

## VA Gets \$891 Million for R&D in 2008

### AAAS R&D Funding Update on VA R&D in FY 2008 Conference Appropriations

#### Highlights

- **The Department of Veterans Affairs (VA) R&D portfolio would increase \$41 million or 4.8 percent to \$891 million in FY 2008 in a House-Senate compromise that could become final shortly (see Table).**

#### VA R&D in FY 2008 House-Senate Conference Appropriations

On November 5, the House and Senate resolved their differences over the FY 2008 Military Construction-Veterans Affairs appropriations bill (HR 2642) in a conference report, but complicated matters by pairing it with the conference report for the Labor-HHS appropriations bill in order to make it more difficult politically for President Bush to veto the Labor-HHS half of the combined measure. Senate Republicans are expected to be successful in separating the two bills on the Senate floor, and if the Military Construction-VA bill wins congressional approval on its own then President Bush could sign the Military Construction-VA bill into law shortly. The Democratic majority in the 110<sup>th</sup> Congress has made veterans programs a high priority for funding and has tried to turn around what it sees as years of budgetary neglect of the Department of Veterans Affairs (VA) at a time when the Iraq war has created hundreds of thousands of new veterans, many with war-related injuries. The Military Construction-VA bill contains nearly \$65 billion in discretionary funding for the VA and military construction programs in the Department of Defense (DOD), \$4 billion more than the President's request and a tremendous \$15 billion or 30 percent more than the current fiscal year.

**VA R&D would increase by \$41 million or 4.8 percent over 2007 to \$891 million in the House-Senate compromise** (see Table), \$69 million more than the VA's own request. The 2008 increase could have been even larger in percentage terms, except that on May 25 VA received an extra \$33 million in supplemental funding for 2007 for R&D relevant to Iraq War veterans' medical needs. VA's R&D is aimed at improving health care for veterans through research on injuries and illnesses with special relevance to veterans. All scientists and engineers who receive VA funds must be VA employees, and thus its entire R&D investment takes place in VA hospitals and laboratories, although many VA investigators hold joint appointments with academic institutions, and much of VA research is collaborative with other institutions. (For more on the President's FY 2008 request for VA R&D, see Chapter 12 of *AAAS Report XXXII: R&D FY 2008* or the March 1 AAAS R&D Funding Update; for details of VA R&D in FY 2008 House appropriations, see the June 12 AAAS R&D Funding Update; for details of VA R&D in FY 2008 Senate appropriations, see the June 25 AAAS R&D Funding Update.)

The Medical and Prosthetic Research budget account is the core of VA's research effort, but it funds just a portion of VA's total R&D, for support of direct R&D costs in a \$411 million request for FY 2008 upped to \$480 million in Military Construction-VA conference report. Support costs, infrastructure, and other indirect costs as well as the salaries of clinician-researchers are funded out of other VA medical care accounts.

VA scientists also compete for research funding from other agencies (such as NIH and DOD), foundations, and industry. Next year, VA projects that \$975 million in R&D funding will come from other sources, mostly from VA scientists winning federal research grants, which could result in a total VA portfolio of \$1.9 billion when combined with VA appropriations.

VA federal R&D flattened out in recent years, but the 110th Congress is trying to put funding back on an upward path (see Figure 1). After peaking in 2004, VA R&D fell in 2005 because of tough budgetary pressures for domestic spending in general and veterans spending in particular, and remained there in 2006 and initially in 2007. But the 2007 supplemental appropriation and now the 2008 conference appropriation represent a change of fortunes.

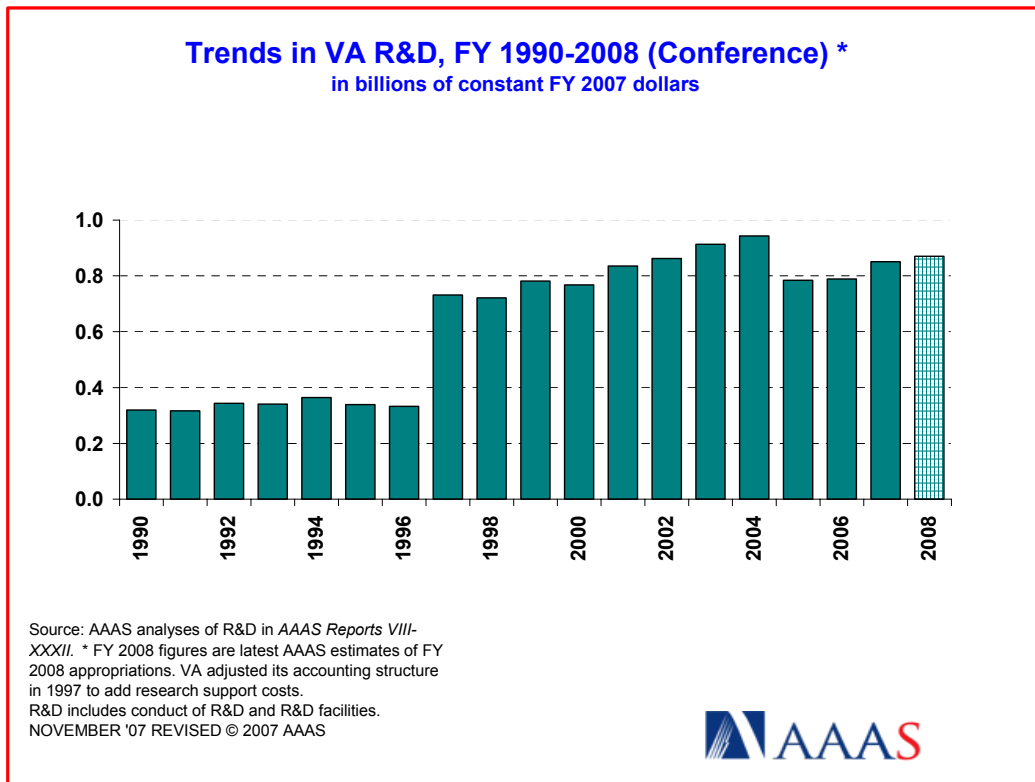


Figure 1. (click on the image for PDF)

### Next Steps and Outlook

The House is expected to approve the combined Labor-HHS and Military Construction-VA conference report later today (11/6). The Senate will take up the bill later this week, but Senate Republicans are expected to be successful in separating the two bills. The two bills could then go separately to the President’s desk, although there may be procedural roadblocks along the way. President Bush has indicated that he will sign the Military Construction-VA bill, even though it exceeds his request by \$4 billion. If the bill does reach his desk in the next week, which is by no means certain, then VA could be the first federal department to receive its final 2008 budget.

(This analysis is one of a series of AAAS R&D Funding Updates on FY 2008 congressional appropriations. The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D in FY 2008 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/rd>) in the “FY 2008 R&D” or the “What’s New” sections.)

- November 6, 2007  
AAAS R&D Budget and Policy Program  
(202) 326-6607  
Email: [science\\_policy@aaas.org](mailto:science_policy@aaas.org)



Table. VA R&D in FY 2008 House-Senate Conference

**Table. Department of Veterans Affairs  
House-Senate Conference on R&D in the FY 2008 Budget  
(budget authority in millions of dollars)**

	FY 2007 Estimate	FY 2008 Request	FY 2008 CONF.	House-Senate Conference			
				Chg. from Request Amount	Percent	Chg. from FY 2007 Amount	Percent
Medical and Prosthetic Research 1/							
Biomedical laboratory science	249	231	<b>261</b>	30	13.0%	12	4.8%
Rehabilitation research	54	51	<b>61</b>	10	19.6%	7	13.0%
Health services research	68	62	<b>76</b>	14	22.6%	8	11.8%
Clinical science research	72	67	<b>82</b>	15	22.4%	10	13.9%
Research support 1/	406	411	<b>411</b>	0	0.0%	5	1.2%
BA Adjustment 1/	2	0	<b>0</b>	0	--	-2	-100.0%
<b>Total VA R&amp;D</b>	<b>851</b>	<b>822</b>	<b>891</b>	<b>69</b>	<b>8.4%</b>	<b>41</b>	<b>4.8%</b>

AAAS estimates based on FY 2008 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2007 and FY 2008 request figures based on OMB R&D data and supplemental agency budget data.

FY 2007 figures include 2007 supplemental appropriations enacted in Public Law 110-28.

Figures are rounded to the nearest million. Changes calculated from unrounded figures.

1/ Includes funding for laboratory facilities, support services, and some investigator salaries from other VA accounts under Research Support; in obligations.

BA adjustment converts obligations to budget authority.

**November 6, 2007 - AAAS estimates of House-Senate Conference appropriations.**

**These appropriations may be rejected by the House or Senate, and may be vetoed by the President.**