

## The Effects of Sequestration and Graduate Education

### What is Sequestration?

The budget sequester is a process that includes automatic, across-the-board budget cuts. Sequestration was intended to reduce the federal deficit by \$1.2 trillion as required by the Budget Control Act of 2011. These cuts are set to take place on January 2, 2013.

### How is Sequestration Related to Discussions About the Fiscal Cliff?

The fiscal cliff is the concept that is used to refer to the combined effects of the ending of a number of tax cuts for individuals and businesses, the beginning of some taxes, and the automatic, across-the-board spending cuts that are known as sequestration.

### What is Known About the Impact of Sequestration on Graduate Education?

- At this time, all figures that have been released in the Office of Management and Budget (OMB) Report on Sequestration Transparency Act of 2012 are preliminary estimates. The estimates give indications about the magnitude of cuts that may be made by Congress if a balanced budget that achieves the necessary reductions is not produced.
- It has been estimated that if sequestration occurs, there will be a reduction of 8.25% in 2013 on discretionary nondefense appropriations
- The following are estimated budget cuts that are of interest to the graduate education community:

<b>U.S. Department of Education's Higher Education Program</b>	-\$186 million
Office of Federal Student Aid	-\$254 million
Pell Grants	exempt from sequestration
<b>U.S. Department of Energy, Office of Science</b>	-\$400 million
<b>National Institutes of Health</b>	-\$2.5 billion
The NIH budget cuts due to sequestration can translate into approximately 2,400 fewer research project grants made to universities and institutes throughout the country	
<b>National Science Foundation Research and Related Activities</b>	-\$469 million
Education & Human Resources	-\$ 76 million

The NSF would fund 1,600 fewer research and education grants which would be equivalent to approximately 19, 300 fewer researchers, students, and technical support personnel than FY 12.

### Some of the Effects of Sequestration on Graduate Education

- There are expected to be significant decreases in the numbers of research grants, fellowships, and other funding for graduate education.
- The diminished economic climate due to sequestration can have adverse impacts on the numbers of individuals who apply to and are granted admission to graduate schools. Sequestration slows and inhibits job creation.
- Sequestration slows and inhibits job creation.
- Sequestration slows and inhibits economic growth.