Sequestration and the Federal Budget

Sequestration is just the tip of the iceberg

- Implements $1.2 trillion over 10 yrs in cuts across-the-board cuts
- Provides little to no flexibility to preserve funding for high priority programs
- $85 billion in cuts for FY 13 starting mid-year means ~5% cuts for non-defense agencies and ~7.8% for DOD
- General impact will include delayed solicitations, fewer new awards, reductions to continuing awards and staffing levels
- Federal agencies have not shared detailed plans for addressing Sequestration
- UCI is beginning to see awards reduced by 15 to 50%
Sequestration combined with the U.S. Government's on-going failure to address long-term budget, debt and deficit issues is the "iceberg"
Sequestration Impact by Key Agency as of Early March

UCI is beginning to see awards reduced by 15 to 20 percent. It is unclear if there will be a cut to continuing grants and how.

**UCI**

With the government sequestration, UCI will lose $77 million and must implement their own plans to reduce funds. Awards will be reduced (SOW and $), delayed or not at all, or possibly eliminated (SOW and $). UCI has already identified 18 grants at $31 million that will be delayed.

**NSF**

- Principles
  - Protect commitments to NSF core mission and maintain existing awards
  - Protect the NSF workforce
  - Protect STEM human capital programs
- Reducing the number of new awards in FY 13 by ~1,000
- All continuing grant increments will be awarded as scheduled
- The number of new awards in FY 14 is 2,290, a 45% increase from FY 13
NIH

- Each Institute and Center will implement their own plans - response will not be uniform
- Continuing awards may be reduced (SOW and $), delayed or not issued
- New & renewal awards may be delayed, reduced (SOW and $) or delayed
- National Cancer Institute
  - Anticipates issuing competitive awards at levels similar to past few years, but the size of grants will be less
  - Seeking ways to avoid furloughs for agency personnel
Directions:

- Principles
  - Protect commitments to NSF core mission and maintain existing awards
  - Protect the NSF workforce
  - Protect STEM human capital programs
- Reducing the number of new awards in FY 13 by ~ 1,000
- All continuing grant increments will be awarded as scheduled
- Annual funding increments for cooperative agreements may be reduced - handled on case-by-case basis
Options on contracts may not be exercised or pricing may be renegotiated
May issue stop work orders on some contracts or terminate for convenience
New contracts may be re-scoped, delayed or canceled
Financial assistance awards
  • May not issue continuation awards or incremental funding on multi-year awards
  • May negotiate reduced SOW (and $)
New and existing work may be
- Re-scoped (including $)
- Delayed
- Canceled

Decisions will depend on nature of the work and degree to which it supports NASA's mission goals.
Implications for Research

No Continuing Resolution

- Government shut down and everything that goes with it

With Continuing Resolution

- Shrinking federal budgets for research and other discretionary programs
- Programs favored by current administration
No Continuing ReSolution

- Government shut down and everything that goes with it

with Continuing ReSolution

- Continued shrinking federal budgets for research and other discretionary programs
- Increased emphasis on research programs favored by current administration
- Increased competition for research funding
- Possibility that agencies will reduce their workforces through attrition, which may translate to less government services supporting the national research enterprise

What Should PIs Do?

- Carefully consider how to manage research awards that have been reduced from anticipated funding levels
  - What resource commitments have already been made? Can these be altered?
  - Can future resource commitments be delayed if necessary, and if not what impact with they have in light of current and projected award funding levels?
- Keep in close contact with agency program officials and keep abreast of Sequestration and federal government budget developments
Information Resources Regarding Sequestration

Fact Sheet: Impacts of Sequestration on the University of California

SRA International Sequestration Resource Center
- http://www.srainternational.org/sra03/template/tntbAB.cfm?id=5632

AAAS Sequestration Resources

AAU - Sequestration Links