

Highlights of Life Sciences Stimulus Provisions (as of April, 2009)

OVERVIEW:

Scientific Research

- \$10.4B for health research and construction of NIH facilities
- \$3B to National Science Foundation
- \$1.3B for university research facilities

Healthcare (refer to www.hhs.gov/recovery for details)

- \$1.1B to research the effectiveness of certain healthcare treatments
- \$500M to train healthcare personnel
- \$86.6B for Medicaid
- \$24.7B to provide 65% subsidy of health care insurance premiums for the unemployed under the COBRA program
- \$19B for Health IT
- \$2B for Community Health Centers
- \$1B for prevention and wellness
- \$1.3B for medical care for service members and their families (military)
- \$1B for the Veterans Health Administration
- \$500M for healthcare services on Indian reservations

Tax relief for companies (total \$51 billion): examples from total

- \$15B: Allowing companies to use current losses to offset profits made in the previous 5 years, instead of 2, making them eligible for tax refunds
- \$5B: bonus depreciation which extends a provision allowing businesses buying equipment such as computers to speed up its depreciation through 2009

Small Business Administration (total \$730 million)

The bill provides \$730 million to SBA and makes changes to the agency's lending and investment programs

- \$375 million for temporary fee reductions or eliminations on SBA loans and increased SBA guaranteed shares, up to 90 percent for certain loans
- \$255 million for a new loan program to help small businesses meet existing debt payments
- \$30 million for expanding SBA's Microloan program, enough to finance up to \$50 million in new lending and \$24 million in technical assistance grants to microlenders
- \$20 million for technology systems to streamline lending and oversight
- \$15 million for expanding SBA's Surety Bond Guarantee program
- \$25 million for staffing up to meet demands for new programs
- \$10 million for the Office of Inspector General

DETAILS:

National Institutes of Health: \$10.4 billion overall (refer to www.nih.gov/recovery for details)

- \$8.2 billion: Office of the Director
 - \$7.4 billion: to the Institutes, Offices and the Common Fund
 - \$1 billion: administrative supplements and competitive revisions

- Three newly announced RFA's will provide supplements for accelerating scientific research within an existing grant, revising existing grant applications in order to broaden their scope, and lastly, supplement education for students and educators to provide research experiences and promote job growth.
 - \$800 million: the Office of the Director
 - \$200 million: Challenge Grants – 2 years, \$1 million
 - \$1.3 billion: the National Center for Research Resources
 - \$1 billion: competitive construction and renovation awards for extramural research facilities
 - \$300 million: Shared Instrumentation and Capital Research Equipment
 - shared instrumentation in the \$100,000-\$500,000 range
 - high end instrumentation in the \$600,000-\$8 million range
 - \$400 million: Comparative Clinical Effectiveness Research (transferred from the Agency for Healthcare Research and Quality)
 - \$500 million: Intramural Facilities Construction and Renovation

Many types of funding mechanisms will be supported, but, in general, NIH will focus scientific activities in several areas:

1. NIH will choose among recently peer reviewed, highly meritorious R01 and similar mechanisms capable of making significant advances with a two-year grant. R01 are projects proposed directly from scientists across the country. NIH will also fund new R01 applications that have a reasonable expectation of making progress in a two-year grant.
2. NIH will accelerate the tempo of ongoing science through targeted supplements to current grants. For example, NIH may competitively expand the scope of current research awards or supplement an existing award with additional support for infrastructure (e.g., equipment) that will be used in the two-year availability of these funds.
3. NIH anticipates supporting new types of activities that fit into the structure of the Recovery Act. It will support a reasonable number of awards to jump start the new NIH Challenge Grant program. This program is designed to focus on health and science problems where progress can be expected in two years. The number of awards and amount of funds will be determined, based on the scientific merit and the quality of applications.
4. NIH will also use other funding mechanisms, as appropriate.

More Information:

- Need to invest stimulus money within 2 years. They are opting not to issue wide calls for new applications.
- NIH will fund grants that have already been reviewed and to supplement existing grants (using ~\$8.2B of total)
- \$100M-\$200M will fund two-year “challenge grants” which will support cutting-edge short projects and will require researchers to report the number of jobs created or preserved. A request for applications is expected in the coming weeks.
- NIH will consider geographic distribution of the grants it gives to target regions where the economy is faltering

Impact (source: PwC Healthcare policy in an Obama administration: Delivering on the promise of universal coverage):

- Estimated to create 70,000 jobs (Research America)
- FY09 budget for NIH is \$29.3 billion
- Expected to end backlog of grant applications

- NIH would fund studies through 2014; only \$855 million is projected to be spent in FY09

National Science Foundation: \$3 billion overall

NSF has announced they will put ARRA funds towards existing qualified proposals that were not funded due to deficient resources. Additionally, some of these funds will be granted over a five year period and focus on new researchers.

- \$2.5 billion: Research and Related Activities
 - \$2 billion: majority to highly-rated but unfunded peer-reviewed proposals
 - \$300 million: Major Research Instrumentation
 - \$200 million: Academic Research Infrastructure
- \$400 million: Major Research Equipment and Facilities Construction
- \$100 million: Education and Human Resources
 - \$60 million: the Robert Noyce Teacher Scholarship program
 - \$25 million: the Math and Science Partnership program
 - \$15 million: the Science Masters program

Department of Education: \$97.55 billion overall

- \$500 increase in the maximum Pell Grant - totals \$5,350 in FY09 and \$5,550 in FY10.
- The American Opportunity Tax Credit assists families with higher education expenses up to \$2,500 and includes refundability for low-income taxpayers of up to 40%.
- \$53.6 billion: the State Stabilization Fund
 - \$48.318 billion to off-set losses at the state level.
 - \$5 billion reserved for the Secretary of Education to fund Incentive Grants
 - \$680 million for non-profit groups

WEBSITES FOR REFERENCE:

www.recovery.gov

www.hhs.gov/recovery

www.nih.gov/recovery

<http://research.harvard.edu/>