NIH Research Funding Rebounds in President’s FY 2016 Budget

In his Fiscal Year (FY) 2016 Budget, President Obama has proposed a one billion dollar increase in funding for the National Institutes of Health (NIH). The proposed budget of $31.311 billion is a 3.3 percent increase over the current FY 2015 funding level. If approved by Congress, the FY 2016 budget would be the agency’s highest ever. The one billion dollar increase would also mark only the third time since FY2003 that the NIH budget increased more than the cost of research.1

In 12 of the past 13 years, NIH funding has either been cut or has failed to outpace rising costs. As a result, in constant dollars, the NIH budget remains more than 22 percent below the FY 2003 level (Figure 1).

There is more good news for biomedical research. After a devastating cut in funding for Research Project Grants (RPGs) in FY 2013, driven in part by the sequestration of funds mandated by the Budget Control Act of 2011 (BCA), NIH provided a sharp increase in funding for RPGs in FY 2014. These additional funds enabled NIH to support more RPGs in FY2014 (Figure 2). Funding proposed in the President’s Budget would enable a similar increase in RPG awards in FY2016.

Success rates for RPG applications rose in FY 2014 for the first time since FY 2008. This reflects both increased funding and a decline in the number of applications (especially for R01-equivalent grants). Despite the small increases, however, success remained below 20 percent. Success rates for new (Type 1) applications were even lower.2

The increased funding proposed in the President’s Budget and continued improvement in success rates will not come to pass unless something is done to eliminate the looming threat of sequestration. Sequestration was temporarily suspended in FY 2014 and 2015, but it will return in 2016 through 2021 and reduce the federal budget by 8.2 percent any time it is triggered by the BCA deficit reduction provisions. Applied to NIH, a reduction of this size would not only wipe out any of the small increases in funding and success rates, but it would once again require chaotic and catastrophic cuts to ongoing research grants and stifle new projects. In terms of the NIH portfolio, 8.2 percent represents over one-half of the total funding for new and competing renewal research grants.

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1 In constant dollars adjusted by the Biomedical Research and Development Price Index
2 For additional data, see detailed charts on the FASEB website
Figure 1: Current and constant dollar funding for NIH

Figure 2: Number of competing RPGs and R01-equivalent awards