

**Letter from Tom Insel, MD  
Director, NIMH**

Dear NIMH-supported Colleagues,

The NIH Fiscal Year (FY) 2013 budget became final only last week. I want to provide you with an update on NIMH's plans for implementing the FY 2013 budget.

Our FY 2013 full year (October 1, 2012 - September 30, 2013) budget is approximately \$1.395 billion. This includes a 5.0% sequestration reduction, an across-the-board 0.2% rescission, and a 0.6% DHHS Secretary's discretionary transfer reduction. Overall, relative to FY2012, our budget is reduced by \$84 million, or 5.7%. For anyone who tracks trends in funding, our FY 2013 budget is roughly equivalent, in absolute dollars, to our FY 2004 budget. Corrected for inflation, we are nearly back to 1999, essentially "undoubling" our budget.

After nine years of budgets that have not kept pace with inflation, this cut is going to be painful. We have endeavored to spread the pain equally across currently funded (non-competing) grants, our intramural program, and our own administrative budget - all of which will take a 4% cut. With funds freed up from these cuts, we anticipate awarding 529 new Research Project Grants (RPGs) in FY 2013, which will reflect a reduction of 55 awards below the 584 new awards issued in FY 2012. While this 9.4% drop in new grants is unwelcome, the number awarded is close to our mean in recent years.

Although NIMH does not have a specific pay line, the Institute expects to support most of the applications that have an impact score up to the 10th percentile, many between the 10th and 20th percentile, and some beyond the 20th percentile, based on factors such as the Institute's Strategic Plan, programmatic portfolio consideration, and availability of funds. Overall, as in past years, we expect to support roughly three-fourths of the proposals with scores under the 20th percentile (or with comparable impact scores for non-percentiled applications).

In addition, NIMH is committed to supporting new investigators and to facilitating the independence of emerging scientists. In FY 2013, we are not cutting training (Ts or Fs) or career (Ks) mechanisms. When considering funding decisions for new research project grants (such as R01s, R03s, R21s), NIMH will support a sufficient number of applications from Early Stage Investigators (ESIs) to ensure that their success rate is equivalent to established investigators. Further, we will continue the BRAINS awards (Biobehavioral Research Awards for Innovative New Scientists) to ensure that ESIs can pursue high risk ideas. We will continue to invest significant funds to train diverse investigators in areas highly relevant to the Institute's mission, in order to continue to build and balance the pipeline of potential new investigators.

Will we be cutting new awards? NIMH will continue to apply NIH cost management guidelines when making FY 2013 grant awards. With the exception of specific programmatic adjustments, new modular and non-modular grant awards will receive full funding in FY 2013. Future year commitments for the continuation years of modular grants are expected to remain consistent with the FY 2013 awarded amount, whereas future year commitments for non-modular grants will receive an average reduction of 10% below Council-recommended funding levels. Inflationary increases for future year commitments will be discontinued for all competing research grant awards issued in FY 2013, extending the policy established in FY 2012.

Regarding non-competing grant awards (RPGs, Centers, and Other Research Mechanisms [excluding Research Career Development]), modular and non-modular awards will be reduced by 4% only from their FY 2013 committed funding levels: future year commitments will remain unchanged at this time. For Small Business, Research Career Development, and Research Training grants, FY 2013 awards will be issued at a level consistent with FY 2012, and inflationary increases for future years will be discontinued. Research Training stipends will remain at the same rates authorized in FY 2012.

What is the outlook for FY 2014? The President recently submitted his FY 2014 budget request to Congress. The request for NIMH is \$1.466 billion, better than FY 2013 but still representing a \$12 million decrease below the FY 2012 level. This is due primarily to the shift of \$27 million from NIMH to NIAID to expand collaborative efforts for integrating behavioral science research more effectively into biomedical approaches to enhance HIV prevention and treatment. The President's Budget also provides \$7.5 million to NIMH as part of the multi-Institute, multi-Agency collaboration for creating the Brain Research through Advancing Innovative Neurotechnologies (BRAIN) Initiative (not to be confused with the NIMH BRAINS awards mentioned above!). Of course, our final appropriation depends on Congressional action. Judging from recent years, we may not have a final budget until well after the beginning of the fiscal year (October 1, 2013).

I am sending this rather lengthy email because I want to make sure you hear directly from me that we at NIMH are doing our best to cope with a chronic budget decline followed by an acute cut more than mid-way through this budget year. Through adjustments made over the past few years and through some painful changes this year, I think that together we can continue to achieve the mission of the NIMH, to transform the understanding and treatment of mental illnesses through basic and clinical research, paving the way for prevention, recovery, and cure. But achieving this mission with this new budget reality will require some sacrifices from all of us.

Sincerely,

Tom Insel, MD  
Director, NIMH