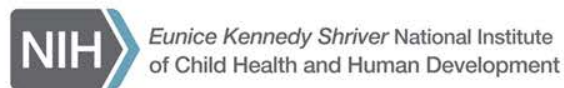# Our NICHD Budget
Key points in formulation and FY 17 execution

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Outline

- Congressional Appropriations Process
- NICHD Budget At A Glance
- Mandated Programs
- Developing a Budget
  - Factors in Flux
  - Process for Non-grant areas
  - Process for Grants

Congressional Appropriations

- Traditional Timeline
  - Agencies begin developing budget requests over 1 year in advance of the beginning of the FY; work is currently happening on the FY 19 President's Budget
  - Congressional Justification (CJ) is traditionally sent to Congress on the 1st Monday in February
  - Congress holds appropriation hearings in the spring
  - Committees work in the summer
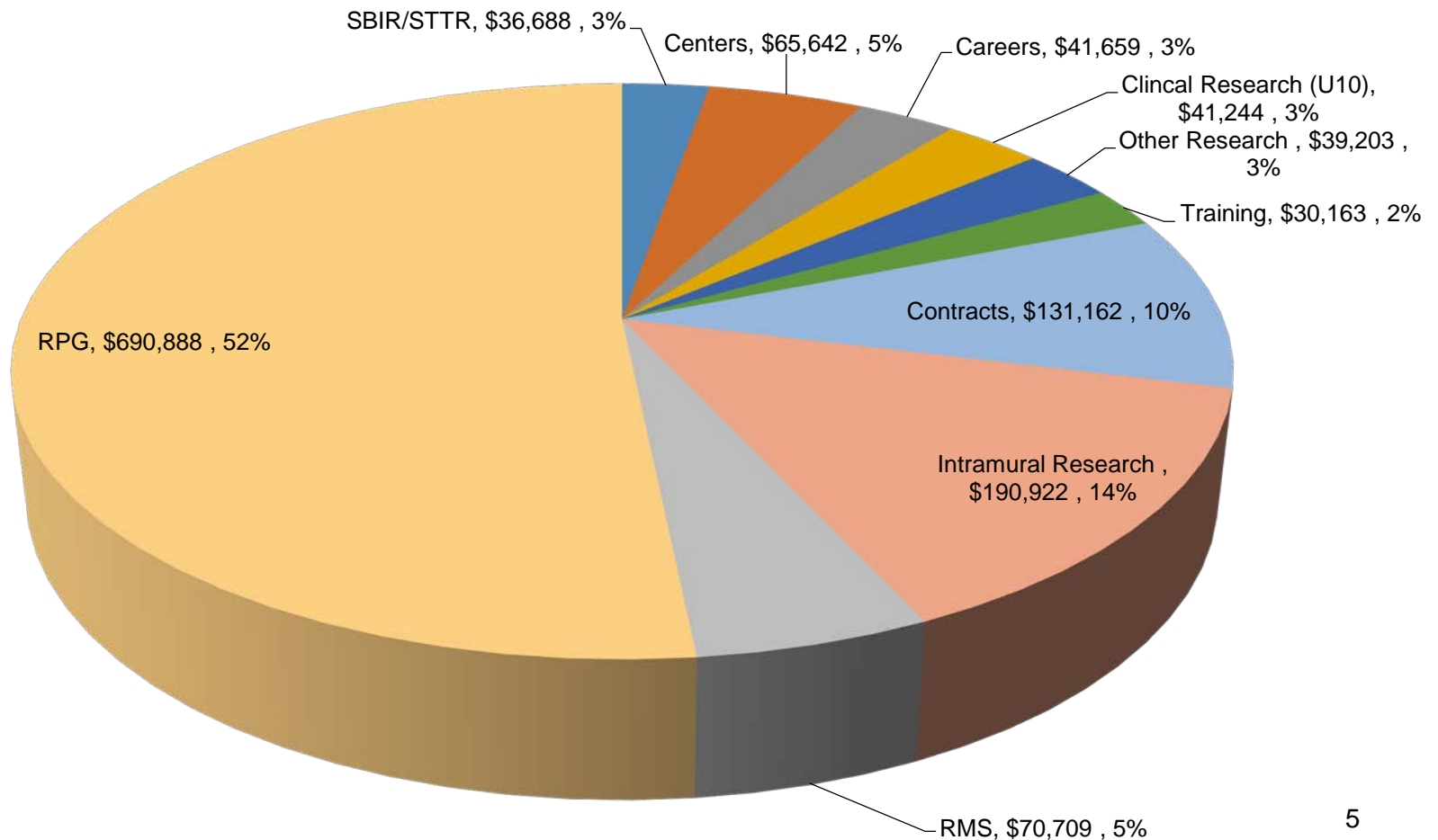 - Goal to appropriate by Oct. 1st

Continuing Resolution (CR)

- Every year since 1997
- Partial funding based on previous year's appropriation
- Can be for a few days or the full year

NICHD Budget At A Glance

NICHD FY 16 Actual Expenditures by Budget Mechanism
($ in thousands)

- SBIR/STTR, $36,688 , 3%
- Centers, $65,642 , 5%
- Careers, $41,659 , 3%
- Clinical Research (U10), $41,244 , 3%
- Other Research , $39,203 , 3%
- Training, $30,163 , 2%
- Contracts, $131,162 , 10%
- Intramural Research , $190,922 , 14%
- RMS, $70,709 , 5%
- RPG, $690,888 , 52%

Annual Operating Plans

- Each year the IC develops an annual operating plan once the appropriation is received which projects funding by mechanism

- Quarterly updates to the plan are provided to NIH and sent forward to Congress

- Deviations from the plan may need to be justified depending upon the amount of the change

- Final spending is reported at the end of the fiscal year to compare to the initial plan

Mandated Programs

There are some areas in which NICHD is mandated to spend certain amounts. These cover all mechanisms, including operating costs.

- AIDS Funding – $144.7M in FY 16
  - Office of AIDS Research coordinates AIDS research and budget across the NIH
  - Allocates AIDS funds to ICs annually
  - Reviews projects for relevance to AIDS priorities
- SBIR/STTR Funding – $36.7M in FY 16
  - Program reauthorized in P.L. 114-328 (December 2016)
  - Mandates a percentage of extramural funding be set aside for each category (SBIR and STTR), with the total percentage set at of 3.65% in FY 17

Developing a Budget: Factors in Flux

- Rescissions
- Taps and Assessments: across many mechanisms; come from within NIH and from the Department
- Savings to be found
- Unexpected needs/emergencies
- NIH policy on non-competing commitments, training stipends
- Any new legislative or policy mandates

Developing the budget: Non-Grant Areas

- ## Generate list of approved R&D contract projects
  - ### Review list of approved RFPs for the current year
  - ### Include projected assessments
  - ### Generate full list of R&D contract projects for the year
    - Meet with programmatic and acquisitions staff
    - Review the full list of projects with Senior Leadership
- ## Develop estimates for RMS and Intramural needs
  - ### Payroll costs
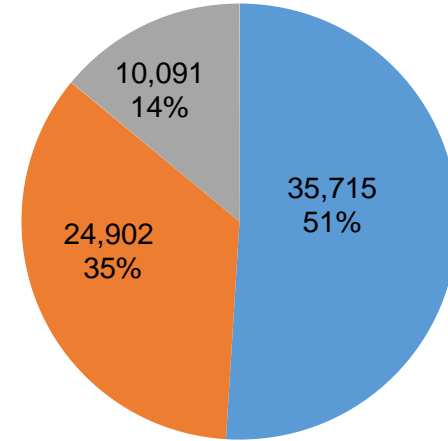 - ### Central NIH assessments
  - ### Funds for discretionary activities

FY2016 Intramural and RMS Budget Snapshots

**Intramural Research
(dollars in thousands)**

- 55,803 30% (Salaries)
- 65,535 34% (Assessments)
- 69,584 36% (Other)
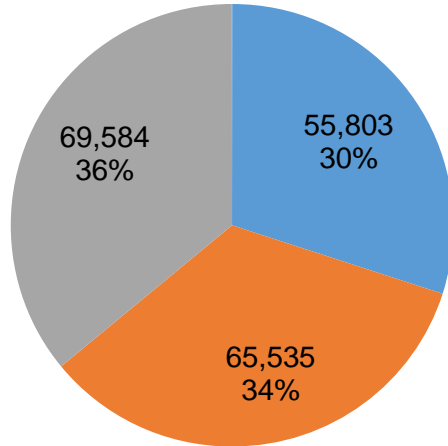
**Research Management Support
(dollars in thousands)**

- 35,715 51% (Salaries)
- 24,902 35% (Assessments)
- 10,091 14% (Other)

Legend:
- ■ Salaries
- ■ Assessments
- ■ Other

- Intramural Research includes DIPHR operating costs
- Assessments include: Rent, Clinical Center (DIR only), OD, CIT, DHHS, and PSC costs
- Other includes: supplies, equipment, travel, training, printing, miscellaneous contracts (including lab support)

Developing the budget: Grants

- Review non-competing commitments in all grant mechanisms
- Estimate all taps/assessments and known adjustments
- Review list of approved RFAs – make sure any reductions/changes since initial approval are applied per Director/Deputy Director decisions
- Approved anomalies (bridges, for example)
- Calculate the remaining funds available for unsolicited applications in all grant mechanisms – set targets for amount for investigator initiated grants; tend to distribute any remaining funds to Competing RPGs
- Calculate percentage of funds in training mechanisms to be sure effort is being maintained
- Need to break out AIDS and NCMRR funds and track separate budgets for those areas

An example: Institutional Training (T32 grants)

- Factors:
  - NCC – on-going costs   +$20M
  - Savings from offsets/slot reductions   -2M
  - Increased stipends   +1M
  - NRSA Assessment   +.6M
  - New Awards   +4M
  - Total for the year: $23.6M

Developing Competing RPG Budget

- Historical information
  - Review past RPG funding by Council round
  - Percent of grants funded from each Council to determine a spending pattern across Council rounds; 3 year average rates are usually used

Council	2013		2014		2015		2016	
	$ (000s)	%	$ (000s)	%	$ (000s)	%	$ (000s)	%
Prev	-	0%	1,313	1%	2,127	2%	1,293	1%
Oct	29,490	26%	45,911	32%	37,647	28%	49,633	32%
Jan	41,138	36%	42,665	30%	43,549	32%	43,162	28%
June	42,225	37%	51,513	36%	51,754	38%	60,323	39%
Total	112,853		141,402		135,077		154,411	

Funding Pools – New in 2017 for most RPGs

- Once have determined amount available, distribute funds to branches based on applications received for each Council round

- Long-term pool and a short-term pool

- Created discretionary zones for program

- Currently allow some carry-over to the next Council round; allow some movement between investigator-initiated pools and RFAs

Developing paylines for non-pool grants

- Get decisions from Director/Deputy Director on issues such as:
  - Any funds set-aside for priority (NIH or NICHD) program areas – differential paylines
  - Known programmatic cuts, caps, or shifts
  - Significant pending collaborative funds in or out
- High levels of unobligated balances in existing non-competing grants which may be offset to add to the available funds

Developing paylines for non-pool grants (cont.)

- Review current year information
  - Scores of applications from October Council
  - Any scores completed from upcoming Council rounds
- Using estimate of available funds after all pre-existing commitments:
  - Look at historical trends
  - Review applications at different payline breaks to assess cost and find a payline without over-spending planned amount
- Approach used for mechanisms such as individual Ks, T32s, Fs, R24s, etc.

Questions?