.gov/grants/financial/index.htm#strategies)

The estimated numbers:

(FY 2013 figures compared to FY 2012)

While much of these decreases are due to sequester, NIH funding is always a dynamic situation with multiple drivers:

- Approximately 700 fewer competitive research project grants issued
- Approximately 750 fewer new patients admitted to the NIH Clinical Center
- No increase in stipends for [National Research Service Award](http://grants.nih.gov/training/nrsa.htm) (http://grants.nih.gov/training/nrsa.htm) recipients in FY2013

The impact:

- Delay in medical progress:
 - Medical breakthroughs do not happen overnight. In almost all instances, breakthrough discoveries result from years of incremental research to understand how disease starts and progresses.
 - Even after the cause and potential drug target of a disease is discovered, it takes on average 13 years and \$1 billion to develop a treatment for that target.
 - Therefore, cuts to research are delaying progress in medical breakthroughs, including:
 - development of better cancer drugs that zero in on a tumor with fewer side effects
 - research on a universal flu vaccine that could fight every strain of influenza without needing a yearly shot.

- prevention of debilitating chronic conditions that are costly to society and delay development of more effective treatments for common and rare diseases affecting millions of Americans.
- Risk to scientific workforce:
 - NIH drives job creation and economic growth. NIH research funding directly supports hundreds of thousands of American jobs and serves as a foundation for the medical innovation sector, which employs 1 million U.S. citizens. Cuts to NIH funding will have an economic impact in communities throughout the U.S. For every six applications submitted to the NIH, only one will be funded. Sequestration is reducing the overall funding available for grants. [See the history of NIH funding success rates.](#)

Frequently asked questions:

How many fewer grants will be awarded?

Approximately 700 fewer research project grants compared to FY 2012.

Have the institutes and centers announced their adjusted paylines based on these cuts?

The adjusted NIH Institute and Center (IC) paylines and funding strategies can be found here: <http://grants.nih.gov/grants/financial/index.htm#strategies>

What percent cut will be made to existing grants?

Reductions to noncompeting research project grants (RPG) vary depending on the circumstances of the particular IC. The NIH-wide average is -4.7 percent.

Will the duration of existing grants be shortened to accommodate the cuts?

In general, no.

Will all grants receive the same percentage cut or will some grants be cut more than others?

Institutes and centers have flexibility to accommodate the new budget level in a fashion that allows them to meet their scientific and strategic goals. As noted above, there are different percentages for different ICs, and in some cases for different mechanisms within an IC (RPGs, Centers, etc.). In addition, there may be reductions to grants for reasons other than sequestration, as is the case every year.

Will certain areas of science that are at a critical juncture be affected by these cuts?

All areas of science are expected to be affected.

Will some areas of science be affected more than others?

The sequester does not stipulate the precise reduction to each scientific area. However, it is likely that most scientific areas will be reduced by about 5 percent because the sequester is being applied broadly at the NIH institute and center level.

What will be the impact of these cuts to NIH' s intramural research at its Bethesda campus and off-campus facilities?

The impact on NIH' s intramural research is substantial, especially because it applies retroactively to spending since Oct. 1, 2012. That can double the effect — a full year' s cut has to be absorbed in less than half a year.

Will NIH be furloughing or cutting employees at its NIH campus and off-campus facilities?

There are no current plans to do so. At present, HHS is pursuing non-furlough administrative cost savings such as delayed/forgone hiring and reducing administrative services contracts so that furloughs and layoffs can be avoided. Additionally, employee salaries at NIH make up a very small percentage (only 7 percent) of the NIH budget.

How will current patients at the NIH Clinical Center be affected?

Services to patients will not be reduced.

Will the NIH Clinical Center see fewer patients because of the cuts?

Approximately 750 fewer new patients will be admitted to the NIH Clinical Center hospital in 2013 or a decrease from 10,695 new patients in 2012 to approximately 9,945 new patients in 2013. While much of this decrease is due to funding, clinical activity is always a dynamic situation with multiple drivers.

Will the sequester cut need to be applied to the FY 2014 budget?

The President' s FY 2014 Budget would replace sequestration and reduce the deficit in a balanced way. The President is ready to work with Congress to further reduce deficits while continuing to make critical investments.

About the National Institutes of Health (NIH): NIH, the nation's medical research agency, includes 27 Institutes and Centers and is a component of the U.S. Department of Health and Human Services. NIH is the primary federal agency conducting and supporting basic, clinical, and translational medical research, and is investigating the causes, treatments, and

cures for both common and rare diseases. For more information about NIH and its programs, visit www.nih.gov.

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