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Brief History of NIH Funding: Fact Sheet

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Brief History of NIH Funding

The National Institutes of Health (NIH) is the primary federal agency charged with conducting and supporting biomedical and behavioral research. Its activities cover a wide range of basic, clinical, and translational research, focused on particular diseases, areas of human health and development, or more fundamental aspects of biomedical research. Its mission also includes research training and health information collection and dissemination.¹ About 83% of the NIH budget funds extramural research through grants, contracts, and other awards.² This funding supports research performed by more than 300,000 non-federal scientists and technical personnel who work at more than 2,500 universities, hospitals, medical schools, and other research institutions around the country and abroad. About 11% of the agency's budget supports intramural research performed by NIH scientists and non-employee trainees in the NIH laboratories and Clinical Center. The remaining 6% funds research management, support, and facilities' needs.

Almost all of NIH's funding is provided in the annual Departments of Labor, Health and Human Services, Education, and Related Agencies appropriations act. In addition to its regular annual appropriations, NIH received a total of \$10.4 billion in supplemental FY2009 appropriations in the American Recovery and Reinvestment Act (ARRA) of 2009 (P.L. 111-5). ARRA funds were made available for obligation for two years; \$4.95 billion was obligated in FY2009, and \$5.45 billion in FY2010.³

Table 1 outlines NIH program level funding over the past 20 years. Between FY1994 and FY1998, funding for NIH grew modestly from \$11.0 billion to \$13.7 billion. Over the next five years, Congress almost doubled the NIH budget to \$27.1 billion in FY2003. In each of these years, the agency received annual funding increases of 14% to 16%. Since FY2003, however, NIH funding has increased more gradually. Funding peaked in FY2010 before declining in FY2011, and again in FY2013.

These funding trends are illustrated in **Figure 1** in both current and constant (i.e., inflation-adjusted) 2003 dollars. The top half of **Figure 1** illustrates NIH funding in *current dollars* over the 20-year period of FY1994 through FY2014 (budget request). Increases during the post-doubling period have been between about 1% and 3% each year, with three exceptions:

- the FY2006 total was 0.1% lower than the previous year, the first time that the NIH appropriation had decreased since FY1970;
- the FY2011 total, provided under a full-year continuing resolution, was 1.0% below the previous year; and
- the FY2013 total, provided in the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6), was reduced by the March 2013 sequestration and was 5% lower than the prior year.⁴

¹ For further information on NIH, see CRS Report R43304, *Public Health Service Agencies: Overview and Funding*, coordinated by Amalia K. Corby-Edwards and C. Stephen Redhead.

² Ibid.

³ Ibid.

⁴ Program level funding as shown in Figure 1 excludes transfers among agencies of the Department of Health and Human Services (HHS). In April 2013 such a transfer further reduced NIH funding by \$173 million, for a final FY2013 operating level of \$29.151 billion.

The lower half of **Figure 1** portrays NIH funding adjusted for inflation (in constant 2003 dollars) using the Biomedical Research and Development Price Index (BRDPI).⁵ It shows that the purchasing power of NIH funding (non-ARRA) peaked in FY2003 (the last year of the five-year doubling period) and has steadily declined in the years since. By FY2008, funding had dropped below the FY2002 level. In constant 2003 dollars, FY2013 funding was 22% lower than the FY2003 level.

⁵ The index is developed each year for NIH by the Bureau of Economic Analysis of the Department of Commerce. It reflects the increase in prices of the resources needed to conduct biomedical research, including personnel services, supplies, and equipment. It indicates how much the NIH budget must change to maintain purchasing power. See “NIH Price Indexes,” at <http://officeofbudget.od.nih.gov/gbiPriceIndexes.html>.

Figure I. National Institutes of Health (NIH) Appropriations, FY1994-FY2014 request

Program Level Funding in Current and Constant (2003) Dollars



Sources: Adapted by CRS from NIH Budget Office, Appropriations History by Institute/Center (1938 to Present), at http://officeofbudget.od.nih.gov/approp_hist.html, and budget justification documents. Inflation adjustment reflects the Biomedical Research and Development Price Index (BRDPI), updated Jan. 15, 2013, <http://officeofbudget.od.nih.gov/gbiPriceIndexes.html>.

Notes: Definition of NIH Program Level may differ from that in other CRS reports and congressional appropriations committee reports. Program Level includes all budget authority except appropriations transferred to the Global Fund to Fight AIDS, TB, and Malaria (FY2002-FY2011). Also excludes other transfers to and from HHS accounts in some years. ARRA supplementary funding is from the American Recovery and Reinvestment Act of 2009, P.L. 111-5.

Table I. NIH Appropriations, FY1994 – FY2014 Request
 Program Level Funding in Current and Constant (2003) Dollars (billions)

Fiscal Year	Program Level	% Change	Program Level Constant '03 \$	% Change	% Loss below '03
1994	\$10.956		\$14.608		
1995	11.300	3.1%	14.562	-0.3%	
1996	11.928	5.6%	14.988	2.9%	
1997	12.741	6.8%	15.576	3.9%	
1998	13.675	7.3%	16.170	3.8%	
1999	15.629	14.3%	17.914	10.8%	
2000	17.841	14.1%	19.714	10.0%	
2001	20.459	14.7%	21.879	11.0%	
2002	23.296	13.9%	24.115	10.2%	
2003	27.067	16.2%	27.067	12.2%	
2004	27.888	3.0%	26.886	-0.7%	-0.7%
2005	28.495	2.2%	26.443	-1.6%	-2.3%
2006	28.461	-0.1%	25.243	-4.5%	-6.7%
2007	29.030	2.0%	24.806	-1.7%	-8.4%
2008	29.312	1.0%	23.927	-3.5%	-11.6%
2009	30.245	3.2%	23.987	0.2%	-11.4%
2010	30.938	2.3%	23.825	-0.7%	-12.0%
2011	30.619	-1.0%	22.942	-3.7%	-15.2%
2012	30.861	0.8%	22.795	-0.6%	-15.8%
2013	29.316	-5.0%	21.136	-7.3%	-21.9%
2014 (request)	31.323	6.8%	21.991	4.0%	-18.8%

NIH Appropriations including ARRA Supplement		
2009	35.119	27.915
2010	36.384	28.019

Source: Adapted by CRS from NIH Budget Office, Appropriations History by Institute/Center (1938 to Present), at http://officeofbudget.od.nih.gov/approp_hist.html, and budget justification documents. Inflation adjustment reflects the Biomedical Research and Development Price Index (BRDPI), updated January 15, 2013, <http://officeofbudget.od.nih.gov/gbiPriceIndexes.html>.

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