To: Executive Officers, Deans, Chairs, Directors and Faculty

From: Kelvin K. Droegemeier, Vice President for Research

Date: 5 March 2013

Subj: Update on Federal Budget Sequestration

On 5 November 2012, I sent a memo to Norman Campus executive officers, deans, chairs, directors, and faculty describing possible impacts to research and creative activity of sequestration, along with a set of principles by which the Office of the VP for Research would operate. Sequestration now is a reality, albeit for an indeterminate period of time depending upon future actions of Congress.

Using the latest available information, including expected Federal agency actions, our best estimates regarding impacts of sequestration on the Norman Campus for the remainder of Oklahoma FY13, and all of FY14, are as follows:

1. For the remainder of FY13, total Federal research expenditures on the Norman Campus could decrease by $1.3 to $2.5 million (1.7% to 3.3%), depending upon how agencies prioritize the cuts. Associated decreases to indirect cost recovery would be $500,000 to $800,000. The wide range of numbers reflects the fact that some Federal agencies already have chosen to avoid furloughing their employees, or are taking other actions that likely will deepen cuts to funding programs upon which OU depends.

2. In FY14, total Federal research expenditures on the Norman Campus could decrease by $5.5 to 10 million (7.8% - 14%), with indirect cost recovery decreasing by $1.7 to $3.3 million. Again, the wide range reflects current uncertainty regarding agency implementation strategies for budget cuts.

3. Sequestration likely will have a relatively small impact on post docs and non-faculty researchers for the remainder of FY13. However, up to 50 individuals (18%) could be impacted in FY14 via the loss of part or all of their funding.

4. Sequestration likely will have a relatively small impact on graduate students for the remainder of FY13. However, up to 50 graduate students (8% of those supported by Federal money) could be impacted in FY14 via the loss of part or all of their funding.

Please refer to the 5 November 2012 memo for the list of principles governing our response to sequestration, and note that impacts will not be limited to those disciplines or organizations funded by Federal grants and contracts. Please work with the Office of Research Services (325-4757) on sequestration-related changes to existing awards, and as always consult with ORS regarding new proposals.

Although sequestration clearly may have substantial impacts on Norman Campus research and creative activity, we have available to us many resources, such as CRPDE, to improve our ability to garner external funds. Success in doing so will, however, require changes in approach, such as starting to develop proposals farther in advance of agency deadlines, leveraging funding, and increasing collaboration and sharing. More guidance will be forthcoming shortly.