

Federal Research Funding and the Fiscal Cliff

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Government Relations**

December 13, 2012

Toward the “fiscal cliff”

- **August, 2011: Budget Control Act (BCA) is passed**
 - Bi-partisan deal to raise the debt ceiling creates “Super-Committee” to reduce deficit and enact budgetary reforms.
 - Budget “Sequestration” conceived of as a tool to incentivize a deal.
- **November, 2011: Super-Committee fails**
 - Under Budget Control Act, Sequestration is now law of the land, scheduled to take effect in 2013.
 - \$1.2 trillion in automatic, across-the-board cuts (additional to BCA) to discretionary spending, split evenly between defense and non-defense.
- **November, 2012: “Status-Quo Election”**
- **November-December, 2012: Lame Duck Session**
 - Ongoing negotiations among House, Senate, White House toward a deal that would set new spending and revenue targets and, presumably, avert or delay Sequestration.

2013 and Beyond

- **January, 2013: The “Fiscal Cliff”**
 - Sequestration hits January 2, unless new legislation is enacted to avert it
 - Expiration of lower marginal tax rates (Bush tax cuts)
 - Payroll Tax Holiday
 - Unemployment Benefits
 - Alternative Minimum Tax Patch
 - Medicare “Doc Fix”
 - Debt Ceiling (?)

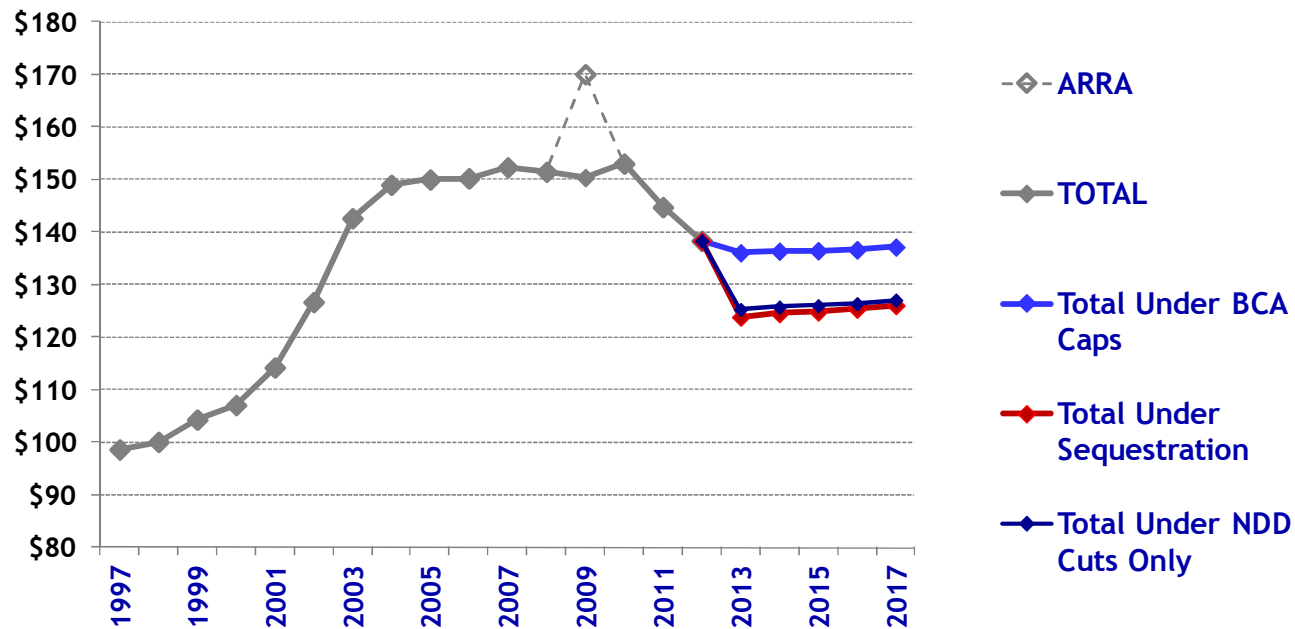
- **March, 2013: Expiration of current “Continuing Resolution” (CR)**
 - Enacted Sept., 2012; CR funds government at BCA levels (+ 0.6%) for next 6 months (through March 27, 2013).
 - No Appropriations Bills out of current Congress.

Sequestration: OMB Estimates of Spending Cuts

<u>Category</u>	<u>Percentage</u>	<u>Amount</u>
Non-defense Discretionary	8.2 %	\$38.0 B
Non-defense Direct	7.6 %	\$5.6 B
Medicare	2.0%	\$11.1 B
Subtotal, Non-defense		\$54.7 B
Defense Discretionary	9.4%	\$54.6 B
Defense Direct	10.0%	\$0.1 B
Subtotal, Defense		\$54.7 B
Total		\$109.3 B

Federal R&D Under Budget Control Act Caps With and Without Sequestration

in billions of constant FY 2012 dollars



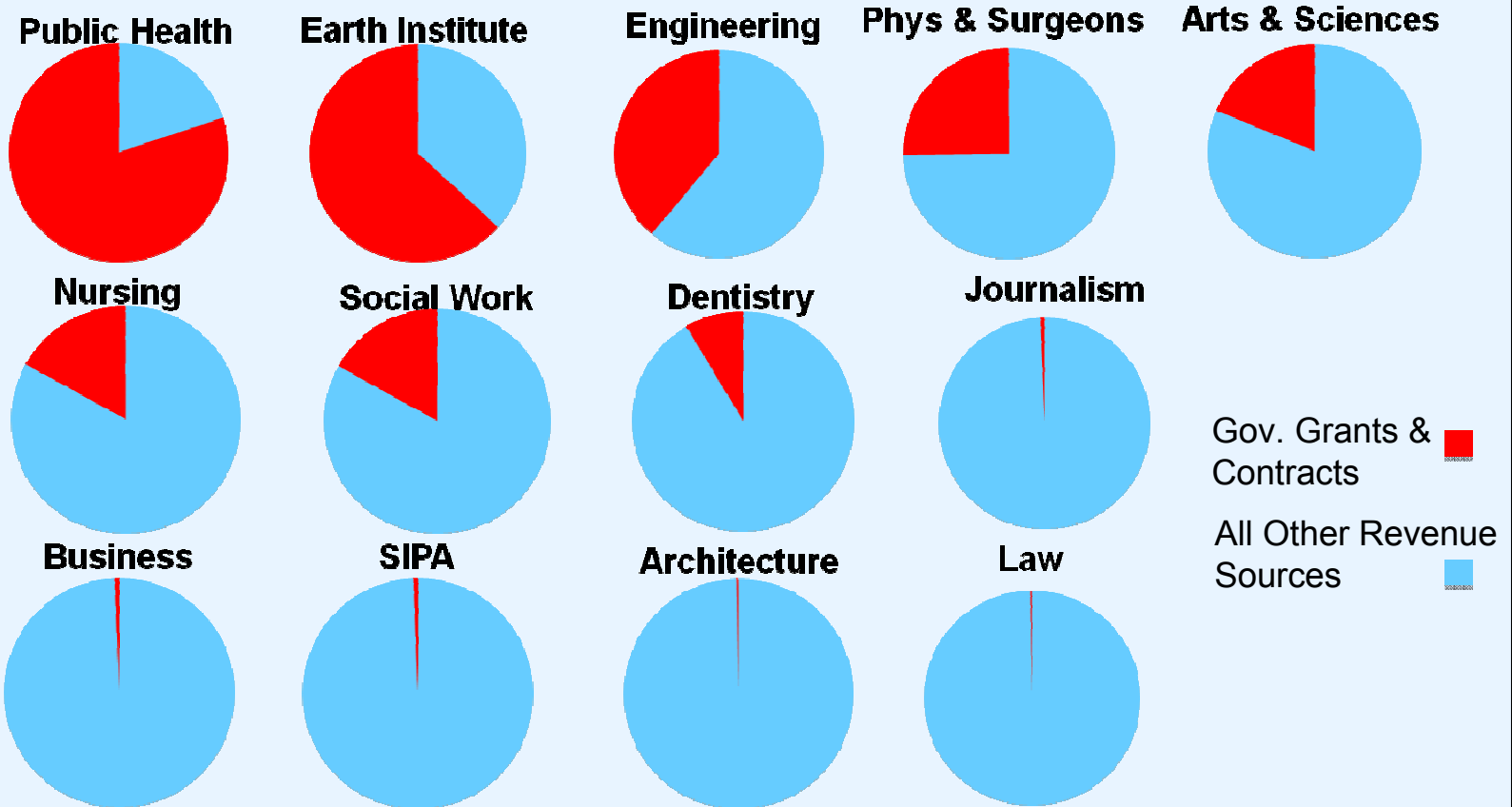
Source: Based on AAAS estimates of R&D funding and the FY 2013 budget, and CBO analyses of the Budget Control Act.
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Priorities

- **Planning (coordinated centrally) with the schools to build awareness and establish a set of budget options, available to be implemented as reductions take effect**
- **Monitor the developing situation in D.C. so we are forewarned concerning possible outcomes**
- **Cooperate with sister institutions to advocate for a resolution to the budget stalemate and emphasize the priority of university-based research and its importance to the long-term economic health of the nation**
- **Maintain good internal communications within Columbia, to keep faculty and administrators well-informed of the possible outcomes**

Dependency upon Government Grants & Contracts



Membership of the Task Force

- **G. Michael Purdy (Chair), Executive Vice President for Research**
- **John Coatsworth, Provost**
- **Robert Kasdin, Senior Executive Vice President**
- **Anne Sullivan, Executive Vice President for Finance**
- **Maxine Griffith, Executive Vice President for Government and Community Affairs**
- **Lee Goldman, Executive Vice President, Health & Biomedical Sci.**
- **Joanne Quan, Senior Vice President and CFO, Medical Center**
- **Linda Fried, Dean, Mailman School of Public Health**
- **Donald Goldfarb, Interim Dean, Fu Foundation School of Engineering and Applied Science**
- **Jeanette Takamura, Dean, School of Social Work**
- **Steve Cohen, Executive Director and COO, Earth Institute**

Federal Funding Working Group Membership

- **Central CU:** Nancy Johnson (Chair)
- **Arts & Sciences:** Scott Norum
- **Engineering:** Kim Bregenzer
- **Social Work:** Victor Peguero
- **Earth Institute:** Steve Cohen
 - **EI – Morningside:** David Dvorak
 - **EI – Lamont:** Edie Miller
- **CUMC:** Joanne Quan
Wil McKoy

Federal Funding Working Group

A working group of Schools' senior financial administrators has been established.

- Chaired by Nancy Johnson, Vice President for Budget and Financial Planning**
- Charged with conducting school-by-school analyses**
 - Review/assess early vulnerabilities mid-FY13**
 - Produce long-range forecast as part of FY14 budget process**
- CUMC already well advanced in their analyses**

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FEDERAL FUNDING AND RESEARCH AT COLUMBIA: AN UPDATE FROM WASHINGTON DC

You are invited to a discussion with Joel Widder and Meg Thompson, government relations consultants from the Oldaker Law Group in Washington DC, to learn about possible impacts on key Federal funding agencies of ongoing budget negotiations in DC.

RSVP:



Friday November 30th, 12:00 - 1:00
555 Lerner

Brown Bag Meeting
Drinks provided

PRESENTED BY THE OFFICE OF THE EXECUTIVE VICE PRESIDENT FOR RESEARCH
AND THE OFFICE OF COMMUNITY AND GOVERNMENT AFFAIRS

THE OFFICE OF THE EXECUTIVE VICE PRESIDENT FOR RESEARCH



COLUMBIA UNIVERSITY

IN THE CITY OF NEW YORK

Extras

Estimated R&D Cuts Under Balanced Sequestration, FY 2013-2017
(budget authority in millions of constant 2012 dollars)

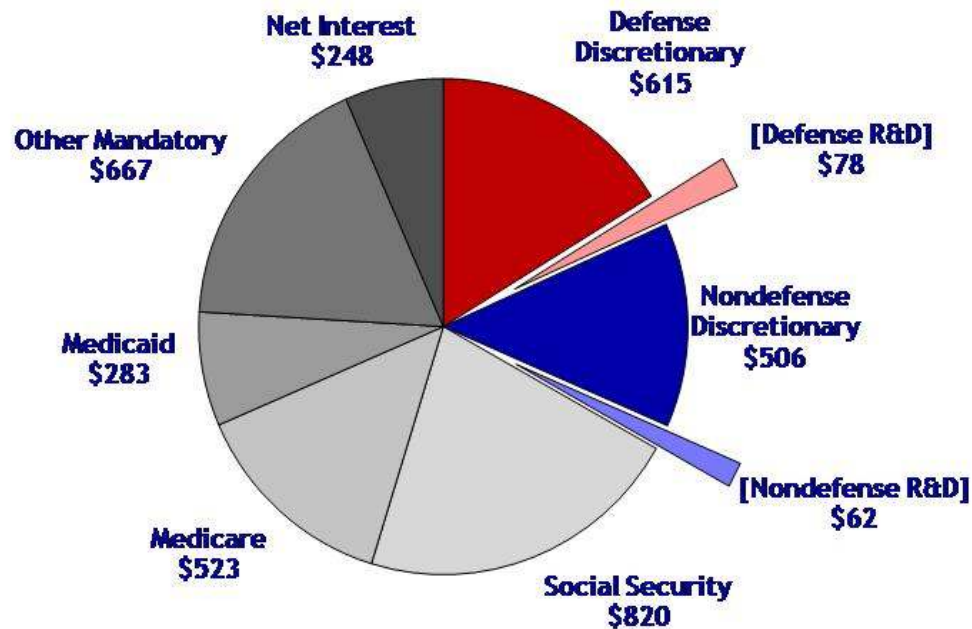
	2013	2014	2015	2016	2017	Total Cut	5-Year Percent
Dept of Defense	-6,928	-6,818	-6,696	-6,585	-6,495	-33,524	-9.1%
HHS	-2,528	-2,429	-2,333	-2,241	-2,155	-11,685	-7.6%
<i>NIH</i>	-2,439	-2,343	-2,251	-2,162	-2,079	-11,274	-7.6%
Dept of Energy	-972	-944	-916	-889	-865	-4,585	-8.2%
Natl Sci Foundation	-456	-438	-421	-404	-388	-2,106	-7.6%
NASA	-763	-733	-704	-676	-650	-3,527	-7.6%
Dept of Agr	-189	-182	-175	-168	-161	-875	-7.6%
Dept of Commerce	-103	-98	-95	-91	-87	-474	-7.6%
Dept of the Interior	-65	-62	-60	-57	-55	-299	-7.6%
EPA	-46	-44	-43	-41	-39	-213	-7.6%
Homeland Security	-50	-48	-46	-44	-43	-232	-7.6%
Total R&D Cut	-12,099	-11,796	-11,488	-11,196	-10,939	-57,519	-8.4%

Source: AAAS estimates of R&D, based on CBO and OMB analyses of the Budget Control Act. Constant dollar conversions based on OMB's GDP deflators from the FY 2013 budget.

Composition of the Proposed FY 2013 Budget

Total Outlays = \$3.8 trillion

outlays in billions of dollars

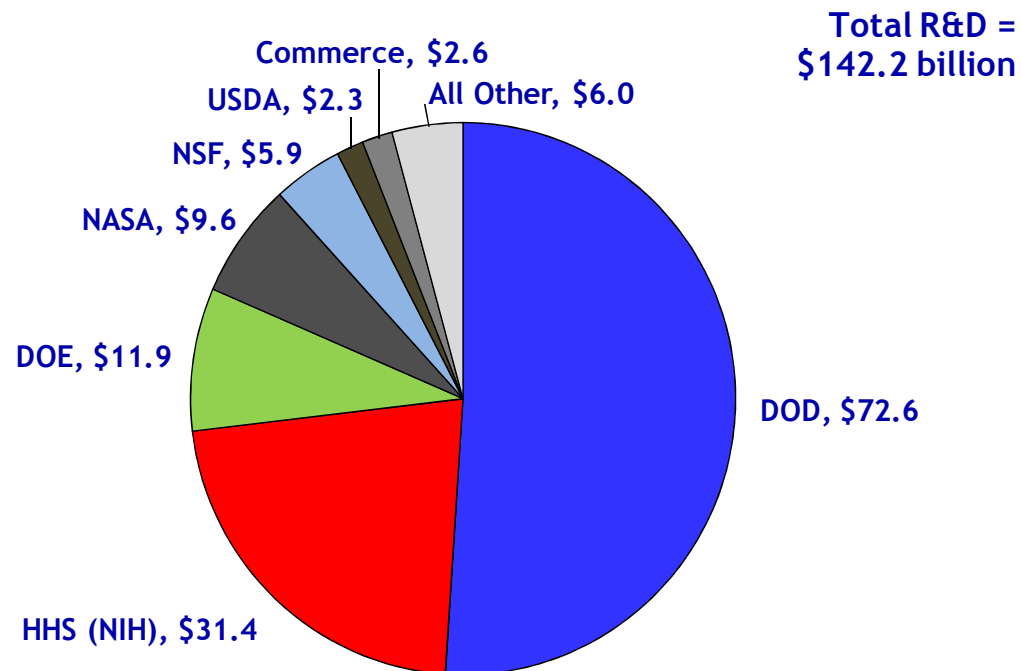


Source: *Budget of the United States Government FY 2013*.
Projected unified deficit is \$901 billion.
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Total R&D by Agency, FY 2013

budget authority in billions of dollars



Source: OMB R&D data, agency budget justifications, and other agency documents.
R&D includes conduct of R&D and R&D facilities.
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