

Office of Sponsored Programs

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Sent: Thursday, March 07, 2013 5:29 PM

To: Wolfrey, Crystal (NIH/NCI) [E]

Subject: A Message from Harold Varmus

To the NCI-supported scientific community:

As you have heard and read, the Budget Control Act (aka “sequestration”) has gone into effect as of March 1st. All components of the NIH, including the NCI, are working diligently to assess the impact of this unprecedented budget reduction on our ability to manage the current research portfolio and to continue to award new and competing grants in this fiscal year. Knowing the anxiety that we all share about these developments, I am writing to report to you on our objectives, progress, and prognostications, even though a full account is not yet possible.

First, I must emphasize that we cannot provide a definitive and detailed account of our plans for the year at this time because we are currently operating on a so-called Continuing Resolution that extends only through March 27th. Funding for the rest of the fiscal year (FY2013) will depend on Congress’s ability to propose and pass appropriations measures that carry us through September 30th. This could be done through another Continuing Resolution, through a more typical appropriations bill, or through some kind of omnibus bill that bundles measures affecting many agencies.

At present, our Continuing Resolution provides funds to the NCI for the first six months of this fiscal year (October 1 - March 27) at 0.62% above last year’s level for the same time period. Under these circumstances, as in many other years that have begun with Continuing Resolutions, we are paying both new and continuing grants at about 90% of expected levels---a conservative measure that acknowledges our uncertainty about the rest of the year. Even in this especially difficult year, we anticipate increasing the funding level for those awards (by an amount still to be ascertained) once our funding for the full year has been determined. As I have described in earlier messages and as is detailed on the NCI’s web site (https://deaisl.nci.nih.gov/roller/ncidea/entry/2012_funding_patterns), we continue to evaluate our applications for new and renewing grants by a careful combination of peer and programmatic review. I urge you to visit the site to see the outcomes of that process for the past two years.

One of the guiding principles in our plans for adapting to sequestration is to maintain the number of competitive awards ---new grants and renewals---at levels similar to that achieved in the past few years (over 1000 grants, with success rates of 13 to 14 percent). These are, of course, fewer grants than we would like to make, and the grant sizes are often smaller than they should be. Moreover, to achieve this goal, we need to make reductions, modest but significant, in virtually all of our extra- and intramural programs, including non-competitive (type 5) grant renewals, cancer centers, and research contracts. In addition, we do not expect to reduce salaries, place employees on furlough, or take other drastic steps in making these adjustments. Yet in the plan we envision, we hope to protect, as best we can, the potentially most vulnerable parts of our community: fully trained scientists who are applying for their first grants, experienced investigators who are renewing their grants and maintaining their research teams, and the trainees we will need for cancer research in the future.

I intend to send you more details about plans for FY2013 once budgets for the rest of the year have been defined. But I want you to know that those of us working on your behalf at the NCI are making every effort to sustain the functionality of our research enterprise in difficult times.

Harold Varmus
Director, NCI