

Small Decrease in Federal Funding for R&D and R&D Plant Expected in FY 1995

by Ronald L.
Meeks

The Department of Defense will account for 49 percent of the Federal R&D obligations in FY 1995, down from 57 percent in FY 1990

Estimated Federal funding for research and development (R&D) and R&D plant, as reported in the National Science Foundation's (NSF's) Annual Survey of Federal Funds for R&D, is expected to decrease 1 percent, to \$72 billion in fiscal year (FY) 1995. Contributing to this decline is a 26-percent drop in R&D plant obligations (to \$2 billion) and a 1-percent decrease in development funding (to \$41 billion). Research spending will increase slightly by one-half percent (to \$28 billion). After adjusting for inflation, Federal obligations for R&D and R&D plant will decline 4 percent.

Agency Funding Shares

Seven Federal agencies, out of the 32 that report to the R&D survey, will account for 95 percent (\$68 billion) of total Federal funding for R&D and R&D plant in FY 1995 (table 1). The Department of Defense (DOD) will comprise the largest share (49 percent), even though its funding is expected to decrease by 2 percent from FY 1994 to FY 1995. Funding from the Department of

Health and Human Services (HHS) will comprise the second-largest share (16 percent), increasing by 2 percent in FY 1995. Most of the HHS amount is from its National Institutes of Health for the life sciences. The other top funding agencies will be the National Aeronautics and Space Administration (NASA) (13 percent of the FY 1995 Federal R&D and R&D plant total), the Department of Energy (DOE) (10 percent), NSF (3 percent), the Department of Agriculture (USDA) (2 percent), and the Department of Commerce (DOC) (nearly 2 percent). R&D and R&D plant funding will decline from NASA, DOE, and USDA in FY 1995, whereas that from NSF and DOC will increase.

R&D Growth in the 1990s

Of these seven agencies, DOC will have the largest R&D and R&D plant funding growth rate from FY 1990 to FY 1995—24 percent (20 percent in constant 1987 dollars). The growth in DOC funding reflects the rapid increases in funding at its National Institute of Standards and Technology, whose budget rises from \$131 million in FY 1990 to an estimated

Table 1. Federal obligations for R&D and R&D plant: Fiscal years 1990-95

Agency	[Millions of dollars]						Average annual percent change, FY 1990-95	
	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994 (estimate)	FY 1995 (estimate)	In current dollars	In 1987 dollars
	Total.....	65,831	64,148	68,577	70,415	72,818	71,747	1.7
DOD.....	37,756	32,561	36,526	36,221	35,904	35,187	-1.4	-4.1
HHS.....	8,513	9,842	9,085	10,499	11,410	11,617	6.4	3.5
NASA.....	7,060	8,004	8,475	8,769	9,756	9,198	5.4	2.5
DOE.....	6,547	7,203	7,493	7,724	7,479	7,313	2.2	-0.6
NSF.....	1,729	1,945	1,970	2,012	2,240	2,388	6.7	3.7
USDA.....	1,211	1,381	1,492	1,470	1,543	1,477	4.1	1.2
DOC.....	454	505	672	682	1,166	1,316	23.7	20.3
Other agencies.....	2,562	2,707	2,864	3,038	3,321	3,250	4.9	2.0

SOURCE: NSF/SRS, Survey of Federal Funds for Research and Development: Fiscal Years 1993, 1994, and 1995

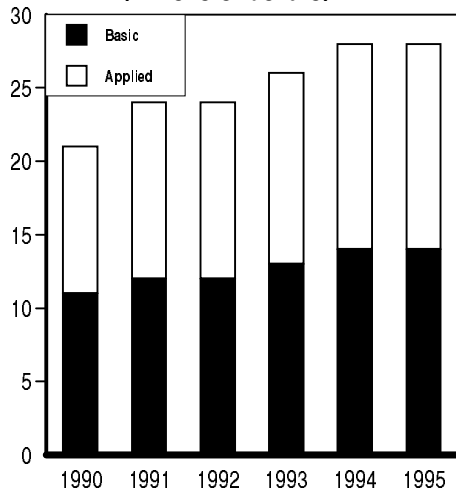
Electronic Dissemination

SRS data are available through the World Wide Web (<http://www.nsf.gov/sbe/srs/start.htm>) and also through STIS (Science and Technology Information System), NSF's online publishing system, described in NSF 94-4, the "STIS flyer."

For a paper copy of the flyer, call 703-306-1130. For an electronic copy, send an e-mail to stisfly@nsf.gov (Internet). For NSF's Telephonic Device for the Deaf, dial 703-306-0090.

\$794 million in FY 1995. DOC will be followed by NSF with a 7-percent growth rate (4 percent in constant dollars). R&D and R&D plant funding from HHS is expected to average 6 percent growth per year (4 percent in constant dollars) between FY 1990 and FY 1995. DOD's obligations will drop 1 percent annually from FY 1990 to FY 1995. In constant dollars, its funding will decrease at an annualized rate of 4 percent over this 5-year period.

Chart 1. Federal obligations for research: Fiscal years 1990-95 (Billions of dollars)



SOURCE: NSF/SRS, Survey of Federal Funds for Research and Development: Fiscal Years 1993, 1994, and 1995

Research Funding

Basic research and applied research will each comprise about 20 percent (\$14 billion) of the total Federal funding for R&D and R&D plant (chart 1). Funding for basic research is projected to increase by about \$160 million in FY 1995, and that for applied research will decrease slightly, by \$30 million. Between FY 1990 and FY 1995, research funding will have an average annual growth of 5 percent, which in constant dollars will be a 2-percent rate of increase. Applied research will show a 6-percent growth rate (3 percent in constant dollars) between FY 1990 and FY 1995, and basic research will grow by about 5 percent annually (2 percent in constant dollars).

Each of the eight fields of science and engineering identified in the survey is expected to show an increase in funding between FY 1990 and FY 1995. Growth in research support will range from 2 percent (-1 percent in constant dollars) for the social sciences to 13 percent (10 percent in constant dollars) for mathematics and computer sciences. In FY 1995 the life sciences will continue to have the greatest share of the funding and will comprise 41 percent of total Federal research dollars.

Survey Notes

The 32 Federal agencies that report R&D obligations to the Federal Funds survey submitted actual obligations for FY 1993 and estimates for FYs 1994 and 1995. Data were reported during the period March–October 1994. Agencies can later revise the estimates on the basis of expected changes in the funding levels of R&D programs. Therefore, all FY 1994 and 1995 obligations are subject to revision in the next survey cycle. The possibility of revision may be particularly important in FY 1995.

The data presented in this Data Brief are being released in advance of the comprehensive Detailed Statistical Tables report, *Federal Funds for Research and Development: Fiscal Years 1993, 1994, and 1995*, Volume 43.

This Data Brief was prepared by Ronald L. Meeks, who may be reached at the following address:

Division of Science Resources Studies
National Science Foundation
4201 Wilson Boulevard, Suite 965
Arlington, VA 22230

Phone: (703) 306-1772, ext. 6937
Internet: rmeeks@nsf.gov

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