NARRATIVE BY ACTIVITY

Authorizing Legislation: Section 301 and Title IV of the Public Health Act, as amended.

National Institutes of Health
(dollars in millions)

	FY 2007 Actual	FY 2008 Enacted	FY 2009 Estimate	Change from FY 2008 Enacted
Labor/HHS Discretionary Budget Authority (B.A.)	**$28,899**	**$29,230**	**$29,230**	**$0**
Interior B.A.	$79	$78	$78	$0
Total Discretionary B.A.	**$28,978**	**$29,307**	**$29,307**	**$0**
Type I Diabetes Initiative	$150	$150	$150	$0
Total B. A.	$29,128	$29,457	$29,457	$0
NIH Program Level	$29,137	$29,465	$29,465	$0
Number of Competing RPGs	*10,323*	*9,771*	*9,757*	*-14*
Total Number of RPGs	*38,845*	*38,239*	*38,257*	*18*
FTEs	*16,997*	*17,138*	*17,254*	*+116*

This document provides justification for the Fiscal Year (FY) 2009 activities of the National Institutes of Health. Program funds are allocated as follows: Competitive Grants/Cooperative Agreements; Contracts; Direct Federal/Intramural and Other.

Program Description

Moving Towards Medicine in 2030

Fifty years ago, a man died instantly from a heart attack. Twenty five years ago, his son experienced chest pains and received a bypass operation. This year, his grandson was diagnosed with high cholesterol and is on statins. What does the future hold for his great-grandson? Over the years, through discoveries from basic research, population studies, and clinical research, we have moved from—doing nothing about heart disease, to relying largely on invasive surgeries, such as coronary bypass, to prevention through the use of blood pressure and cholesterol-lowering drugs. We have cut the deaths from heart disease by 50% over the last 30 years, but can we take the next step to predict or preempt the development of heart disease? Can we improve treatment so that it is most effective and personalized?

In the past 40 years, NIH funded research has successfully reduced the mortality and morbidity of once acute and lethal conditions by finding ways to improve treatment -- even in late stages. These advances have helped change the landscape of disease from acute to chronic diseases, which now form the largest component of health burden. Biomedical research is the key to transform medicine from the curative health care paradigm of the past where we intervened late in the natural history of a disease, to a preemptive model in which the onset of disease is significantly delayed or even never allowed to develop.

Based on the progress and discoveries made through NIH-supported research just in the last few years, NIH can foresee its vision of a future and transformative era of medicine and health care that is increasingly predictive, personalized and preemptive. This era will include more active participation by individuals and communities in their own care. Support for NIH will increase our ability to explore and understand the fundamental causes of disease at the earliest molecular stages and allow us to expand the ability to ***predict*** a disease before it develops. As we expand the knowledge of individual genetic differences and response to environment we will increase our ability to implement individually targeted or ***personalized*** treatment. Ultimately, this research should allow us to ***preempt*** disease before it occurs. Finally, critical components of this new revolutionary approach to 21st century medicine will result in greater ***participation*** of individuals, communities and healthcare institutions

Our vision for this future is emerging from NIH-funded researchers across the nation, as well as the thousands of scientists and laypersons from whom the NIH solicits input through our study sections and advisory councils. History demonstrates no one can predict where the next great discovery or life-saving breakthrough will occur. Therefore, NIH employs a robust system to inspire bright minds to propose their best and most innovative ideas to tackle current and emerging public health problems. The proposals undergo a rigorous peer review process and only those with most promise receive support. On occasion, NIH management takes a more active role to stimulate research in a pressing area like bioterrorism countermeasures or pandemic influenza. However, the workhorse of NIH research is the investigator-initiated project. These projects consistently provide discoveries that make Americans healthier and provide a training ground for the highly skilled individuals who work in the nation's pharmaceutical, biotechnology, and academic career fields. The Nation's return on investment in NIH is demonstrated by improved health for the Nation and this investment has strengthened the Nation's competitiveness and its economy.

US health expenditures continue to grow far faster than general inflation. Investments in NIH have lead to progress in the fight against heart disease, cancer, and AIDS, among many others, and have helped save lives and avoid unnecessary health expenditures. At NIH, we believe health care costs will not be tempered unless we accelerate the discovery of transformative ways of practicing medicine – which can only happen through research.

Rationale for the Budget Request

The FY 2009 Discretionary Budget Authority request for the NIH is $29,307 million, equal to the FY 2008 appropriation. Of this amount, $29,230 million is requested through the Labor/HHS/Education appropriation bill.

The total NIH budget authority with the Type I Diabetes Initiative for FY 2009 is $29,457 million. It provides a total Program Level in FY 2009 of $29,465 million, the same as the FY 2008 Enacted Level.

The FY 2009 Request maintains the AIDS research program at the FY 2008 level of $2,913 million. In addition, NIH will provide $300 million to the Global Fund for HIV/AIDS, Tuberculosis and Malaria.

In the FY 2009 budget request, we have identified the following strategic priorities:

Support New Investigators – We will continue to nurture a vibrant, creative research workforce, and include sufficient numbers of new investigators with new ideas and new skills in

areas such as interdisciplinary research. In FY 2007, we set a goal to sustain 1500 new investigators each year-- based on the NIH five year historical average. We exceeded this goal. To help ensure the pipeline of future investigators is maintained as the current workforce ages and begins to retire, we plan to continue support for the Pathway to Independence program with another 170 awards. In FY 2009, the Pathway program will support approximately 500 awardees at a total of $71 million. In FY 2009 we will also support approximately 25 New Innovator Awards, for a total of $56 million in the NIH Common Fund.

NIH Director's Bridge Award -- The FY 2009 Request level includes $91.2 million to continue the NIH Director's Bridge Award program, to protect our investment in well-established and meritorious investigators with little or no other significant support.

NIH Common Fund – We plan continued support for the Common Fund in FY 2009 with a program level of $534 million, an increase of $38 million over the FY 2008 Enacted Level. The Common Fund is an incubator for new ideas and initiatives that will accelerate the pace of discovery. These initiatives are focused on efforts that no single or small group of Institutes or Centers could conduct on their own, and have potential to transform biomedical and behavioral research.

The second cohort of initiatives in the Common Fund were launched in FY 2007, and continue into FY 2008 and FY 2009. The two new program areas that began preparatory studies and projects in FY 2007 include projects in the 1) Human Microbiome—a project to characterize the microbial content of sites in the human body and their relationship to disease and the environment; and 2) Epigenomics—the study of stable genetic modifications and their relationship to disease. Funds are identified in the FY 2009 Common Fund for the continuation of these projects. In addition, the FY 2009 request has reserved up to $46 million for new projects that will be developed during FY 2008. NIH will also continue the New Innovator Awards, at a level of $56 million.

NIH's Biodefense research priorities in FY 2009

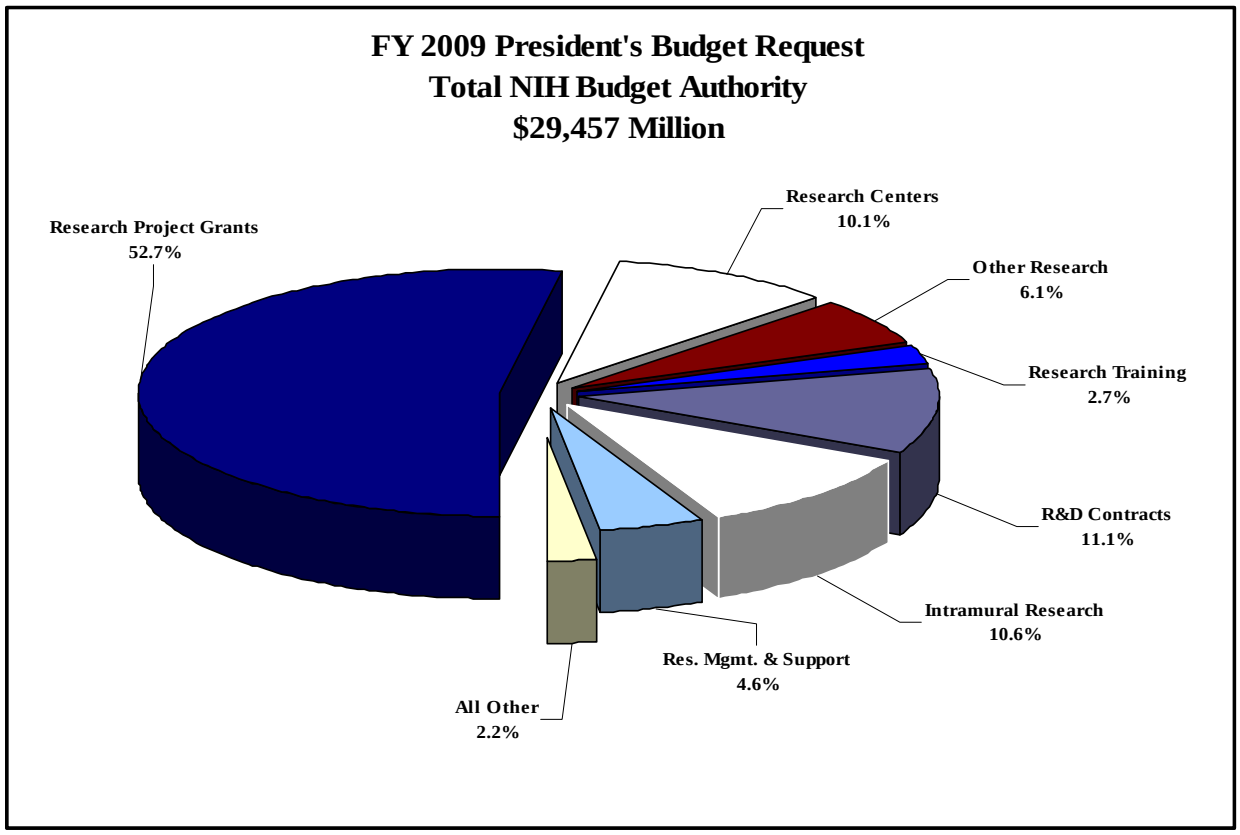
The request for terrorism preparedness research activities is $1,748 million, an increase of $20 million or 1.2% over FY 2008. This budget supports research in three areas: Biodefense, which focuses on research for the diagnosis, treatment and prevention of infections caused by microbes with potential for use as biological weapons; Chemical Threats Research, focused on the development of new and improved medical countermeasures designed to prevent, diagnose, and treat the conditions caused by potential and existing chemical agents of terrorism; and Nuclear/Radiological Threats Research, which supports research leading to new and effective medical countermeasures to assess, diagnose, and treat civilians exposed to radiation and to mitigate the harmful effects of such exposure to the greatest extent possible.

The Nuclear/Radiological/Chemical Countermeasures FY 2009 estimate is $113.1 million, an $18.8 million or 20% increase from the FY 2008 budget.

The research program for Countermeasures against Nuclear/Radiological Threats will support basic and applied research to develop new products for measuring radiation exposure, protecting against exposure and minimizing and treating the effects of exposure to a wide range of radioactive compounds.

Within the Chemical Countermeasures research program special attention will be directed at promising drugs and antidotes for nerve agents, poisons such as cyanide, toxic industrial

chemicals capable of causing pulmonary edema, and vesicating (blistering) agents, such as mustard gas which blisters the skin and mucous membranes on contact. Elements of the research effort include basic research addressing critical gaps in knowledge important to product development, evaluation of mechanisms of injury and host response, along with the enhancement of the repair process, and the evaluation and development of promising countermeasures.



Mechanism Discussion

Research Project Grants: Research project grants (RPGs) are the primary mechanism for funding of investigator-initiated biomedical research. These grants support new and experienced investigators in broad-based research programs. The use of research project grants (RPGs) as a mechanism of support covers the entire medical research continuum, from basic scientific research at the molecular and cellular levels to studies of human beings in both healthy and diseased states. Most grant applications originate with individual investigators who develop proposals for research in their area of interest. Research project grants awarded to institutions on behalf of a principal investigator support medical research activities in the areas of both the specific interests and competence of the principal investigators and also the NIH Institutes' identified program needs.

The NIH uses several RPG activities to support the best research applications from the most talented researchers. The most common, the traditional R01, accounts for 67 percent of RPGs

awarded and approximately 64 percent of competing RPG funding (FY 2007 data). The R01 supports a single project with a principal investigator or co-investigators. Another frequently used award is the program project (P01), a multiproject grant, which supports a variety of broad-based multi-disciplinary projects conducted by numerous investigators working on various aspects of a specific major research objective or theme.

Budget Policy: Support for RPGs remains a high priority in the FY 2009 President's Budget. This will enable NIH to maintain support for ongoing research and to support new researchers and new ideas to maintain the vitality of biomedical research.

The FY 2009 President's Budget would fund a total of 9,757 new and competing renewal RPGs, including 244 NIH Director's Bridge Awards, a decrease of 14 RPGs from the FY 2008 Enacted Level. Competing RPGs total $3,520 million, approximately the same as the FY 2008 Enacted Level. Included in this request is $56 million in the NIH Common Fund/Roadmap, to fund 25 NIH Director's Innovator Awards and $91 million to fund 244 NIH Director's Bridge Awards.

While no inflationary increases are provided for direct, recurring costs in non-competing RPG's in the FY 2009 President's Budget, where the NIH has committed to a programmatic increase in an award, such increases will be provided. The average cost of competing RPGs will remain at the FY 2008 level.

Research Centers: Research centers are awarded to institutions on behalf of a program director and a group of collaborating investigators to provide long-term support for leading-edge research, to conduct multi-disciplinary programs of biomedical research, and to develop research resources. The centers program aims to integrate basic research with applied research and transfer activities; to promote research in the areas of clinical applications with an emphasis on intervention, including prototype development and refinement of products, techniques, processes, methods, and practices; to develop and maintain the biotechnology and research model resources needed by NIH-supported biomedical investigators for conducting research; and to assist minority institutions in improving their research infrastructure.

Budget Policy: In the FY 2009 President's Budget, NIH proposes to increase support for research centers to $2,963 million, a 0.7% increase above the FY 2008 Enacted Level. This request level will continue to provide program growth for the Clinical and Translational Science Awards (CTSAs).

Other Research: NIH continues to support a variety of investigator-initiated activities through other research grants. Through the research careers program, NIH provides increased career opportunities in medical research to scientists of superior potential. The program provides support for young investigators who desire advanced development and scientists who need experience to qualify for senior positions. Other Research mechanisms include support for research initiatives in the cooperative clinical research mechanism to encourage regionally-based clinical evaluations of methods of therapy and prevention strategies. The Other Research mechanism provides an avenue through which NIH can provide state-of-the-art health care for disadvantaged populations throughout the U.S. Minority biomedical research support grants support research that enriches the biomedical research environment at undergraduate institutions and serve to strengthen the research training capabilities of minority faculty and students. Other Research grants also support grants for shared resources for grantee institutions, for purchase of equipment, for implementation of the Nanotechnology program of the Roadmap using the Flexible Research Authority, and for conference grants to support

investigator-initiated meetings, conferences or workshops to promote sharing of scientific knowledge and address specific issues.

Budget Policy: Support for Other Research decreases by $23 million, or 1.3%. NIH will fund a third cohort of researchers in the Pathway to Independence program, with around 170 awards for $15 million, offset by the graduation of the 1st cohort of Pathway awards into noncompeting RPGs. The Roadmap program, Nanomedicine Centers, will continue to use the Flexible Research Authority of $25 million, the same amount as FY 2008.

Research Training: The Ruth L. Kirschstein National Research Service Awards (NRSA) program serves to replenish the Nation's corps of biomedical and behavioral research investigators. Through institutional awards and individual fellowships, NIH supports both basic and applied research training in the biomedical and behavioral sciences. Institutional awards provide the foundation for the manpower development effort by supporting the national capacity for excellent, up-to-date training in a variety of institutional settings. They enable NIH to aid institutions in maintaining vigorous and effective research training programs and, in particular, to support research training programs in areas of national need. Funds are awarded for predoctoral and postdoctoral stipends and for tuition where warranted, with a modest allocation to the institution to defray training-related expenses not covered by tuition. NRSAs also include funds for travel, fees, indirect costs, and other expenses. Stipend levels constitute the largest dollar portion of NRSAs.

Budget Policy: In order to achieve the NIH's research objectives, it is essential to ensure that highly trained scientists will be available to address the nation's biomedical, behavioral and clinical research needs. Pre-doctoral fellows, who currently receive $20,772, have not seen a stipend increase since FY 2004. Post-doctoral fellows, who begin at $36,996, have not seen a stipend increase since FY 2006 (for 0 to 1 year of experience only). In the FY 2009 President's Budget, NIH proposes modest stipend increases of 1% for both pre- and post-doctoral fellows. At the FY 2009 President's Budget level, NIH will support 17,586 Full-Time Training Positions (FTTPs), an increase of 17 FTTPs over the FY 2008 level. It is important to ensure the pipeline of future investigators is adequate as the current workforce ages and begins to retire. NRSA funding increases by $5 million or 0.6% over the FY 2008 Enacted Level.

Research and Development Contracts: NIH awards Research and Development (R&D) contracts to acquire specific products, services or studies from academic institutions and non-profit and commercial organizations. This mechanism also includes collaborative research efforts with other agencies, small business innovation research and architect-engineering services contracts.

Budget Policy: R&D contracts increase by $33 million and 1% compared to the FY 2008 Enacted Level. This increase includes $5 million in additional funds for the Global Fund for HIV/AIDS, Tuberculosis and Malaria. Total support for the Global Fund in FY 2009 is $300 million.

Intramural Research: Through the intramural research program (IRP), the NIH conducts basic and clinical research at its on-campus research facilities in Bethesda, Maryland, and at such off-campus locations as the Gerontology Research Center in Baltimore, Maryland; Research Triangle Park, North Carolina; the Rocky Mountain laboratories in Hamilton, Montana; and Phoenix, Arizona. Fundamental research performed by intramural scientists provides the basis

upon which advances in medical and dental care are built. An important byproduct of the research productivity is the cadre of young physicians and basic scientists who are trained in the techniques and approaches of intramural scientists. Many of these young researchers become extramural and intramural researchers. An invaluable and unique feature of the NIH IRP is the Clinical Research Center. This world-class National resource promotes translational research -- that is, the transference of scientific laboratory research into applications that benefit patient health and medical care. The "bench-to-bedside" approach adopted in 1953, locates patient care units in close proximity to cutting-edge laboratories doing related research. This facilitates interaction and collaboration among clinicians and researchers. Most importantly, patients and families in the Clinical Center benefit from the cutting-edge technologies, research programs and the compassionate care that are the signature of NIH.

The IRP supports vital research being conducted at the NIH by some of this Nation's top scientists. This powerful network of investigators is an integral part of the greater national research network devoted to advancing the knowledge needed to develop treatments, tests, and prevention strategies to benefit the public as quickly as possible. A strong intramural program complements and reinforces the work being carried out in the extramural program.

Budget Policy: In the FY 2009 budget, support for the NIH intramural research program would increase by 1.6% above the FY 2008 Enacted Level, for a total of $3,119 million. This increase maintains the intramural program at approximately 11% of NIH's overall budget.

Research Management and Support: The Research Management and Support (RMS) mechanism consists of activities that bind many disparate elements into the cohesive and well functioning organization that comprises NIH. This mechanism supports many functions, including scientific direction and management by NIH staff in the review, award, and performance monitoring of extramural awards (research grants, training awards, and research and development contracts); administrative and technical support for Congressionally mandated review groups and advisory councils; liaison among NIH and Departmental components as well as among applicants, grantees, advisory bodies, and special interest organizations; collaboration with the Agency for International Development and with other international agencies to identify and examine the research needs of developing countries to ultimately reduce morbidity and mortality in these countries; monitoring of advances emerging from basic science laboratories to determine possible clinical applications for treatment and prevention; and, financial, personnel, and administrative management functions for each IC. This includes interpreting, analyzing, and implementing new legislation, administrative orders, and management concepts; formulating and executing institute budgets; performing management evaluation studies; determining manpower requirements; assessing the condition of both NIH and grantee laboratory facilities and equipment; supporting prevention and education activities, including development of educational and informational materials for both the medical community and the general public; providing the leadership and business functions for the IC.

Budget Policy: For FY 2009, RMS would be funded at $1,361 million, an increase of $20 million and 1.5% above the FY 2008 Enacted Level, to help enable appropriate administration of NIH resources. This will provide NIH with sufficient capacity to manage its research portfolios, and to improve stewardship of all funds.

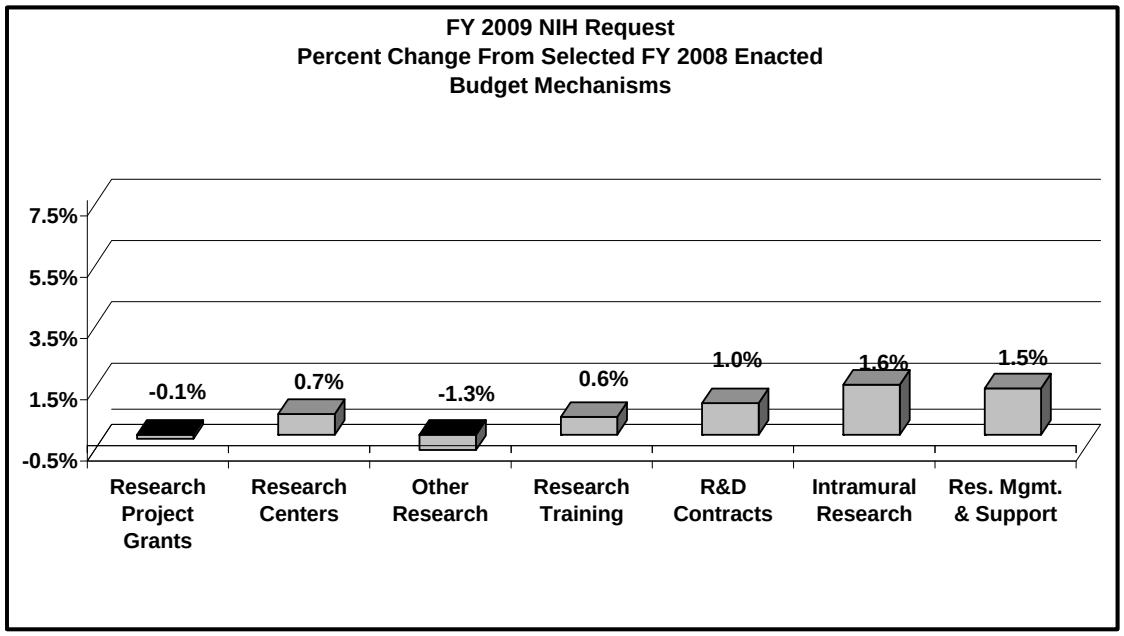
Office of the Director: The Office of the Director (OD) provides leadership, coordination, and guidance in the formulation of policy and procedures related to biomedical research and

research training programs. To provide this direction, the OD centrally coordinates NIH's extramural and intramural research activities; science policy and related social, ethical, and legal issues; technology transfer and intellectual property protection policies; health information dissemination and education functions; legislative activities; and oversight of the agency's stewardship of public funds.

The OD encourages and fosters NIH research and research training efforts in the prevention and treatment of disease through program coordination offices that complement the efforts of the NIH Institutes and Centers (ICs). These offices focus on Acquired Immune Deficiency Syndrome (AIDS); women's health; disease prevention; science education; dietary supplements; rare diseases and disorders; and behavioral and social sciences research. While the OD provides the overall direction, coordination and oversight of these programs, the ICs manage the actual research operations.

Consistent with the FY 2008 Appropriation, the FY 2009 President's Budget for the OD reflects the total requested for the NIH Common Fund/Roadmap within this appropriation.

Budget Policy: The OD decreases by $52 million and 5%. The FY 2009 Request includes $91.2 million for the NIH Director's Bridge Award program. The NIH Common Fund increases by $38 million, and Nuclear/Radiological/Chemical Countermeasures research increases by $19 million. No funds are provided for the National Children's Study.



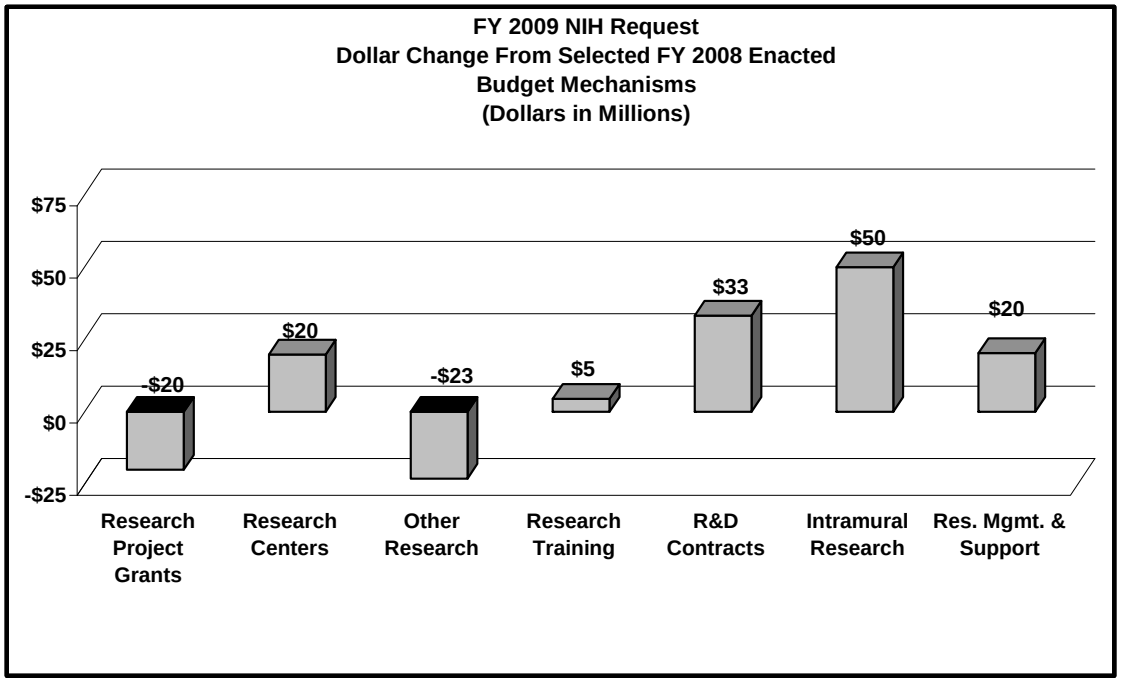
Buildings And Facilities: The NIH Buildings and Facilities (B&F) program is responsible for the design, construction, improvement, and major repair of clinical and laboratory buildings and supporting facilities essential to the conduct of the mission of the NIH. The B&F appropriation supports two major needs of the NIH biomedical research endeavor: the design and

construction of new facilities for NIH research programs; and the continuing repair and improvement of existing facilities.

Faced with an aging physical infrastructure and the demands for state-of-the-art facilities to support the requirements of innovative research, NIH is developing buildings and space strategies that will allow it to adapt to the evolving fiscal landscape and accommodate and capitalize on emerging research technologies. This request covers major renovation or reconstruction activities needed at all sites to keep existing facilities modern and relevant in an environment of changing standards and missions. It will also enable NIH to extend or restore facilities service life and move towards attaining a Condition Index (CI) of 90 for its real property assets over an approximate ten-year period,

Budget Policy: The FY 2009 Request Level for B&F is $133.4 million. Of this amount, $7.8 million would be provided to the National Cancer Institute (NCI) for repairs and improvements at the NCI-Frederick campus. The B&F appropriation request of $125.6 million provides for Repairs and Improvements, concept development studies and essential safety and regulatory compliance.

- *Concept Development Studies: $ 0.5 million.* The request for Concept Development Studies (CDS) will fund pre-project planning activities to define the scope, cost, and life cycle benefits of a project before NIH initiates formal requests for design and construction funds
- *Essential Safety and Regulatory Compliance, NIH-wide: $17.5 million.* Planning, design, and construction to remediate unsafe conditions, upgrade obsolete non-code complying systems, and bring existing facilities into compliance with current regulatory requirements. The funds allocated to Essential Safety and Regulatory Compliance enable the NIH to maintain valuable research capacity and ensure the safety of NIH facilities and their occupants. As buildings age and health and safety guidelines change, facilities once considered “modern” become outmoded, non-compliant, and in some cases, hazardous. The NIH continues to upgrade many of its older facilities for safe use so that valuable activity can be continued efficiently and effectively without disruption.
- *Repairs and Improvements: $107.6 million.* These resources support repairs and improvements to the physical plant, building structure, building infrastructure, utility systems, roads, and grounds at Bethesda, Poolesville, and Baltimore, Maryland, Research Triangle Park, North Carolina; Hamilton, Montana; and other field stations and properties for which the NIH has an asset interest. In addition, improvements to the facility infrastructure are necessary to meet changing mission requirements and to improve the condition index to a target CI of 90 by 2017. Particular attention will be paid to systems in Building 10 (the old Clinical Center) to address the most critical utility systems, fire safety, and environmental deficiencies in order to stabilize the research environment.



FTEs

The workforce at NIH is one of its greatest assets because of the large number of staff and their great diversity of qualifications, disciplines, types of appointments, and levels of expertise. This array of talent and systematic interdependence of scientific, programmatic, and administrative staff and missions have helped create NIH's success and its reputation as one of the world's leading biomedical research organizations. As the nature of science continues to change, the tools of administering that science must also change. NIH must ensure that it continues to meet these new opportunities with the best tools to attract and retain its staff, ensure the needed talent and skills, and plan for its future workforce needs. NIH will continue to require personnel to manage the research portfolio and recruit the best scientists to conduct world-class research.

FULL-TIME EQUIVALENTS (FTEs)

	FY 2007 Actual	FY 2008 Enacted	FY 2009 President's Budget	Change FY 08/FY 09 P.B.
Ceiling	**16,987**	**17,128**	**17,244**	**116**
Ceiling Exempt	**10**	**10**	**10**	**0**
Total NIH	**16,997**	**17,138**	**17,254**	**116**

Other Key Issues

NIH has modified its traditional budget display by mechanism so that activities of the National Cancer Institute's Cancer Prevention and Control Program and the National Library of Medicine are allocated among the various trans-NIH mechanisms of support.

NIH Support for HHS Administrative Initiatives

The NIH will contribute $13.072 million of its FY 2009 budget to support Department enterprise information technology initiatives as well as the President's Management Agenda (PMA) Expanding E-Government initiatives. Operating Division contributions are combined to create an Enterprise Information Technology (EIT) Fund that finances both the specific HHS information technology initiatives identified through the HHS Information Technology Capital Planning and Investment Control process and the PMA initiatives. These HHS enterprise initiatives meet cross-functional criteria and are approved by the HHS IT Investment Review Board based on funding availability and business case benefits. Development is collaborative in nature and achieves HHS enterprise-wide goals that produce common technology, promote common standards, and enable data and system interoperability. The HHS Department initiatives also position the Department to have a consolidated approach, ready to join in PMA initiatives.

Of the amount specified above, $2.8 is allocated to support the President's Management Agenda Expanding E-Government initiatives for FY 2009. This amount supports the PMA E-Government initiatives of as follows:

PMA e-Gov Initiative	FY 2009 Allocation
Business Gateway	$82,010
E-Authentication	$0
E-Rulemaking	$0
E-Travel	$0
Grants.Gov	$1,214,505
Integrated Acquisition	$0
Geospatial LOB	$0
Federal Health Architecture LoB	$1,085,974
Human Resources LoB	$35,249
Grants Management LoB	$127,207
Financial Management LoB	$54,064
Budget Formulation & Execution LoB	$35,953
IT Infrastructure LoB	$0
Integrated Acquisition – Loans and Grants	$71,956
Disaster Assistance Improvement Plan	$75,000
TOTAL	$2,781,918

Business Gateway: Provides cross-agency access to government information including: forms; compliance assistance resources; and, tools, in a single access point. The site offers businesses various capabilities including: "issues based" search and organized agency links to answer business questions; links to help resources regarding which regulations businesses need to comply with and how to comply; online single access to government forms; and,

streamlined submission processes that reduce the regulatory paperwork burdens. HHS' participation in this initiative provides HHS with an effective communication means to provide its regulations, policies, and forms applicable to the business community in a business-facing, single access point.

Grants.gov: Allows HHS to publish grant funding opportunities and application packages online while allowing the grant community (state, local and tribal governments, education and research organizations, non-profit organizations, public housing agencies and individuals) to search for opportunities, download application forms, complete applications locally, and electronically submit applications using common forms, processes and systems. In FY 2007, HHS posted over 1,000 packages and received 108,436 application submissions – more than doubling 52,088 received in FY 2006 with NIH substantially increasing its applications submissions from 47,254 to 89,439 submissions.

Integrated Acquisition Environment for Loans and Grants: Managed by GSA, all agencies participating in the posting and/or awarding of Loans and Grants are required by the Federal Funding Accountability and Transparency Act (FFATA) to disclose award information on a publicly accessible website. Cross-government cooperation with the Office of Management and Budget's Integrated Acquisition Environment initiative in determining unique identifiers for Loans & Grants transactions furthers the agency in complying with the Transparency Act, which enhances transparency of federal program performance information, funding, and Loans & Grants solicitation.

Disaster Assistance Improvement Plan (DAIP): The DAIP, managed by the Department of Homeland Security, assists agencies with active disaster assistance programs such as HHS to reduce the burden on other federal agencies which routinely provide logistical help and other critical management or organizational support during disasters. The DAIP program office, during its first year of operation, will quantify and report on the benefits and cost savings or cost reductions for each member agency.

Lines of Business-Human Resources Management: Provides standardized and interoperable HR solutions utilizing common core functionality to support the strategic management of Human Capital. HHS has been selected as a Center of Excellence and will be leveraging its HR investments to provide services to other Federal agencies.

Lines of Business-Federal Health Architecture: Creates a consistent Federal framework that improves coordination and collaboration on national Health Information Technology (HIT) Solutions; improves efficiency, standardization, reliability and availability to improve the exchange of comprehensive health information solutions, including health care delivery; and, to provide appropriate patient access to improved health data. HHS works closely with federal partners, state, local and tribal governments, including clients, consultants, collaborators and stakeholders who benefit directly from common vocabularies and technology standards through increased information sharing, increased efficiency, decreased technical support burdens and decreased costs.

Lines of Business –Financial Management: Supports efficient and improved business performance while ensuring integrity in accountability, financial controls and mission effectiveness by enhancing process improvements; achieving cost savings; standardizing

business processes and data models; promoting seamless data exchanges between Federal agencies; and, strengthening internal controls.

Lines of Business-Grants Management: Supports end-to-end grants management activities promoting improved customer service; decision making; financial management processes; efficiency of reporting procedure; and, post-award closeout actions. An HHS agency, Administration for Children and Families (ACF), is a GMLOB consortia lead, which has allowed ACF to take on customers external to HHS. These additional agency users have allowed HHS to reduce overhead costs for internal HHS users. Additionally, NIH is an internally HHS-designated Center of Excellence and has applied to be a GMLOB consortia lead. This effort has allowed HHS agencies using the NIH system to reduce grants management costs. Both efforts have allowed HHS to achieve economies of scale and efficiencies, as well as streamlining and standardization of grants processes, thus reducing overall HHS costs for grants management systems and processes.

Lines of Business-Budget Formulation and Execution: Allows sharing across the Federal government of common budget formulation and execution practices and processes resulting in improved practices within HHS.

Unified Financial Management System Operations and Maintenance (UFMS O & M)
UFMS has now been fully deployed. The Program Support Center, through the Service and Supply Fund, manages the ongoing Operations and Maintenance (O & M) activities for UFMS. The scope of O & M services includes Consolidated Reporting and continued maintenance of the Global Interfaces. NIH will use $979,000 for these costs in FY 2009

Capital Asset Plan. The NIH FY 2009 *Exhibit 300: Capital Asset Plan and Business Case Summaries* will be posted on the HHS website by February 19, 2008. The URL is www.hhs.gov/exhibit300.