

### Questions & Answers

### The Ad Hoc Group Fiscal Year 2026 Recommendation

#### 1. What is the basis for the coalition's recommendation?

- The medical research community consistently has promoted sustained, predictable growth for the National Institutes of Health (NIH) to ensure that resources keep pace with scientific opportunity. To meet that goal, over the years, distinguished leaders and experts in medical research have recommended a funding level that exceeds inflation by 4-6%.<sup>i,ii,iii,ii</sup>
- The Ad Hoc Group recommendation for NIH's base budget takes into account the biomedical research and development price index or BRDPI (which in general terms indicates how much money is needed to purchase the same amount of biomedical research as the year before) and allows for additional growth beyond that level.
- For FY 2026, BRDPI is projected to be 2.6%,<sup>v</sup> so the Ad Hoc Group's FY 2026 recommendation of at least \$51.303 billion for NIH's base budget aligns with these longstanding recommendations by allowing NIH's base budget to keep pace with BRDPI and promoting meaningful growth of roughly 6%.

#### 2. How does this recommendation compare to the community's recommendation in FY 2025?

- In FY 2025, nearly 400 organizations representing patients, clinicians, scientists, academic and research institutions, and industry recommended at least \$51.3 billion for NIH.
- Congress and the president enacted a continuing resolution to maintain funding for NIH and other agencies at essentially their FY 2024 funding levels through the end of the fiscal year. The continuing resolution represents the second year that NIH's funding level has lagged behind inflation.
- We have strong concerns about reversing the investment that Congress prioritized with strong bipartisan support over the last decade and the subsequent impact on NIH's ability to support new science.
- In recognition of our community's longstanding commitment to promoting sustainable, predictable growth for the agency, we are maintaining the FY 2025 recommendation for FY 2026.

#### 3. Where does NIH funding go?

- NIH-supported research takes place in every state and in nearly every congressional district.<sup>vi</sup>
- In 2024 alone, NIH research supported the development of:

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- A blood test that identified Alzheimer's disease correctly in older adults with nearly 90 percent accuracy. Such tests assist in speedier diagnoses and improve access to earlier treatments – allowing a longer quality of life, reducing the burden on often unpaid caregivers, and reducing the overall costs to the U.S. economy.
- A brain-computer interface that allowed a man to communicate after his ability to speak was impaired by amyotrophic lateral sclerosis (ALS).
- 3D maps of cancer which have provided critical information on how tumors develop, spread, and respond to treatments.

#### 4. How does increased NIH funding impact national and regional economic activity?

- NIH funding directly and indirectly supports hundreds of thousands of jobs nationwide, including nearly 408,000 jobs supported in FY 2024.<sup>vii</sup>
- Increased NIH funding boosts economic output. Every \$1 of NIH funding generates \$2.56 in economic activity, producing nearly \$95 billion in economic output nationwide in FY 2024.
- Increased NIH funding spurs innovation. NIH-supported researchers are driving economic activity, creating patents, and supporting the creation of new diagnostics, treatments, and cures.

#### 5. How does increased NIH funding affect U.S. global competitiveness in medical research?

- Robust and sustained support for biomedical research is essential for the U.S. to sustain its competitive edge and maintain its position as a global leader in scientific research and medical innovation.
- Reducing federal investment in biomedical research not only jeopardizes biomedical innovation but also opens the door for countries like China to overtake and surpass us.
  - China is catching up in 2021 U.S. gross domestic expenditures on research and development (R&D) increased by 10% compared to 2020, while China increased their domestic R&D expenditures by 14%<sup>viii</sup>
  - $\circ$  Additionally, the Chinese government announced a \$52 billion investment in R&D in 2024. In contrast, the U.S. cut total R&D investment by 2.7% in 2024.  $^{i\varkappa}$
- Strong and predictable growth in NIH's base budget allows the U.S. to attract and retain the world's top research talent, bolstering U.S. expertise and thought leadership.

#### 6. Why is increased funding for NIH needed in the current fiscal environment?

- Predictable and sustained growth allows NIH to keep pace with higher research costs, while also ensuring NIH and the nation's medical research enterprise can expand its work in advancing new treatments and cures for patients and communities nationwide.
- Increased investments allow NIH to respond to existing and emerging health challenges like chronic diseases, intractable cancers, Alzheimer's disease, and novel life threating viruses.
- Continued congressional support for NIH drives economic growth, benefiting communities across the nation and secures U.S. leadership in medical research and innovation.
- Federal support for medical research through NIH amounts to roughly \$138 a year per American and the return on investment has been substantial with significant declines in deaths from heart disease, cancer, and stroke. Federal investment in medical research saves lives and will help decrease our nation's health care costs and debt.

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#### 7. Why should the federal government foot the bill for this work instead of industry or states?

- NIH funds foundational, high-risk research like rare-disease studies or early-stage basic science that industry avoids due to low profitability.
- Federal support for NIH fosters collaboration among institutions across states something that may be limited if states or industry alone invested in medical research. Our federal approach also maximizes the reach of each federal dollar by avoiding unnecessarily duplicative research being administered in different states, ensuring financial stewardship of federal funds and focusing research to achieve maximum impact for patients.
- States in particular those with large rural populations and few urban centers lack the budget, resources, and infrastructure to sustain large-scale research. Initiatives like the NIH's Institutional Development Award (IDeA) program is vital in developing research infrastructure in states across the country – often serving as the foundation of their science and technology enterprise.
- NIH-supported research drives economic activity nationwide investing in initiatives that bolster small businesses and startups fueling the nation's engine of innovation.
- NIH investments play a crucial role in funding education and research opportunities for the next-generation medical research workforce that states and industry rely on.

# 8. What impacts do delays, disruptions, and/or decreases in NIH funding have on research and patients nationwide?

- Full-year funding bills allow for predictable and sustained growth for NIH, ensuring continuity for ongoing and new research on treatments, cures to improve the health of patients and communities across the country, and predictability for early career researchers to stay in the field of research.
- Funding uncertainty that results from short term stop-gap funding measures or continuing resolutions and other disruptions creates inefficiencies in government operations.
- This budget limbo for federal agencies like NIH undermines the nation's world-class research infrastructure and productivity and could mean fewer clinical trials, less fundamental discovery research, and slower progress in delivering lifesaving advances to the patients and families that do not have time for any delay. If NIH funding is cut or even delayed indefinitely, lights at high-tech labs that are working on the next cure could literally go out.
- Avoiding delays to finalize and distribute funding enables our nation's medical research enterprise to be maximally efficient and strategic in addressing myriad health needs, supporting the next generation of scientists, and prevent ceding our competitive advantage to global adversaries.

#### 9. How transparent is NIH about its funding decisions and the types of projects it supports?

- NIH shares detailed publicly available funding data through tools like the <u>NIH RePORTER</u> <u>database</u> which includes information on active and completed research projects for awarded grants. In particular, NIH RePORTER contains information on specific research projects happening in congressional districts across the country.
- NIH funding decisions follow a rigorous and statutorily required peer-review system with publicly available guidelines.

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- Through numerous advisory committee and council meetings, NIH holds publicly available sessions providing step-by-step justifications for funding decisions.
- NIH releases comprehensive budget and project reports including plans for future spending with the annual release of the agency's congressional budget request.

## **10.** How can we be sure that NIH is maximizing the return on federal taxpayer investment by funding the highest quality research projects?

- All NIH studies undergo a rigorous, multi-step review process, that requires independent medical experts to meticulously evaluate every application.
- NIH grant funding is a merit-based system awarded on the ability to support nationwide health priorities and the potential to drive biomedical innovation that advances science and benefits patients and the public.
- This highly competitive process identifies projects with the greatest potential impact, yet NIH can only fund about 1 in every 5 research proposals it receives. This means countless promising studies that could lead to life-saving breakthroughs go unfunded each year.
- Even research that seems odd or obscure can lead to life-saving breakthroughs. For instance, research into venom from the 'Gila monster' lizard at a Department of Veterans Affairs Medical Center built on foundational research supported by the NIH and paved the way for the development of Ozempic, a weight-loss drug that saves thousands of lives annually, reduces the chances of developing diabetes, and opens up a previously unthought of avenue to treat addiction.<sup>x</sup>
- Through the annual appropriations process, NIH funding amounts and priorities are carefully scrutinized and approved by Congress.

#### 11. What is the Ad Hoc Group's funding recommendation for ARPA-H?

- In addition to the Ad Hoc Group's recommendation for NIH's base budget, many of our organizations engage with the Advanced Research Projects Agency for Health (ARPA-H) and separately support renewing the ARPA-H investment in FY 2026.
- As ARPA-H continues to make progress in targeted "high potential, high impact" research areas and on accelerating the development of commercial products, our broad-based, national community of diverse stakeholders is unanimous in emphasizing that for ARPA-H to be maximally successful, any funding for ARPA-H should supplement, rather than supplant, the essential foundational investment in the NIH.

<sup>&</sup>lt;sup>i</sup> Loscalzo, J. The NIH Budget and the Future of Biomedical Research. *N Engl J Med.* 2006;354(16), 1665-1667. doi.org/10.1056/NEJMp068050.

<sup>&</sup>lt;sup>ii</sup> Heinig, S. J., Krakower, J. Y., Dickler, H. B., & Korn, D. Sustaining the Engine of U.S. Biomedical Discovery. *New England Journal of Medicine*. 2007,357(10), 1042-1047. <u>doi:10.1056/nejmsb071774</u>.

<sup>&</sup>lt;sup>III</sup> Senate Committee on Appropriations. (2016 April). *Hearing on FY2017 National Institutes of Health Budget Request* 

<sup>[</sup>Video]. https://www.appropriations.senate.gov/hearings/hearing-on-fy2017-national-institutes-of-healthbudget-request.

<sup>&</sup>lt;sup>iv</sup> Augustine, N., & Lane, N., et al. (2020). (rep.). *The Perils of Complacency America at a Tipping Point in Science & Engineering* (pp. 1–55). Cambridge, MA: American Academy of Arts and Sciences. https://www.amacad.org/publication/perils-of-complacency

<sup>v</sup> Biomedical Research and Development Price Index: Fiscal Year 2023 Update and Projections for FY 2024-FY 2026. <u>https://officeofbudget.od.nih.gov/gbiPriceIndexes.html</u>. Accessed March 4, 2025.

<sup>vi</sup> Federation of American Societies for Experimental Biology. Federal Research Funding Data.

https://www.faseb.org/science-policy-and-advocacy/federal-funding-data. Accessed February 25, 2025. <sup>vii</sup> United for Medical Research. NIH's Role In Sustaining The U.S. Economy.

https://www.unitedformedicalresearch.org/annual-economic-report/. Accessed February 5, 2025.

<sup>viii</sup> National Science Foundation. Research and Development: U.S. Trends and International Comparisons. <u>https://ncses.nsf.gov/pubs/nsb20246/figure/RD-10</u>. Accessed March 5, 2025.

<sup>ix</sup> Science and Technology Action Committee. China is Investing More in Science and Technology Than Ever Before: Here's Why That's a Problem.

https://sciencetechaction.org/news-item/china-is-investing-more-in-science-and-technology-than-everbefore-heres-why-thats-a-problem/. Accessed March 6, 2025.

\* VA Office of Research & Development. Diabetes drug from Gila monster venom.

<u>https://www.research.va.gov/research\_in\_action/Diabetes-drug-from-Gila-monster-venom.cfm.</u> Accessed March 3, 2025.