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**Federation of American Societies for Experimental Biology**

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## **Sequestration Would Deal A Devastating Blow To Medical Research**

Current law, the Budget Control Act (BCA) of 2011,<sup>1</sup> requires that, in the event of a “budget breach,” that is, the legislated spending bills exceed the cap imposed by the BCA, each “non-exempt account in a category shall be reduced by...the uniform percentage necessary to eliminate a breach within that category.” What does this mean for the National Institutes of Health (NIH) and its programs to develop fundamental knowledge necessary to improve the nation’s health and quality of life?

If sequestration goes into effect, as it is scheduled to do in January of 2013, all accounts in the category will be reduced by a uniform percentage to eliminate the difference between the legislated levels and the BCA cap. CBO has estimated that non-security category will be reduced by 7.8 percent, but the BCA exempts certain programs, e.g. veterans' medical care and Pell grants, so it is estimated that non-exempt programs will be cut by 9.1 percent.<sup>2</sup>

We have calculated the cuts to NIH if it is funded in FY2013 in a Continuing Resolution at its FY 2012 level and the sequestration process is triggered. The FY 2012 NIH budget is \$30.8 billion, and a reduction of 9.1 percent would be \$2.8 billion. Cutting this amount from the NIH budget would be difficult and highly disruptive to ongoing efforts. Moreover, not every activity can be reduced by 9.1 percent. For example, salary costs for federal employees cannot be reduced with the speed mandated by BCA. Some NIH activities—e.g., the intramural program (\$3.4 billion), research management and support (\$1.5 billion), and the Office of the Director (\$0.6 billion)—consist largely of salary expenses. If these activities (totaling \$5.5 billion) are not subject to immediate reduction, then NIH would have to take \$2.8 billion from the remaining extramural budget (\$25.3 billion), which will require a reduction of 11.1 percent of these programs. The attached table shows what a reduction of this size could mean for each state if award budgets were cut by 11.1 percent.

These are conservative estimates of what could happen and do not account for the impact of rising research costs (roughly three percent per year). Moreover, the effort to shift the burden of sequestration from defense to non-security programs or to exempt more programs from sequestration could make the situation severely worse for NIH and biomedical research.

Administering a reduction of this scale in a short timeframe will be calamitous. It will require arbitrary funding cuts that will prevent critical research projects from reaching completion. Since at least 75 percent of the grant budgets are for salaries, the impact on employment and local economies will be immediate and severe. The negative impact on our nation’s health, security, and international competitiveness will be impossible to estimate, and it may take us generations to recover the lost talent, as highly trained researchers and dedicated young scientists and engineers will be driven from science by the disruption of their training and their work.

**Congress must prevent the automatic, across-the-board cuts from sequestration and ensure that NIH receives the \$32 billion in FY 2013 recommended by more than 150 Representatives from both parties.<sup>3</sup>**

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<sup>1</sup> [The Budget Control Act of 2011](#)

<sup>2</sup> R. Kogan, [How the Across the Board Cuts in the Budget Control Act Will Work](#), Ctr. on Budget and Policy Priorities, Dec. 2, 2011

<sup>3</sup> [Edward Markey and Brian Bilbray](#), March 21, 2012

## Sequestration Scenario: 9.1% Reduction for NIH (11.1% for Extramural Grants)

	Actual FY 2011 Awards	Actual FY 2011 Funding	Dollars Lost Under Sequestration Scenario
Alabama	560	\$268,486,551	\$29,533,521
Alaska	12	\$9,191,504	\$1,011,065
Arizona	441	\$183,825,600	\$20,220,816
Arkansas	150	\$62,588,314	\$6,884,715
California	7,310	\$3,535,283,774	\$388,881,215
Colorado	881	\$320,340,902	\$35,237,499
Connecticut	1,137	\$479,524,980	\$52,747,748
Delaware	67	\$30,559,438	\$3,361,538
District Of Columbia	357	\$202,364,114	\$22,260,053
Florida	1,053	\$492,555,720	\$54,181,129
Georgia	1,033	\$463,293,062	\$50,962,237
Guam	2	\$1,674,244	\$184,167
Hawaii	92	\$60,701,012	\$6,677,111
Idaho	14	\$9,332,446	\$1,026,569
Illinois	1,886	\$779,187,357	\$85,710,609
Indiana	622	\$216,161,791	\$23,777,797
Iowa	435	\$197,672,634	\$21,743,990
Kansas	268	\$105,849,955	\$11,643,495
Kentucky	413	\$156,270,292	\$17,189,732
Louisiana	318	\$166,833,340	\$18,351,667
Maine	127	\$74,907,992	\$8,239,879
Maryland	2,338	\$1,687,675,636	\$185,644,320
Massachusetts	4,930	\$2,507,870,229	\$275,865,725
Michigan	1,539	\$655,453,661	\$72,099,903
Minnesota	1,029	\$493,757,624	\$54,313,339
Mississippi	85	\$33,857,972	\$3,724,377
Missouri	1,085	\$477,297,245	\$52,502,697
Montana	71	\$39,716,294	\$4,368,792
Nebraska	200	\$84,143,479	\$9,255,783
Nevada	47	\$20,575,310	\$2,263,284
New Hampshire	196	\$88,436,691	\$9,728,036
New Jersey	595	\$250,727,886	\$27,580,067
New Mexico	214	\$105,685,640	\$11,625,420
New York	4,606	\$2,041,382,093	\$224,552,030
North Carolina	2,055	\$1,063,032,452	\$116,933,570
North Dakota	34	\$17,523,884	\$1,927,627
Ohio	1,680	\$710,986,894	\$78,208,558
Oklahoma	178	\$82,459,527	\$9,070,548
Oregon	696	\$303,560,452	\$33,391,650
Pennsylvania	3,357	\$1,455,074,919	\$160,058,241
Puerto Rico	94	\$50,243,557	\$5,526,791
Rhode Island	470	\$152,818,286	\$16,810,011
South Carolina	397	\$142,015,851	\$15,621,744
South Dakota	31	\$18,592,696	\$2,045,197
Tennessee	1,064	\$479,882,998	\$52,787,130
Texas	2,570	\$1,066,750,534	\$117,342,559
Utah	417	\$170,963,920	\$18,806,031
Vermont	125	\$52,563,537	\$5,781,989
Virgin Islands	3	\$2,778,426	\$305,627
Virginia	766	\$332,251,165	\$36,547,628
Washington	1,574	\$925,981,921	\$101,858,011
West Virginia	53	\$18,956,685	\$2,085,235
Wisconsin	904	\$402,556,298	\$44,281,193
<u>Wyoming</u>	<u>10</u>	<u>\$6,188,981</u>	<u>\$680,788</u>
<b>Total</b>	<b>50,591</b>	<b>\$23,758,367,765</b>	<b>\$2,613,420,454</b>