

## News & Comment

# The (Private) University of NIH?

*An OMB proposal to turn NIH into a private university has generated heated controversy; the Institute of Medicine will evaluate the issues*

FOR years it has been commonplace in Washington to refer to the National Institutes of Health as the "jewel in the crown" of the federal government's research enterprise. Just before Christmas, the White House Office of Management and Budget (OMB) proposed that the crown jewel be sold. The idea, which OMB spelled out in some detail in an internal memo, was to "privatize" NIH in order to preserve it. No official asking price was established but \$6 billion has been suggested as a nice, round number.

What OMB proposed is that the NIH intramural program, with some 2000 investigators conducting research at the institutes' 300-acre Bethesda campus, be turned into a private university, while the institutes' extramural grant-giving apparatus remains in federal hands. "A private NIH might be modeled on the Rockefeller University," OMB suggested—a graduate university for research and training without a medical school or undergraduate campus. No one has suggested that the metaphor of selling NIH be taken literally. But through an act of Congress, the intramural NIH could be chartered as a private university.

In the view of many researchers, who see OMB as a sort of bureaucratic Darth Vader, this is the dumbest, most antiscience idea the budget office has ever had.

Indeed, OMB anticipated negative reaction to the unorthodox idea. "The research community, which tends to think in terms of their status quo, would first of all be surprised," the OMB memo blandly observed.

Actually, people were astounded.

NIH officials first read about the idea in an article in the *New York Times*. People on Capitol Hill were taken aback by the audacity of the proposal. NIH's friends in Congress, including Representative Henry A. Waxman (D-CA), chairman of the health subcommittee, declared they would never let the government sell NIH. Waxman recently told *Science* that privatizing NIH is a "dead issue."

Philip Leder of Harvard, an NIH alumnus, wrote in an op-ed piece that "privatizing NIH is an idiotic idea," as, indeed, in its most literal interpretation it probably is.

But it is an idea that has emerged out of NIH's own repeated pleas to the Administration for important changes in the way the institutes conduct their administrative business. NIH director James B. Wyngaarden, who calls the idea of selling NIH "ludicrous," is, in fact, anxious to capitalize on the current controversy as a stimulus for an independent Institute of Medicine (IOM) analysis of a number of problems that are plaguing the NIH campus, including the prospect of an intellectual hemorrhage if its research stars are lured away in any number. Although data are scarce, many NIH officials are anticipating a brain drain as institutions that can offer higher salaries and more research space lay claim to NIH talent.

The NIH intramural research program is currently funded at \$703 million, which is about 10% of the total NIH budget of \$6.2 billion. As a private university, NIH would still be largely funded by federal money. The private NIH would apply to the public NIH for funds. In addition, researchers at a private NIH would be free to compete for funds from the National Science Foundation, or NASA, or other federal agencies. NIH researchers would also be able to compete for private funding from private sources such as the Howard Hughes Medical Institute. Substantial funding from biotechnology companies can also be imagined.

NIH officials were relieved that OMB did not try to insert privatization measures in the President's budget for fiscal year 1989. But at the same time, they have prepared a 40-page defense of NIH as a national treasure, and eagerly support an OMB request to have the IOM do a fast turnaround study of the current state of NIH and its prospects for the future.

IOM president Samuel O. Thier, who thinks this is an appropriate time to reexamine NIH, is in the process of putting together a special study group to tackle the job. And Robert M. Rosenzweig, president of the Association of American Universities, which represents more than 50 of the nation's top research institutions, also supports an IOM study. "Making the research arm of NIH into something like a private university, endowed by the government, as Howard

University is, for example, may or may not be a good thing to do, but the idea speaks to real problems that require careful, dispassionate evaluation."

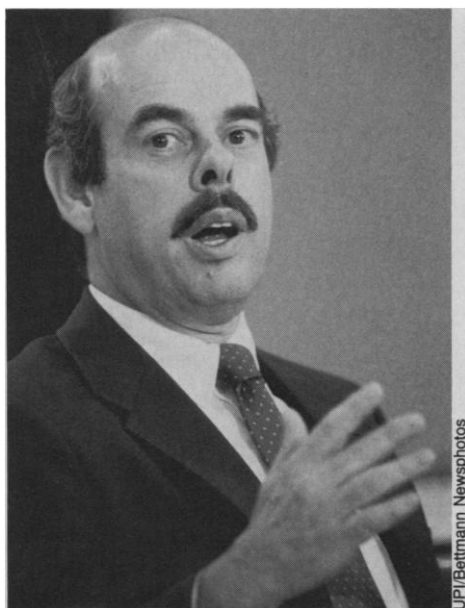
NIH's greatest concern about its future is rooted in fear that it is losing its ability to attract and retain first class scientists. Robert C. Gallo, a 23-year NIH veteran who is co-discoverer of the AIDS virus, has become the symbol of this potential brain drain. Indeed, according to *Science's* sources, concern that Gallo will leave NIH to join a university lay behind the timing of OMB's privatization memo.

Gallo, one of the world's premier virologists, has been negotiating with both Duke and Yale about establishing a major center for the study of human viruses. There is, Gallo notes, no such center anywhere in the United States. He envisions bringing together a number of top virus people to work collaboratively on urgent health problems, with AIDS being only one among many. But unless significant changes are made in administrative regulations, he cannot expand at NIH. The people Gallo would like to attract to a new lab are already making more money than NIH salary limits allow. Besides, NIH is subject to a government-wide hiring freeze. It would take an act of Congress to exempt Gallo's group. And space is a problem. Although he has been

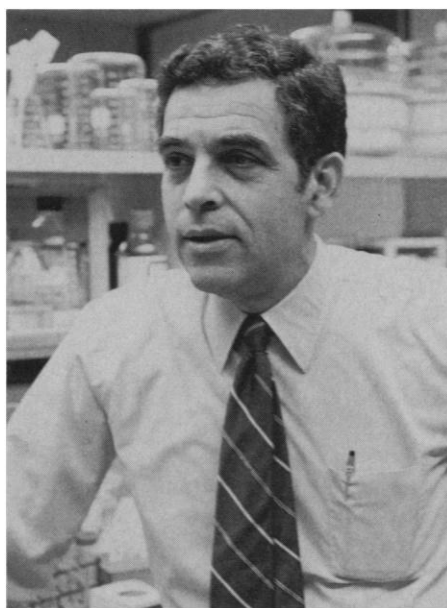


Ken Heinen

**James Wyngaarden, NIH director, favors IOM study of future of the intramural program.**



**Henry Waxman** will chair hearings on NIH this spring.



**Philip Leder:** Privatizing NIH is an "idiotic idea."

given more lab space in the past couple of months, it remains modest compared to what he could get elsewhere.

Then there is the matter of Robert Maxwell. The British newspaper publisher and multimillionaire has come forward as a backer of Gallo's—a man volunteering to contribute \$75 million or more toward the creation of a virology center with Gallo as its scientific leader (*Science*, 18 December 1987, p. 1643). He has even purchased a building only a couple of miles from the NIH campus. But a Maxwell-NIH deal faces many regulatory obstacles and it is not clear NIH has the ingenuity or flexibility to pull off an unorthodox arrangement that would require rewriting the rules.

Gallo's departure is still just a possibility and even he does not know how things will play out. But another major loss to the intramural program is real.

Last month Marc E. Lippman, who came to NIH 17 years ago as a research fellow, accepted an offer from Georgetown University to head its troubled Lombardi Cancer Center. In clinical research, Lippman is every bit the star that Gallo is in basic virology. NCI's chief of oncology, Samuel Broder, who has pioneered AZT studies in AIDS patients, has called Lippman "absolutely inspired," and "among the most gifted clinical investigators in the country in any field."

When Lippman moves from Bethesda to Georgetown in July, he is likely to take most of his lab with him—as many as 30 cancer physicians, researchers, and technical personnel. In an interview with *Science* in his cramped office at the NIH hospital, Lippman talked about his reasons for leaving.

They include opportunity, money, and a certain frustration with limitations of working at NIH which, in the end, is too much part of the federal bureaucracy.

Georgetown made Lippman an offer he could not refuse. His \$80,000 salary will triple. Salaries of the people he is taking with him will also jump significantly. Lippman gives the example of a physician in his late thirties, with numerous publications and research achievements to his credit. At NIH he is making \$40,000. His family lives in a rented apartment. By moving to Georgetown with Lippman, this researcher can double his salary, not to mention opportunities to further increase his income by lecturing or consulting. Although NIH scientists can earn extra money this way, they are subject to stiff restrictions.

In Lippman's opinion, the lure of money should not be underestimated. "There was a time," he recalls, "when you had to be here at NIH to do the kind of research many of us wanted to do, with the freedom to do it. Now, other places can compete with NIH. It's no longer a case of selling out. You can make more money, take better care of your family, and still do the kind of research you want to. It is very hard to resist." The chance to head a research center poised for growth also holds special appeal to Lippman, who sees an opportunity to establish new, productive ties between Georgetown scientists and NIH colleagues.

The fact that Georgetown is in Washington makes the move that much easier for Lippman and his large research team. The university's avowed commitment to strengthening its research capacity helps

too. Existing plans to add three floors to the Lombardi center offer the certainty of expansion.

Salary and personnel ceilings, along with limits on outside consulting and income, put NIH at a distinct disadvantage when it comes to competing with universities or industry for research talent. NIH director Wyngaarden foresees the intramural program moving to the second rank if changes are not made. With Gallo as a lightning rod, both OMB and Congress are finally paying attention to issues that NIH officials have been unsuccessfully promoting for several years.

Most of the threats to NIH, current or nervously anticipated, could be solved by money and freedom from the constraints of the federal bureaucracy. During the past 5 or 6 years, NIH has proposed new schemes for increasing salaries for campus researchers—particularly those with M.D.'s who can easily double their pay in academic medicine.

The most recent is a legislative proposal for 1989 to create a new pay system for what is being called the institutes' "scientific faculty." It would take senior NIH researchers, both M.D.'s and Ph.D.'s, out of the regular civil service personnel system, where salaries are capped at about \$85,000 for physicians and \$75,000 for Ph.D. researchers. Under the proposal, senior physician-scientists could be paid up to \$110,000, with the top 3% eligible for salaries in the \$160,000 plus range, equivalent to what a medical school department chairman makes.

In addition, NIH would like to find a way to make its scientists eligible for the TIAA-CREF retirement package that is the staple of benefit packages at most academic institutions. In short, NIH wants to make itself more like a university. "The availability of a university-type personnel system for scientific and technical personnel will enhance the ability of the NIH to attract and retain outstanding scientists," according to the "scientific faculty" proposal that is currently being circulated among the Reagan cabinet and within OMB.

Here is NIH pleading to be treated like a university. It is not entirely crazy that OMB responded by suggesting that it become one.

But nearly everyone—OMB sources included—agrees that the draconian idea of actually selling off the intramural program is not going to happen. As one OMB person told *Science*, "We don't really think it should be sold, but we did want to get a discussion going." That they have. ■

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*A second article will discuss some of the potential solutions to the NIH issue.*