

DATA BRIEF

FY 2001 Department of Defense Share of Federal R&D Funding Falls to Lowest Level in 22 Years

by Ronald L. Meeks

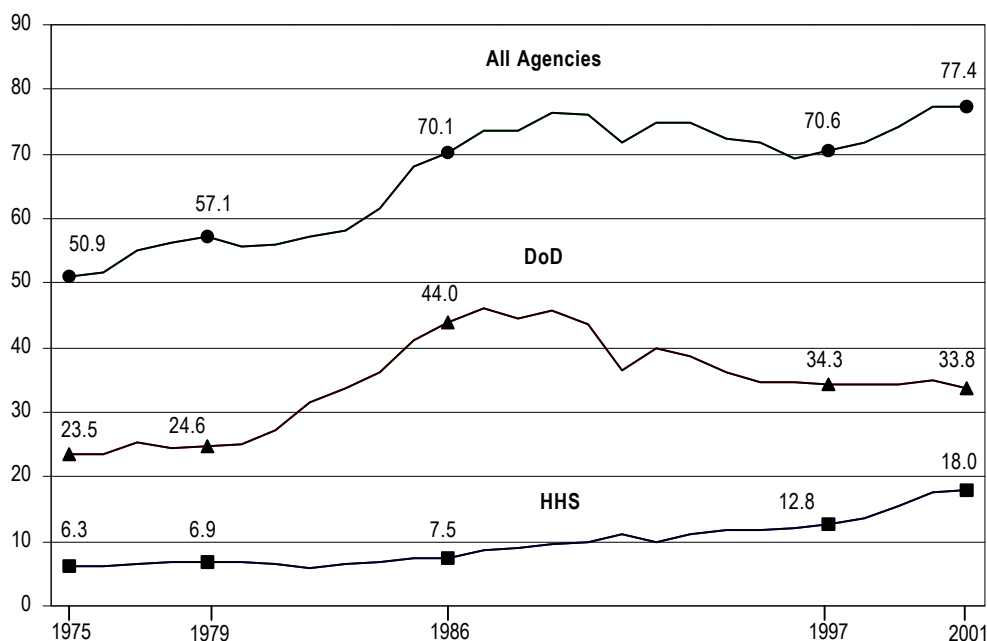
Over the last two decades, the share of Federal R&D funding for HHS programs, primarily health, grew considerably, reaching 23 percent in FY 2001.

Federal obligations for research and development (R&D) and R&D plant are expected to reach \$83.6 billion in fiscal year (FY) 2001, according to a survey of Federal agencies conducted in 2000. Survey results show that the Department of Defense's (DoD's) R&D and R&D plant share is nearly 44 percent of total Federal R&D and R&D plant funds in FY 2001. This is the lowest DoD share since FY 1979 when it was 43 percent of the Federal total (figure 1). Between FY 1979 and FY 2001, DoD's R&D share peaked at nearly 63 percent in FY 1986.

The Department of Health and Human Services (HHS) is the agency with the next largest FY 2001 share of total Federal R&D and R&D plant funding—23 percent, compared with nearly 11 percent in FY 1986 and 12 percent in FY 1979. The HHS share growth reflects not only a relative decline in DoD's R&D funding, but also the more recent dramatic growth in the HHS (primarily the National Institutes of Health) R&D budget, which is up by 49 percent (40 percent in constant 1996 dollars) since FY 1997 alone.

Figure 1. Federal obligations for research and development (R&D) and for R&D plant, by selected agencies: fiscal years 1975-2001

Constant 1996 dollars in billions



KEY: DoD = Department of Defense; HHS = Department of Health and Human Services

NOTE: Data for fiscal years 2000 and 2001 are preliminary.

SOURCE: National Science Foundation/Division of Science Resources Studies, *Federal Funds for Research and Development: Fiscal Years 1999, 2000, and 2001*.

Electronic Dissemination

SRS data are available through the World Wide Web (<http://www.nsf.gov/sbe/srs/>). For more information about obtaining reports, contact paperpubs@nsf.gov or call 301-947-2722. For NSF's Telephonic Device for the Deaf, dial 703-292-5090.

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Federal Funding by Sector

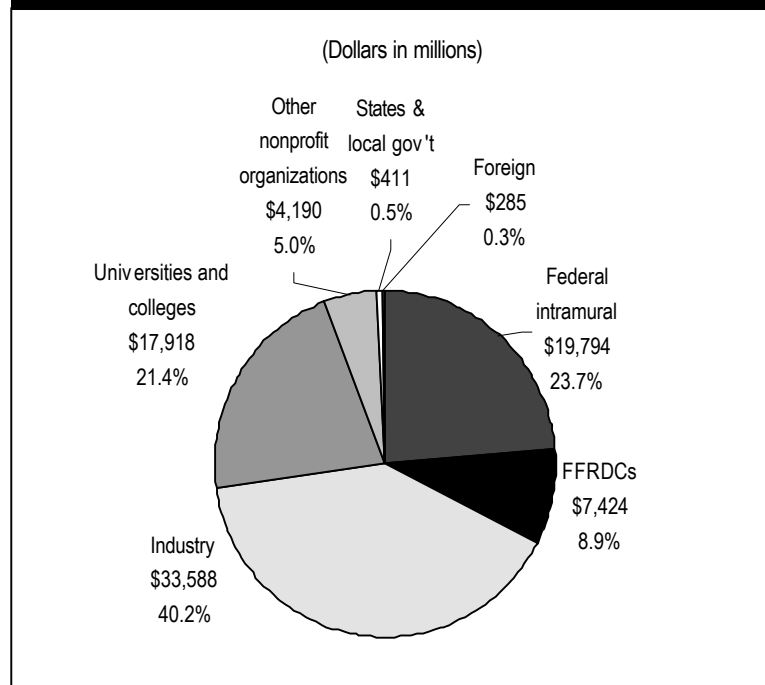
Industry receives 40 percent (\$33.6 billion) of the FY 2001 Federal R&D and R&D plant funds (figure 2); of this, 83 percent (\$27.9 billion) supports development work. DoD is the source of three-fourths (\$25.3 billion) of the Federal monies obligated to industry.

their Federal R&D dollars to conduct basic and applied research and will spend the remaining dollars on development projects and R&D plant.

Other nonprofit organizations (that is, independent private organizations other than

Federal funding for R&D in FY 2001 is slated mostly for non-Federal sectors of the economy.

Figure 2. Distribution of preliminary Federal obligations for R&D and R&D plant, by performer: FY 2001



KEY: FFRDCs = Federally Funded Research and Development Centers

SOURCE: National Science Foundation/Division of Science Resources Studies, *Federal Funds for Research and Development: Fiscal Years 1999, 2000, and 2001*

The two other major recipients of Federal R&D dollars—universities and colleges and the Federally Funded Research and Development Centers (FFRDCs)—are slated to receive 21 percent (\$17.9 billion) and 9 percent (\$7.4 billion), respectively, of FY 2001 Federal R&D funding. Universities and colleges get three-fifths (\$11.0 billion) of their Federal R&D funds (including R&D plant) from HHS (table 1). These schools also get 16 percent (\$2.8 billion) of their Federal R&D support from the National Science Foundation; another 9 percent (\$1.5 billion) comes from DoD. As a group, FFRDCs receive almost two-thirds (\$4.8 billion) of their R&D money from the Department of Energy. The FFRDCs will use 58 percent (\$4.3 billion) of

universities and colleges) are slated to receive 5 percent (\$4.2 billion) of total Federal R&D and R&D plant funds. These nonprofit organizations will use four-fifths (\$3.3 billion) of this money to conduct basic and applied research and will spend the remaining dollars on development projects and R&D plant. State governments and foreign performers are expected to receive very small portions of the Federal R&D total (0.5 percent or \$0.4 billion and 0.3 percent or \$0.3 billion, respectively).

Federal intramural (in-house) R&D performers will receive almost 24 percent (\$19.8 billion) of the Federal R&D total. Nearly equal amounts of these R&D dollars will go

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Table 1. Preliminary Federal obligations for research and development and for R&D plant, by performer: FY 2001

By agency	Performer								
	Total performers	Federal intramural	Federal extramural					State and local governments	Foreign
			Industrial firms	Universities and colleges	All FFRDCs	Other nonprofits			
(Millions of current dollars)									
Total.....	83,609	19,794	33,588	17,918	7,424	4,190	411	285	
DoD.....	36,462	8,628	25,317	1,534	752	154	10	66	
HHS.....	19,463	3,873	1,152	10,992	257	2,997	132	60	
NASA.....	9,966	2,507	4,850	787	1,315	385	11	111	
DOE.....	7,657	871	1,173	722	4,828	60	3	1	
NSF.....	3,431	62	134	2,788	231	193	7	17	
USDA.....	1,893	1,364	11	501	0	9	3	4	
All Other.....	4,739	2,490	950	595	41	392	244	26	
By category									
Total.....	83,609	19,794	33,588	17,918	7,424	4,190	411	285	
Development.....	42,838	9,560	27,908	2,027	2,223	835	123	162	
Total research.....	38,688	9,793	5,118	15,696	4,330	3,341	288	123	
Basic research.....	20,274	3,650	1,193	10,906	2,412	1,980	69	63	
Applied research....	18,414	6,142	3,925	4,790	1,918	1,360	219	59	
R&D plant.....	2,083	442	562	194	871	14	0	0	

KEY: FFRDCs = Federally Funded Research and Development Centers; DoD = Department of Defense
HHS = Department of Health and Human Services; NASA = National Aeronautics and Space Administration;
DOE = Department of Energy; NSF = National Science Foundation; and USDA = Department of Agriculture

SOURCE: National Science Foundation/Division of Science Resources Studies, *Federal Funds for Research and Development: Fiscal Years 1999, 2000, and 2001*

to development projects (\$9.6 billion) and research activities (\$9.8 billion). About 44 percent (\$8.6 billion) of Federal intramural funding will come from DoD, followed by more than 19 percent (\$3.9 billion) from HHS and almost 13 percent (\$2.5 billion) from the National Aeronautics and Space Administration.

Data Collection Notes

The 30 Federal agencies that report R&D obligations to the Federal Funds survey submitted actual obligations for FY 1999 and preliminary data for FYs 2000 and 2001. Data were reported during the period February through November 2000; therefore, these data are based on agencies' FY 2001 requests and do not represent actual appropriations. Agencies later revise their preliminary data to reflect actual changes in the funding levels of R&D programs. Agencies may also

provide changes to prior-year data to reflect program reclassifications or other corrections.

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 1999, 2000, and 2001, Volume 49*.

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