

**Legislation to Update and Clarify Provisions of the Law
Authorizing the
VA Affiliated Nonprofit Research and Education Corporations
38 U.S.C. §§7361-7366**

**Title VI, *Nonprofit Research and Education Corporations of
S. 252, the Veterans Health Care Authorization Act of 2009*
and
H.R. 2770, the *Veterans Research and Education Corporations
Enhancement Act of 2009***

The National Association of Veterans' Research and Education Foundations (NAVREF) is pleased to present supporting documentation for title VI of S. 252, the *Veterans Health Care Authorization Act of 2009*, which was introduced in the Senate on January 15, 2009, and for its identical House counterpart, H.R. 2770, the *Veterans Research and Education Corporations Enhancement Act of 2009*, which was introduced on June 9, 2009. This legislation would update and clarify 38 U.S.C. §§7361-7366, the statute first enacted in 1988 to allow VA medical centers to establish nonprofit research and education corporations (NPCs).

Last year, these nonprofits administered more than \$250 million in private and non-VA federal support for VA research and education, and they are an integral feature of VA research programs across the nation. VA's most recent annual report to Congress regarding the NPCs stated, "The VA-affiliated NPCs continue to make a substantial contribution to the VA research and education missions." Additional details about the NPCs, their purpose and how they support VA research are found in the following sections.

NAVREF's overarching objective in seeking revisions in the NPC statute is to allow NPCs to meet their full potential in supporting VA research and education, which ultimately results in improved treatments and high quality care for veterans, while ensuring VA and congressional confidence in NPC management.

This legislation is similar to that which was introduced as S. 2926 on April 28, 2008, and marked up by the Senate Committee on Veterans Affairs on June 26, 2008. However, the bill discussed in this package contains technical modifications recommended in the House Discussion Draft that was the subject of a hearing by the Health Subcommittee of the House Committee on Veterans Affairs, also on June 26, 2008. In late 2008, the need for one new clause and two other technical modifications became apparent. These have been incorporated in title VI of S. 252 and H.R. 2770. How these additions affect the NPC statute is indicated by yellow highlighting in the documents provided in Tabs 5 and 9.

NAVREF looks forward to working with the members and staff of the Senate and House Committees on Veterans Affairs toward final passage of this legislation which will modernize and clarify the NPC authorizing statute. As the NPCs enter the third decade since passage of their original authority, Public Law 100-322, this is the appropriate occasion for considering updates and clarifications.

Developing this proposal has been the focus of considerable effort by the NAVREF board of directors. It has also been the subject of discussions with a number of stakeholders, including

the Veterans Health Administration, the Office of Research and Development and the VA Office of General Counsel as well as Paralyzed Veterans of America.

Please direct questions or comments about this proposal to NAVREF Executive Director Barbara West, at 301-656-5005 or bwest@navref.org. Thank you.