

House and Senate Propose Increases for VA R&D

AAAS R&D Funding Update on VA R&D in FY 2009 House and Senate Appropriations

Highlights

- **The Department of Veterans Affairs (VA) R&D portfolio, after climbing the past two years thanks to emergency appropriations, would continue to increase in both House and Senate plans for 2009. The House would give VA R&D an 8.7 percent increase over 2008 to \$969 million in 2009, while the Senate would provide a 5.7 percent increase to \$942 million (see Table).**

VA R&D in FY 2009 House and Senate Appropriations

On July 22, the Senate Appropriations Committee approved its version of the FY 2009 Military Construction-VA appropriations bill (S 3301) providing funding for the Department of Veterans Affairs (VA) and some programs of the Department of Defense. In June, the House Appropriations Committee drafted its own version (HR 6599), which the full House approved overwhelmingly on August 1. The Senate bill contains \$73 billion in 2009 discretionary spending, \$3 billion more than the President's request, while the House bill contains just slightly less than the Senate version.

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.

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. **After including support costs, total federally funded VA R&D would be \$969 million in FY 2009 in the House appropriation, well above both the 2008 budget and the 2009 request for a \$78 million or 8.7 percent increase over 2008 to \$969 million. The Senate appropriation would provide slightly less, but the \$942 million Senate total would still be a 5.7 percent or \$51 million increase over the current year (see Table).** 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 appropriations would be dramatic increases in regular funding and could be boosted even further if Congress later adds on 2009 emergency appropriations. Both appropriations are in contrast to a request that would cut VA R&D. (For more information on the VA 2009 R&D request, see Chapter 12 in *AAAS Report XXXIII: R&D FY 2009*, or the February 12 AAAS R&D Funding Update.)

The Senate would give the VA a general increase for its R&D programs, enough to give most research areas an increase of at least 3.5 percent to cover inflation, with an additional \$30 million for new VA research in critical areas such as sensory loss, post-traumatic stress disorder, and suicide prevention. The

report accompanying the Senate bill instructs VA to continue paying attention to Gulf War illness research, and suggests nursing research, vision loss, geriatric care, and Lou Gehrig's disease as other areas worthy of special attention in the research portfolio. The House would add even more money than the Senate, and encourages VA to look at research areas such as acute trauma, mental illness, and substance abuse with special relevance to the current veteran population.

VA federal R&D flattened out mid-decade even as the overall VA budget grew (see Figure 1), but the 2009 congressional appropriations could mark 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 have allowed VA R&D to show growth again in recent years, while the 2009 House and Senate appropriations 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.)

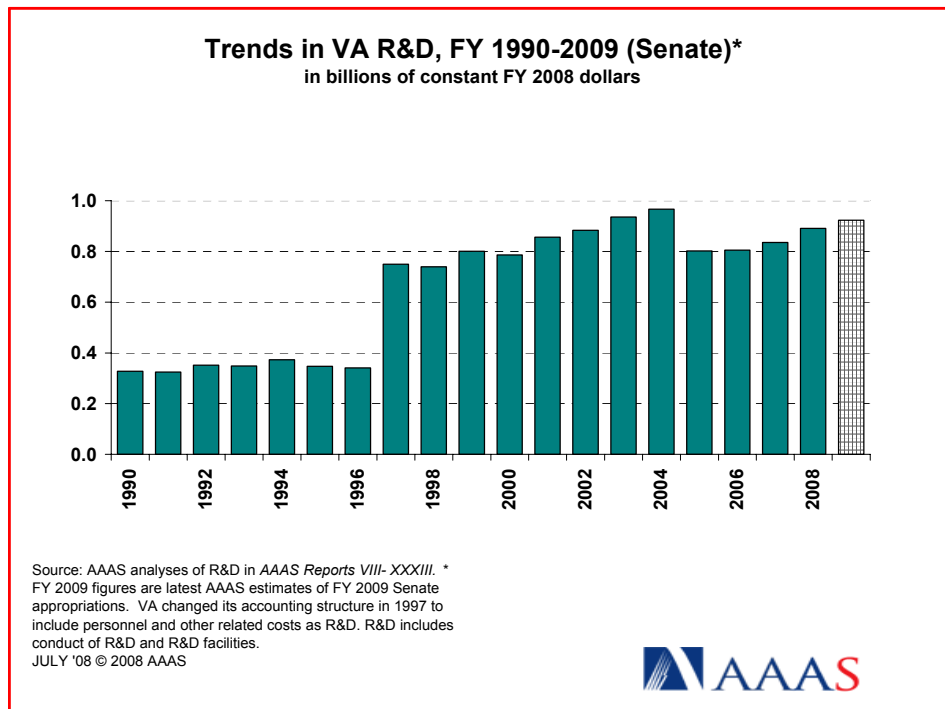


Figure 1. (click on the image for PDF)

Outlook and Next Steps

The House approved its Military Construction-VA bill on August 1 before adjourning for the month of August. The Senate did not debate its version of the bill before the August recess, so it will likely consider it in September. Although most of the 12 2009 appropriations bills will not be enacted before the October 1 start of FY 2009, there is a good chance that the Military Construction-VA bill will get signed into law on time. President Bush has threatened to veto any appropriations bills that exceed his request; because both the House and Senate versions of this bill do so by nearly \$3 billion, there is a chance that he will veto a final version of the bill, but there are expected to be enough votes to override a veto; the House version passed 409-4. The VA R&D portfolio could be one of the few agency R&D budgets to be finalized before the November elections.

(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.)

- August 1, 2008
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Table. VA R&D in FY 2009 House and Senate Appropriations

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

	FY 2008 Estimate	FY 2009 Request	FY 2009 House	Action by Senate				
				FY 2009 Senate	Chg. from Request Amount	Chg. from Request Percent	Chg. from FY 2008 Amount	Chg. from FY 2008 Percent
Medical and Prosthetic Research 1/								
Biomedical laboratory science	280	259	295	280	21	8.1%	0	0.0%
Rehabilitation research	61	57	65	61	4	7.0%	0	0.0%
Health services research	76	71	80	76	5	7.0%	0	0.0%
Clinical science research	82	75	87	82	7	9.3%	0	0.0%
Research support 1/	411	442	442	442	0	0.0%	31	7.5%
BA Adjustment 1/	-19	-20	0	1	21	-105.0%	20	-105.3%
Total VA R&D	891	884	969	942	58	6.6%	51	5.7%

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.

August 1, 2008 - AAAS estimates of House and Senate Appropriations Committee-approved appropriations.

These figures may be amended or rejected by the full House or Senate.