

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

AAAS R&D Funding Update on VA R&D in FY 2008 Final 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 (see Table).**

(This update is almost identical to the November update on the VA budget. Funding totals have not changed since November.)

VA R&D in FY 2008 Final 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 the conference report never made it out of the Senate. Instead, a nearly identical conference report was rolled into the 2008 omnibus appropriations bill (HR 2764) in December, which finally cleared Congress in mid-December and was signed into law on December 26. The Democratic majority in the 110th 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.

VA R&D would increase by \$41 million or 4.8 percent over 2007 to \$891 million in the 2008 omnibus bill (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.

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 final appropriation represent a change of fortunes.

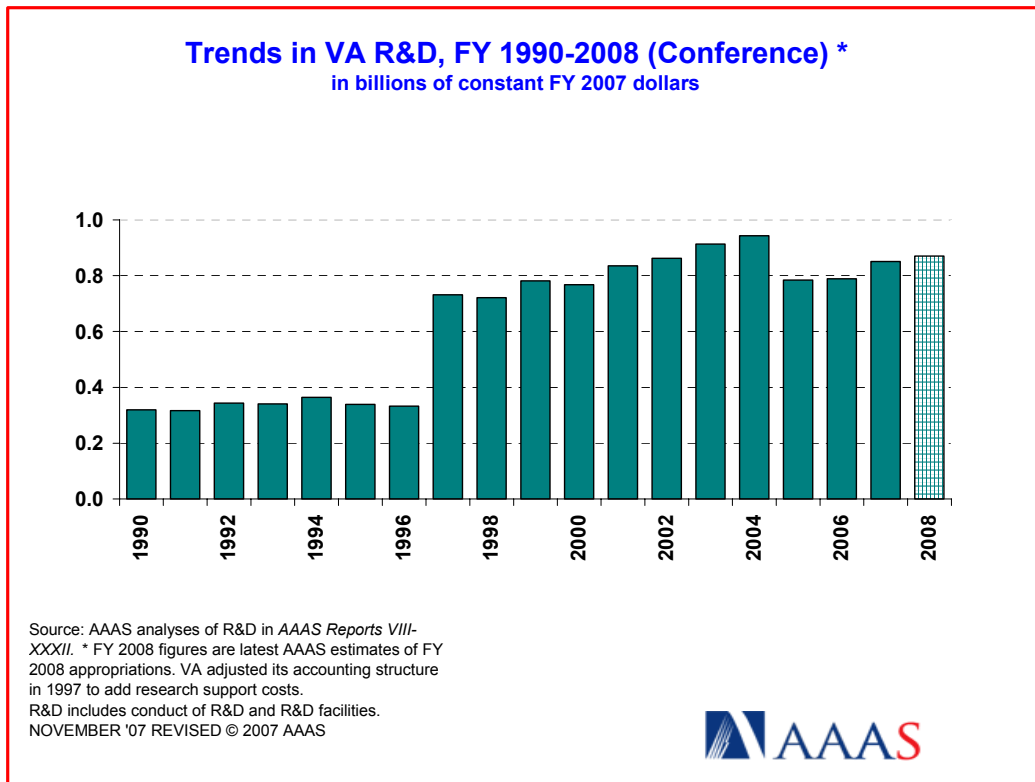


Figure 1. (click on the image for PDF)

Next Steps and Outlook

The President signed the omnibus bill into law on December 26, bringing the 2008 appropriations season to a close just weeks before the February 4 release of his proposed FY 2009 budget. Although the President’s restrictive budget targets for domestic spending gave congressional appropriators fits, appropriators managed to designate a large chunk of VA spending as ‘emergency’ and thus exempt from regular budget limits. This designation applies to a portion of the VA R&D portfolio as well, enabling the VA to receive an R&D increase even as most other domestic agencies fall far short of earlier congressional plans.

(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.)

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

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

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.

December 17, 2007 - AAAS estimates of REVISED House-Senate Conference appropriations.

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