

DEPARTMENT OF HEALTH AND HUMAN SERVICES
NATIONAL INSTITUTES OF HEALTH
Buildings and Facilities

<u>FY 2016 Budget</u>	<u>Page No.</u>
Appropriation Language	2
Amounts Available for Obligation.....	3
Major Changes in Budget Request	4
Summary of Changes	5
Budget Graph	6
Budget Authority by Program.....	7
Authorizing Legislation	8
Appropriations History	9
Justification of Budget Request	10
Budget Authority by Object Class	15

National Institutes of Health

BUILDINGS AND FACILITIES

For the study of, construction *or demolition* of, renovation of, and acquisition of equipment for, facilities of or used by NIH, including the acquisition of real property, [~~\$128,863,000~~]*\$128,863,000*, to remain available [through September 30, 2019]*until expended*.

NATIONAL INSTITUTES OF HEALTH
Buildings and Facilities

Amounts Available for Obligation¹
(Dollars in Thousands)

Source of Funding	FY 2014 Actual	FY 2015 Enacted	FY 2016 President's Budget
Appropriation	128,663	128,863	128,863
Rescission	0	0	0
Sequestration	0	0	0
Supplemental	0	0	0
FY 2014 First Secretary's Transfer	(322)	0	0
FY 2014 Second Secretary's Transfer	(25)	0	0
Subtotal, adjusted appropriation	128,316	128,863	128,863
Recovery of prior year obligations	0	0	0
Unobligated balance, start of year	26,264	56,783	
Subtotal, adjusted budget authority	154,580	185,646	128,863
Total Obligation	97,797	185,646	128,863
Unobligated balance, end of year	56,783	0	0
Unobligated balance lapsing	0	0	0

¹ Excludes the following amounts for reimbursable activities carried out by this account:
FY 2014 - \$2,500 FY 2015 - \$2,500 FY 2016 - \$2,500

Major Changes in the Fiscal Year 2016 President's Budget Request

Major changes by budget activity are briefly described below. The FY 2016 Buildings and Facilities (B&F) President's Budget request is the same as the FY 2015 Enacted level, for a total of \$128.863 million.

Repairs and Improvements (+\$83.300 million; total \$128.863 million):

The NIH-wide Repairs and Improvements (R&I) program goal is to sustain efficient and effective facility performance throughout the life cycle of facilities. NIH develops annual program investment levels to help ensure the full service life of its facilities and components. This requested funding level supports NIH's efforts to maintain research requirements. Increased R&I funds are available due to one-time expenses in FY 2015 for construction projects to assure and expand chilled water capacity on the Bethesda, Maryland campus.

**National Institutes of Health
Buildings and Facilities**

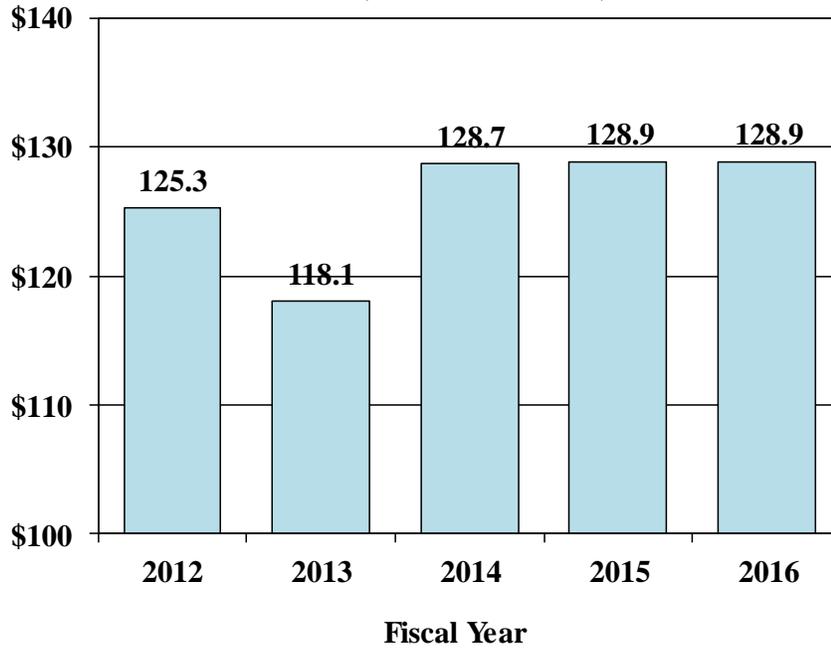
**Summary of Changes
(Dollars in Thousands)**

FY 2015 Enacted		\$128,863	
FY 2016 President's Budget		\$128,863	
Net change		0	
<u>Increases:</u>	FY 2015	FY 2016	FY 2016 +/- FY 2015
A. <u>Program:</u>			
1. Repairs & Improvements	\$45,563	\$128,863	\$83,300
Total Increases	\$45,563	\$128,863	\$83,300
<u>Decreases:</u>			
A. <u>Program:</u>			
1. Assure/Expand Chilled Water Capacity, Bethesda	\$78,210	\$0	-\$78,210
2. Concept Development Studies	\$1,000	\$0	-\$1,000
3. Renovation of Building 10 G-Wing, Bethesda Campus	\$4,090	\$0	-\$4,090
Total Decreases	\$83,300	\$0	-\$83,300

NATIONAL INSTITUTES OF HEALTH

Buildings and Facilities

Funding Levels by Fiscal Year
(Dollars in Millions)



**National Institutes of Health
Buildings and Facilities**

Budget Authority by Program
(Dollars in Thousands)

Project	FY 2014 Actual	FY 2015 Enacted	FY 2016 President's Budget	FY 2016 +/- to FY 2015
<u>Essential Safety & Regulatory Compliance:</u>				
Fire Protection & Life Safety Program	\$5,000	0	0	0
Environmental Assessments / Remediations	\$8,812	0	0	0
Rehabilitation of Animal Research Facilities	\$5,000	0	0	0
Physical Security Improvements	\$1,800	0	0	0
Sustainability Program	\$1,000	0	0	0
<u>New Construction:</u>				
Assure/Expand Chilled Water Capacity, Bethesda	0	\$78,210	0	-\$78,210
Renovation of Building 10 G-Wing, Bethesda Campus	0	0	0	0
Building 29A Renovation, Bethesda, Md	0	0	0	0
Concept Development Studies	\$410	\$1,000	0	-1,000
Renovation of Building 10 E Wing, Bethesda Campus	\$21,430	0	0	0
Demolition of Building 7, Bethesda Campus	\$3,050	0	0	0
Demolition of Building 9, Bethesda Campus	\$2,900	0	0	0
Emergency Power Generation to Assure Chilled Water, Bethesda Campus (design only)	0	0	0	0
Northwest Child Care Center	0	0	0	0
Research Triangle Park Site Utility Loop, RTP Campus	\$1,250	0	0	0
Repairs & Improvements	\$77,664	\$49,653	\$128,863	\$79,210
Total budget authority	\$128,316	\$128,863	\$128,863	0

Buildings and Facilities includes funds only appropriated to this account. Some Institutes and Centers also budget for facilities renovations and associated construction costs in other operating mechanisms, which are not reflected in this table. The HHS Facilities Manual provides specific guidelines for use of operating funds.

**NATIONAL INSTITUTES OF HEALTH
Buildings and Facilities**

Authorizing Legislation

	PHS Act/ Other Citation	U.S. Code Citation	2015 Amount Authorized	FY 2015 Enacted	2016 Amount Authorized	FY 2016 President's Budget
Research and Investigation	Section 301	42§241	Indefinite	\$128,863,000	Indefinite	\$128,863,000
Buildings and Facilities	Section 401(a)	42§281	Indefinite		Indefinite	
Total, Budget Authority				\$128,863,000		\$128,863,000

**NATIONAL INSTITUTES OF HEALTH
Buildings and Facilities**

Appropriations History

Fiscal Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2006 Rescission	\$81,900,000	\$81,900,000	\$113,626,000	\$81,900,000 (\$819,000)
2007 Rescission	\$81,081,000	\$81,081,000	\$81,081,000	\$81,081,000 \$0
2008 Rescission	\$136,000,000	\$121,081,000	\$121,081,000	\$121,081,000 (\$2,115,000)
2009 Rescission	\$125,581,000	\$125,581,000	\$146,581,000	\$125,581,000 \$0
2010 Rescission	\$125,581,000	\$125,581,000	\$100,000,000	\$100,000,000 \$0
2011 Rescission	\$125,581,000	-	\$125,420,000	\$50,000,000 (\$100,000)
2012 Rescission	\$125,581,000	\$125,581,000	\$125,581,000	\$125,581,000 (\$237,348)
2013 Rescission Sequestration	\$125,308,000	-	\$125,308,000	\$125,343,652 (\$250,687) (\$6,291,389)
2014 Rescission	\$126,111,000	-	\$125,308,000	\$128,663,000 \$0
2015 Rescission	\$128,663,000	-	\$128,863,000	\$128,863,000 \$0
2016	\$128,863,000			

Justification of Budget Request

Buildings and Facilities

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

Budget Authority:

	<u>FY 2014 Actual</u>	<u>FY 2015 Enacted</u>	<u>FY 2016 President's Budget</u>	<u>FY 2016 +/- FY 2015</u>
BA	\$ 128,663,000	\$128,863,000	\$128,863,000	\$0
Total Obligations	\$ 97,797,000	\$185,646,186	\$128,863,000	-\$56,783,186

Director's Overview

Facilities are a key element in the success of the NIH mission. State-of-the-art research requires state-of-the-art facilities that are safe and in compliance with all laws and regulations. The NIH strives to balance new facilities needed to support the study of emerging health threats and leverage innovative research opportunities with the need to remain responsible stewards of the existing research facilities. The functions of these buildings range from administrative support to one of the largest government owned utility generation and distribution systems in the country, and from a 240 bed research hospital to biosafety level 3 (BSL3) and biosafety level 4 (BSL4) "high containment" facilities.

The Repair & Improvement (R&I) program, a major component of the Buildings & Facilities (B&F) appropriation, has the most significant impact on the condition of existing NIH facilities. The R&I program's goal is to maintain and improve the performance of existing facilities throughout their life cycle.

As responsible stewards, part of NIH's strategy is to sustain the condition of existing facilities to prevent deterioration and the curtailment of research, while raising the average Condition Index (CI), which is a function of the ratio of the cost of needed repairs to the replacement value at a specific point in time, to 90 or greater.

Table 1 is a summary of the funding for B&F from FY 2006 through FY 2016

Table 1 - Summary of B&F Funding by Program Activity FY 2006 through FY 2016

Year	Construction	Essential Safety and Regulatory	Physical Security	Repairs and Improvements	Renovations	Equipment	Total
FY 2006	5,180,000	13,944,300	-	66,381,000	-	-	85,505,300
FY 2007	3,200,000	14,500,000	-	65,881,000	-	-	83,581,000
FY 2008	30,500,000	15,500,000	-	72,966,000	-	-	118,966,000
FY 2009	61,500,000	17,500,000	-	46,581,000	-	-	125,581,000
FY 2009 ARRA	428,000,000	-	-	72,000,000	-	-	500,000,000
FY 2010	16,000,000	16,000,000	-	68,000,000	-	-	100,000,000
FY 2011	-	1,127,000	-	48,773,000	-	-	49,900,000
FY 2012	10,400,000	16,000,000	-	98,908,000	-	-	125,308,000
FY 2013	7,350,000	16,250,000	-	94,509,000	-	-	118,109,000
FY 2014	28,630,000	-	-	100,033,000	-	-	128,663,000
FY 2015	79,210,000	-	-	49,653,000	-	-	128,863,000
FY 2016	-	-	-	128,863,000	-	-	128,863,000

Overall Budget Policy:

The FY 2016 President's Budget request is \$128.863 million, which is the same as the FY 2015 Enacted level. This request provides funds for Repairs and Improvements. These programs and projects will help NIH fulfill its continuing commitment to sustain its facilities and improve the overall Condition Index (CI).

Table 2 - Summary of FY 2016 Request

Year	Construction	and Regulatory Compliance	Physical Security	Repairs and Improvements	Renovations	Equipment	Total
FY 2016	-	-	-	128,863,000	-	-	128,863,000

Program Descriptions and Accomplishments

The B&F FY 2016 budget request funds NIH's multiple research infrastructure priorities. Rapid advances in the understanding of basic biology and the complexity of human disease present unique research challenges. To address these challenges, we must upgrade our facilities to integrate new research tools that could accelerate the pace of research discoveries. The proposed construction, renovations, and improvements will help create and sustain a robust, modern, safe, and secure physical infrastructure for the NIH research agenda and maintain the vitality and competitiveness of the NIH biomedical research enterprise.

The Budget request provides funds for Essential Safety, Regulatory Compliance, and Repairs and Improvements, within the context of a five-year plan. R&I funds will be used for any required Concept Development Studies or Essential Safety and Regulatory Compliance Program efforts in FY 2016. NIH has studied the use of Essential Safety and Regulatory and Concept Development Studies funds and concluded that it is more cost-effective and efficient to make these repairs in conjunction with larger projects.

The following programs and projects are included in the B&F tables and are described in detail below:

Construction Program: Planning, design, and construction of new research and research support facilities for on-going and new scientific initiatives:

- Concept Development Studies

Budget Policy:

The FY 2016 President's Budget request is \$1.000 million.

Repairs and Improvements (R&I) Program: The requested resources will support repairs and improvements to the physical plant, building structures, utility systems, roads, and grounds at all the sites in which NIH has an asset interest. These funds will be used to sustain efficient and effective performance of NIH's real property assets to meet ongoing and projected research requirements and to offset the deterioration and obsolescence caused by age and use. The FY 2016 President's Budget request does not stipulate specific amounts for the Essential Safety and Regulatory or Concept Development Studies programs. Instead, NIH will use R&I funds for any required Concept Development Studies or Essential Safety and Regulatory Compliance Program efforts. NIH has studied the use of Essential Safety and Regulatory and Concept Development Studies line item funding and concluded that we are executing these projects on an ad-hoc basis instead of as part of a larger program plan. We have also concluded that it is more cost effective and efficient to make these repairs in conjunction with larger projects.

Projects for the R&I program are identified using NIH facilities and program staff recommendations, various facilities studies, and by ongoing facilities assessments performed on each building on a three year cycle by a firm experienced in facility assessment methodology. Once NIH has identified potential B&F projects, it ranks the projects using a decision model with input from program officials and Subject Matter Experts (SMEs) to ensure focus on the

most critical projects within available resources. Final project selections are made by an R&I Board consisting of senior facilities personnel. Facilities infrastructure improvements are necessary to meet shifting research priorities and to meet NIH and HHS goals for improving the condition of NIH buildings. Such efforts include upgrading building systems, extending utility infrastructure, and implementing other capital repairs to the building envelopes and infrastructures to extend the useful life of existing facilities.

This request specifically supports the continued repair and upgrade of deteriorated infrastructure, including steam and chilled water distribution systems; structural repairs to older buildings (which are still being used effectively); upgrade of plumbing systems; repair of elevators; upgrade of heating, ventilating, and air conditioning (HVAC) systems; and replacement of deteriorated fan coil units in multiple facilities. This request supports improvements to address evolving research requirements and supports, when needed, certain limited IC renovations.

Budget Policy:

The FY 2016 President's Budget request is \$127.863 million.

Essential Safety and Regulatory Compliance Program: The Essential Safety and Regulatory Compliance program enables NIH to maintain valuable research capacity and to ensure the safety of NIH facilities and their occupants. The program includes the following activities:

- Fire Protection and Life Safety
- Elimination of Barriers to Persons with Disabilities
- Environmental Assessments/Remediation
- Rehabilitation of Animal Research Facilities
- Physical Security Improvements
- Sustainability

Fire Protection and Life Safety: This program upgrades fire protection and life safety systems, features, and equipment in NIH buildings and allows for the full protection for all occupants and critical research subjects. In addition, this program's plan is to meet fire safety code requirements pertaining to fire barriers and emergency egress components throughout NIH facilities by upgrading fire doors, fire door hardware, emergency lighting, exit signage, and related fire safety improvements.

Elimination of Barriers to Persons with Disabilities: This program removes existing barriers in and around NIH buildings to comply with the Architectural Barriers Act (ABA) of 1968.

Environmental Assessments/Remediation: This program allows for environmental remediation activities at all government-owned NIH sites. The program conducts environmental audits to identify potentially hazardous conditions and, when warranted, remediates conditions that could pose a health and safety threat to NIH employees, visitors, and contractors, or the general public and the environment.

Rehabilitation of Animal Research Facilities: An important factor in the effective use of animal models in biomedical research is high-quality animal care provided in well-built, well-maintained, and well-equipped facilities. This program supports a comprehensive program of repairs and improvements to ensure compliance with stringent Association for the Assessment and Accreditation of Laboratory Animal Care standards.

Physical Security Improvements: Physical security improvements enhance NIH's ability to provide a safe and secure environment for research staff, employees, and visitors. This program enhances the overall security posture and expedites NIH's first responder capabilities for various NIH locations by integrating existing physical security, intruder detection, and surveillance systems using non-proprietary open architecture solutions.

Sustainability: The HHS Sustainable Buildings Plan requires the assessment of all existing facilities for compliance with the Guiding Principles in the Federal Leadership in High Performance and Sustainable Buildings Memorandum of Understanding referenced in Executive Order 13423. As part of our compliance with this Executive Order, NIH strives to build facilities in a sustainable manner, to identify priorities for improvements, and to complete sustainability improvements and recommissioning at all facilities over a prescribed schedule of several years.

Budget Authority by Object Class

(Dollars in Thousands)

	FY 2015 Enacted	FY 2016 President's Budget	FY 2016 +/- FY 2015
Operation & Maintenance of Facilities (25.4)	\$128,863	\$128,863	\$0
Obligations *	\$185,646	\$128,863	-\$56,783
Total budget authority by object	\$128,863	\$128,863	\$0
Total obligations by object	\$185,646	\$128,863	-\$56,783

*Obligations are net of prior year recoveries.