

VA Receives \$952 Million for 2009 R&D

AAAS R&D Funding Update on Dept. of Veterans Affairs R&D in FY 2009 House-Senate Conference Appropriations

Highlights

- **The Department of Veterans Affairs (VA) R&D portfolio, after climbing the past two years from emergency appropriations, would continue to increase in the recently finalized 2009 VA budget. Congress would give VA R&D a 6.8 percent increase over 2008 to \$952 million in 2009 (see Table).**

VA R&D in FY 2009 House-Senate Conference Appropriations

On September 24, the House of Representatives debated and approved a massive FY 2009 continuing resolution (CR) funding federal government programs through March 6 but also containing \$23 billion in disaster relief spending and three full FY 2009 appropriations bills, including a final \$73 billion Military Construction-VA appropriations bill with funding for the Department of Veterans Affairs (VA). If the Senate and the President agree, as expected, to the CR then VA will get a final FY 2009 budget next week. Over the summer, the House and Senate reported separate versions of the bill; the CR version represents a compromise between the House and Senate versions of the bill even though there was no formal House-Senate conference. (For details of VA R&D in the House and Senate bills, see the August 1 AAAS R&D Funding Update; for details of the President's request for VA R&D, see the February 12 R&D Funding Update or Chapter 12 in *AAAS Report XXXIII: R&D FY 2009*.)

The Department of Veterans Affairs (VA) is one of the 10 largest R&D funding agencies in the federal government, but receives relatively little attention because its entire R&D investment goes to its own nationwide network of VA hospitals, and because the VA R&D effort is a relatively small part of the nearly \$50 billion total VA budget. VA's Medical and Prosthetic Research is a longstanding program of research 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, two-thirds of whom are clinicians-researchers. The 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. More than half of all VA research is for investigator-initiated research projects, with the remainder a mix of centers of excellence, career development, and service-directed research.

After including support costs, total federally funded VA R&D would be \$952 million in FY 2009, well above both the 2008 budget and the 2009 request for a \$61 million or 6.8 percent increase over 2008 (see Table). 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 \$442 million request for FY 2009. Support costs, infrastructure, and other indirect costs as well as the salaries of clinician-researchers who both treat patients and perform research are funded out of other VA medical care accounts. The final 2007 and 2008 funding levels include \$33 million in 2007 and \$69 million in 2008 emergency appropriations for R&D related to Iraq war veterans' needs, so the 2009 appropriation would represent a dramatic increase in regular, non-emergency funding.

The large congressional increase should be enough to give most research areas an increase of at least 6 percent, with Congress urging special attention to research on polytrauma, sensory loss, post-traumatic stress disorder, suicide prevention, and women veterans health issues, all issues with particular relevance to the nation's veterans.

VA federal R&D flattened out mid-decade even as the overall VA budget grew (see Figure 1), but the 2009 final appropriation marks a third year of real growth. 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. Emergency appropriations in 2007 and 2008 allowed VA R&D to show growth again, while the 2009 regular appropriation would confirm the upward trend. (Note: Years ago, VA did not count support, salary, and infrastructure costs in its R&D. The big jump in FY 1997 in Figure 1 represents VA's decision to add in these costs beginning that year.)

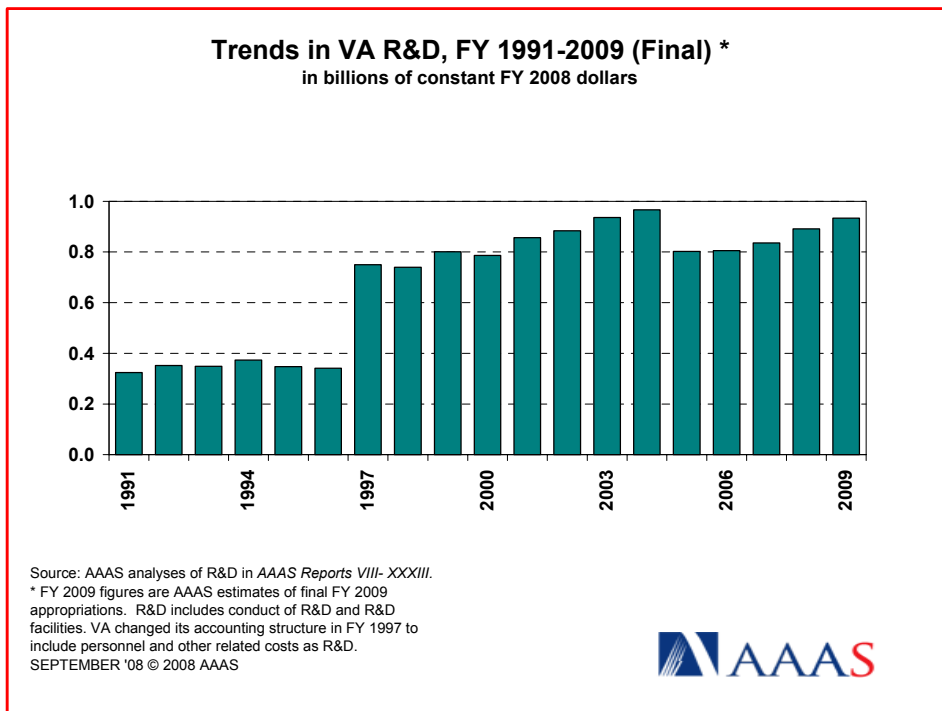


Figure 1. (click on the image for PDF)

Outlook and Next Steps

The House quickly approved the continuing resolution (CR) containing the Military Construction-VA bill on September 24 with little debate. If the Senate and the President agree to the CR in the next few days, then VA will be one of the few federal agencies to begin FY 2009 with a final 2009 budget, along with the Departments of Defense (DOD) and Homeland Security (DHS).

(This analysis is one of a series of AAAS R&D Funding Updates on FY 2009 congressional appropriations. The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D in FY 2009 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/rd>) in the "FY 2009 R&D" or the "What's New" sections.)

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Table. VA R&D in FY 2009 House-Senate Conference

**Table. Department of Veterans Affairs
House-Senate Conference on R&D in the FY 2009 Budget
(budget authority in millions of dollars)**

	FY 2008 Estimate	FY 2009 Request	FY 2009 CONF.	House-Senate Conference			
				Chg. from Request Amount	Percent	Chg. from FY 2008 Amount	Percent
Medical and Prosthetic Research 1/							
Biomedical laboratory science	280	259	297	38	14.8%	17	6.2%
Rehabilitation research	61	57	65	8	13.7%	4	6.2%
Health services research	76	71	81	10	13.7%	5	6.2%
Clinical science research	82	75	87	12	16.1%	5	6.2%
Research support 1/	411	442	442	0	0.0%	31	7.6%
BA Adjustment 1/	-19	-20	-20	0	0.0%	-1	5.3%
Total VA R&D	891	884	952	68	7.7%	61	6.8%

AAAS estimates based on FY 2009 appropriations bills. Includes conduct of R&D and R&D facilities.
FY 2008 and FY 2009 request figures based on OMB R&D data and supplemental agency budget data.

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.

September 24, 2008 - AAAS estimates of final FY 2009 Military Construction-VA appropriations bill. These appropriations are final unless they are rejected by the House or Senate, or vetoed.