

## VA R&D Climbs in Senate Plan

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

#### Highlights

- **The Department of Veterans Affairs (VA) R&D portfolio would increase \$61 million or 7.1 percent in the latest Senate appropriation to \$911 million in FY 2008 (see Table).**

#### VA R&D in FY 2008 Senate Appropriations

The Senate Appropriations Committee followed its House counterpart on June 14 by approving its version of the FY 2008 Military Construction-Veterans Affairs appropriations bill (S. 1645) for consideration by the full Senate in July. The full House approved its version on June 15. 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 Senate 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.

Both the House and now the Senate would expand funding for VA's R&D portfolio, the 8<sup>th</sup> largest among the top federal R&D funding agencies. **VA R&D would increase by \$61 million or 7.1 percent over the current year to \$911 million in the Senate bill** (see Table), a full \$89 million more than the VA's own request and \$20 million more than the House appropriation. The 2008 Senate and House increases would have been even larger in percentage terms, except that on May 25 VA received an extra \$33 million 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.)

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 \$500 million in the Senate plan. 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 House and Senate

appropriations represent a change of fortunes; if sustained, VA's medical R&D spending would show solid real growth for two years in a row.

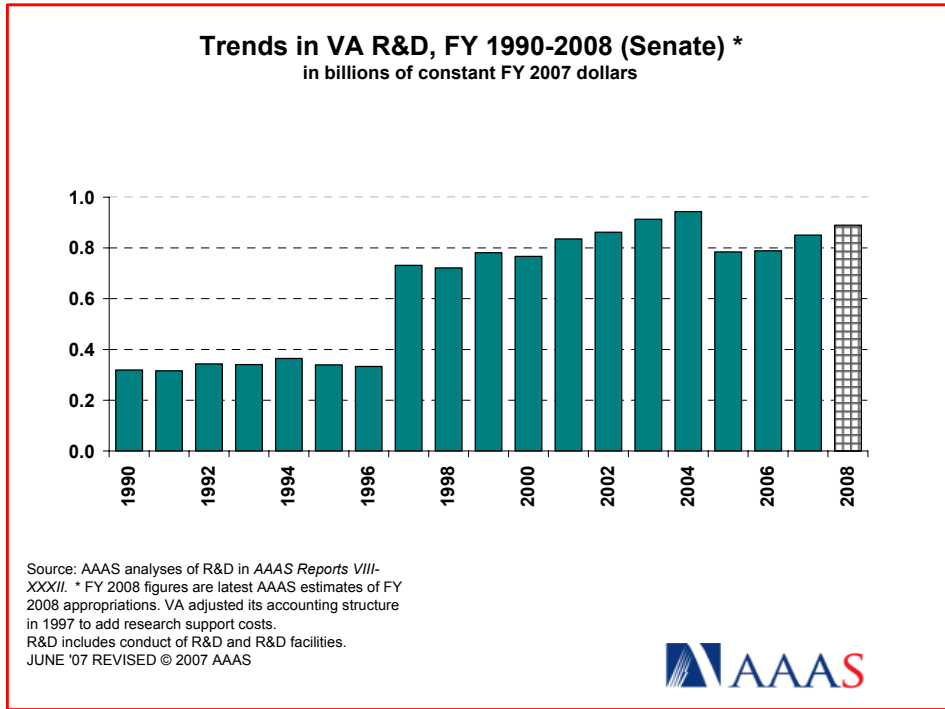


Figure 1. (click on the image for PDF)

### Next Steps and Outlook

The full Senate is expected to debate the Military Construction-VA bill in July. The House has already approved its version. A House-Senate conference on the bill could wrap up by September because of relatively minor differences between the two bills, in time for the final version of the bill to reach the President's desk before the October 1 start of FY 2008. Although the President has threatened to veto any 2008 appropriations bills that exceed his request, as the House and Senate versions of the bills do by \$4 billion, he has signaled that he will accept the additional billions for this bill, meaning that the VA may be one of the few agencies in for smooth sailing to a 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.)

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Table. VA R&amp;D in FY 2008 Senate Appropriations

**Table. Department of Veterans Affairs  
Senate Appropriations Committee Action on R&D in the FY 2008 Budget  
(budget authority in millions of dollars)**

	FY 2007 Estimate	FY 2008 Request	FY 2008 House	Action by Senate				
				FY 2008 Senate	Chg. from Request Amount	Chg. from Request Percent	Chg. from FY 2007 Amount	Chg. from FY 2007 Percent
Medical and Prosthetic Research 1/								
Biomedical laboratory science	249	231	261	<b>281</b>	50	21.7%	32	12.9%
Rehabilitation research	54	51	61	<b>62</b>	11	21.7%	8	14.9%
Health services research	68	62	76	<b>75</b>	13	21.7%	7	10.9%
Clinical science research	72	67	82	<b>82</b>	15	21.7%	10	13.2%
Research support 1/	406	411	411	<b>411</b>	0	0.0%	5	1.2%
BA Adjustment 1/	2	0	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>911</b>	<b>89</b>	<b>10.8%</b>	<b>61</b>	<b>7.1%</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.

**June 25, 2007 - AAAS estimates of Senate Appropriations Committee action.**

**These figures may be modified or rejected by the full Senate.**