

VA R&D Stays Flat in House Bill

AAAS R&D Funding Update on R&D in House FY 2006 VA Appropriations

Highlights

- The House would once again reject the Department of Veterans Affairs' (VA) proposal to reorganize its budget to fully report all costs associated with its R&D portfolio, including support and personnel costs.

- **VA federal R&D would total \$786 million in FY 2006 in the House plan (see Table), the same as the request and up slightly by 0.3 percent from this year's budget.**

VA R&D in FY 2006 House Appropriations

On May 26, the House of Representatives approved its version of the FY 2006 Military Quality of Life appropriations bill (HR 2528), the fourth of 12 appropriations bills to win House approval. This newly-created bill funds the Department of Veterans Affairs (VA) as well as military construction and medical care programs of the Department of Defense (DOD). In previous years, VA had been funded along with the National Science Foundation, NASA, and EPA in the now-eliminated VA-HUD appropriations bill while the DOD programs had been funded in the Military Construction bill. **VA R&D** would barely see a gain of \$2 million or 0.3 percent, the same as the request (see Table). (For details of the President's request for VA R&D, please see Chapter 8 of *AAAS Report XXX: R&D FY 2006* or the March 3 VA R&D Funding Update).

The Department of Veterans Affairs (VA) is one of the 10 largest R&D funding agencies in the federal government, with the 10th largest R&D portfolio in the FY 2006 budget request, but receives relatively little attention because its entire R&D investment goes to its own nationwide network of VA hospitals. 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, and thus its entire R&D investment takes place in VA hospitals and laboratories except for a small proportion of VA investigators who hold joint appointments with academic institutions.

The Medical and Prosthetic Research budget account is the core of VA's research effort, but in the past it has funded just over half of VA's total R&D for support of direct R&D costs. Investigator salaries, support costs, infrastructure, and other costs have been funded out of other VA medical care accounts. The FY 2006 budget proposed to consolidate all these R&D costs into the Medical and Prosthetic Research account in a request of \$786 million, compared to a 2005 appropriation of \$402 million. After adjusting the 2005 budget for support costs, the 2006 request represented a \$2 million or 0.3 percent gain (see Table).

VA has requested this consolidation twice before, but Congress has kept funding under the old system. **The FY 2006 House appropriation follows the pattern by rejecting this consolidation and keeping direct R&D costs only in the Medical and Prosthetic Research account.** Other costs would continue to be funded in other VA medical care accounts, for a total of \$786 million that would match the request (see Table). The meager increase would lead to a 2 percent cut in the number of funded projects down to 2,655.

VA classifies its R&D program into four major areas: biomedical laboratory science, rehabilitation research, health services research, and clinical science. Biomedical laboratory science is the largest category with \$452 million in FY 2006 for investigator-initiated research projects in areas with special relevance for veterans such as aging, chronic disease, and environmental exposures. Rehabilitation

research would receive \$99 million for science and technology to improve quality of life for the disabled, such as improved prosthetics. Health services research (\$120 million in FY 2006) focuses on improving the effectiveness and efficiency of health care services and translating research into clinical practice. Finally, clinical science research would receive \$128 million next year to fund clinical trials and other medical research utilizing the large patient network in VA medical facilities.

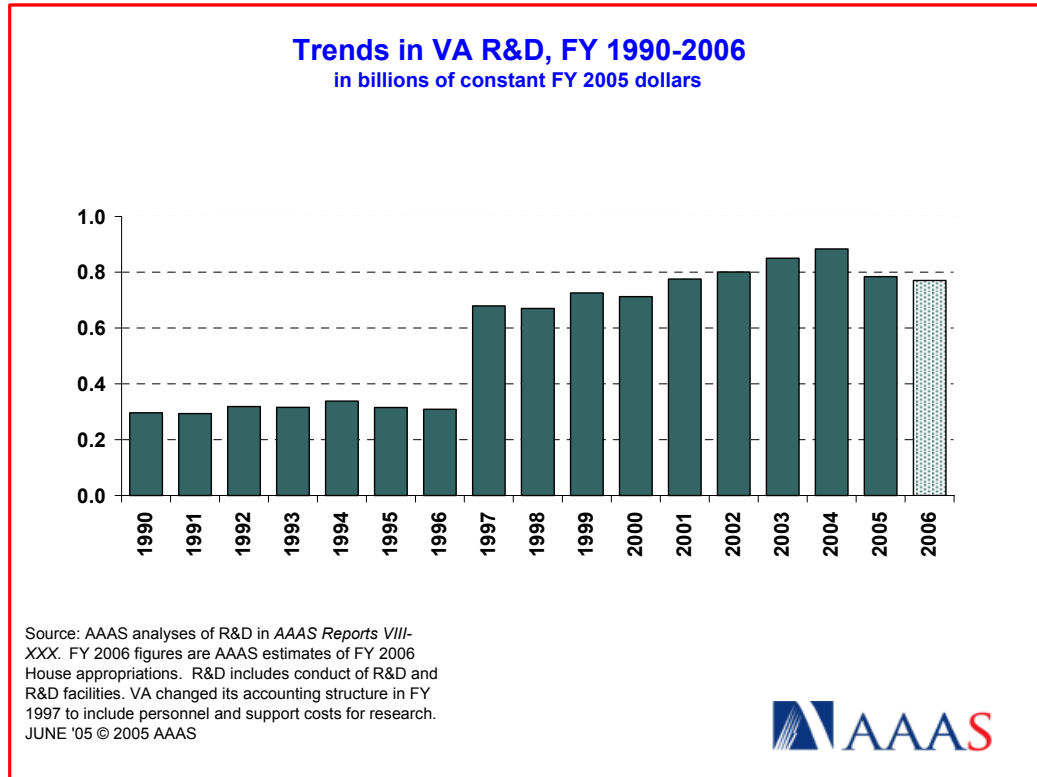


Figure 1. (click on the image for PDF)

VA federal R&D has mostly expanded in recent years as the overall VA budget has grown (see Figure 1). After peaking last year, VA R&D would fall in 2005 and 2006 because of tough budgetary pressures for domestic spending. Years ago, VA did not count support, salary, and infrastructure costs in its R&D funding. The big jump in FY 1997 represents VA's decision to add in these costs beginning that year.

The Senate is expected to take up its version of the Military Quality of Life bill in June.

- June 3, 2005

(This analysis is one of a series of AAAS R&D Funding Updates on FY 2006 congressional appropriations. The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D in FY 2006 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/rd>) in the "FY 2006 R&D" or the "What's New" sections.)

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Table. VA R&D in FY 2006 House Appropriations

**Table. Department of Veterans Affairs
House Action on R&D in the FY 2006 Budget
(budget authority in millions of dollars)**

	FY 2005 Estimate	FY 2006 Request	FY 2006 House	House Action			
				Chg. from Request Amount	Percent	Chg. from FY 2005 Amount	Percent
Medical and Prosthetic Research ¹							
Biomedical laboratory science	454	452	452	0	0.0%	-2	-0.4%
Rehabilitation research	99	99	99	0	0.0%	0	0.0%
Health services research	121	120	120	0	0.0%	-1	-0.8%
Clinical science research	129	128	128	0	0.0%	-1	-0.8%
BA Adjustment	-19	-13	-13	0	0.0%	6	-31.6%
Total VA R&D	784	786	786	0	0.0%	2	0.3%
- Direct costs	402	393	393	0	0.0%	-9	-2.3%
- Research support	382	393	393	0	0.0%	11	3.0%

AAAS estimates based on FY 2005 and FY 2006 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2005 and FY 2006 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 Funding for laboratory facilities, support services, and some investigator salaries are in Research Support for all years; in obligations. BA adjustment converts obligations to budget authority.

June 3, 2005 - AAAS estimates of House-approved appropriations bill.