

Research Administration and Compliance Meeting
Wednesday, October 3, 2012
1:00 – 3:00 p.m.
Larrick Hall, Court End Ballroom A

Agenda

Welcome

General Items/Updates

- FY 2012 Final Award Report – Sue Robb
- CAR Membership Roster – Handout – Sue Robb
- Sequestration – Sue Robb
- PHS Grant Policy Statement dated 10/1/12 – Sue Robb
- NIH Transitioning Multi-Project Applications to SF 424 – Sue Robb

OSP Updates

- OSP Staffing Updates – Annie Publow
- Proposals, Awards and Financial Conflict of Interest Reporting – Annie Publow

ORIE Updates

- AIRS Updates – Monika Markowitz

New Business

Future Meeting Dates, 1-3 p.m.

- January 23, 2013 – Larrick Hall – Jackson Ward Conference Room (Pending)
- May 22, 2013 – Larrick Hall – Court End Ballroom A

Committee on the Administration of Research (CAR)

Membership Roster

September 2012

School, College and Center Appointees

Allied Health Professions	Brenda Morris
Dentistry	Margaret Poland
Medicine	George Ford
Medicine	Brenda Caine
Medicine	Tricia Zeh
Nursing	Marie Gardner
Pharmacy	Regina Scott
Business	Candice Tam
Education	Susan Younce
Engineering	Billie Martin-Lowry
Humanities and Sciences	Sharon Dawson
Life Sciences	Pamela Allred-Irby
Social Work	Rosemarry Mel
The Arts	Melyatta Powers
VP Health Sciences	Vacant
Monroe Park Campus	Heidi Jack

Directors

Clinical Research Services	David Allen
Grants & Contracts Accounting	Mark Roberts
Massey Cancer Center	Robert Houlihan
Research Integrity and Ethics	Monika Markowitz
Research Subjects Protection	Michelle Stickler
Office of Sponsored Programs	Melanie Wiggins
Office of Sponsored Programs	Annie Publow

Co-Chairs

University Controller	Patricia Perkins
Associate VP for Research Administration and Compliance	Susan Robb

Executive Assistant

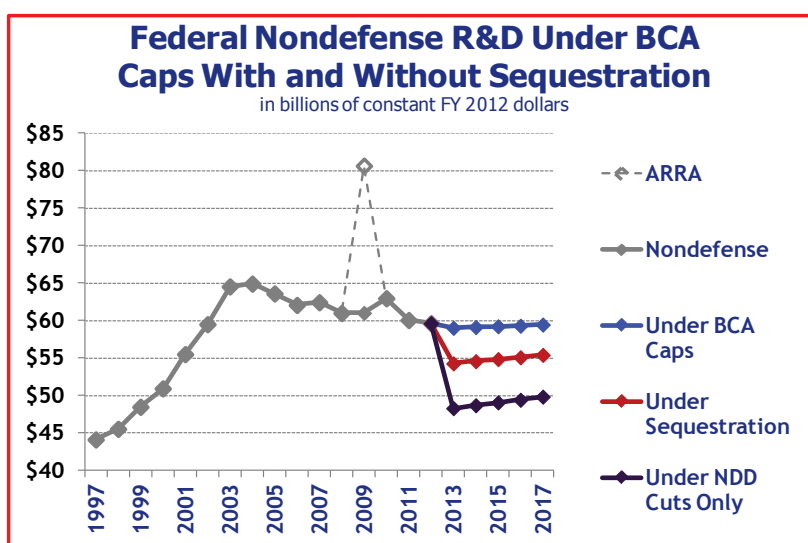
Vice President for Research	Jane Lulich
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ADVANCING SCIENCE, SERVING SOCIETY

Summary: Federal R&D and Sequestration In The First Five Years

Sequestration – the large, automatic, across-the-board reductions in federal funding set to begin in January of 2013 – remains a major concern for many inside and outside Washington. The cuts, established in the Budget Control Act (BCA) of 2011, amount to \$55 billion less in defense discretionary spending and up to \$38 billion less in nondefense discretionary spending. Cuts of this magnitude could no doubt have significant impacts on federal funding of science, research, and innovation. They also come at a time when federal R&D has already declined by 10 percent in real dollars since FY 2010. This brief attempts to illuminate the size of these potential cuts by estimating budget impacts for most key R&D agencies, and the funding ramifications by state, over the next five years.¹ A summary version follows, with tables appended.



SEQUESTRATION AGAIN IS...?

Sequestration was put in place by the BCA in August 2011. This law was meant to reduce discretionary spending, which accounts for about a third of the federal budget, and includes almost all federal R&D. As far as mandatory spending – which makes up the remainder of the budget, and consists mostly of entitlements like Social Security – the BCA leaves it largely untouched, and nor does it affect the tax code, though it's difficult to envision a real deficit-reduction plan that ignores these latter elements.

In terms of spending, the BCA basically did two things. First, it established caps that will keep federal discretionary spending mostly flat (when accounting for inflation) over the next decade. Alone, these caps amount to about \$1 trillion less than had been projected prior to the law's passage. But it also established additional automatic reductions – the sequestration – which would reduce this spending even further: by about 9.4 percent for defense spending and 8.2 percent for nondefense spending.

¹ Note: sequestration extends through 2021, but we only cover the first five years to allow for adjustment for inflation, based on OMB's price deflators through 2017.

The irony is that it was originally intended only as a contingency plan. The BCA established a special Congressional committee to produce what would have been a sweeping deficit reduction plan of well more than \$1 trillion. The cuts now known as sequestration were simply meant as a “gun to the head” for this committee. Policymakers expected this committee to succeed, and thus avoid the doomsday sequestration scenario; it didn’t, and so sequestration looms in the absence of a bipartisan plan to avoid it.

WHAT WE DID

Read the full briefⁱ for the more detailed explanation, but here are the basics. We started out by developing an R&D funding baseline through 2017, under the assumption that federal R&D spending would grow at the rate allowed by the BCA caps mentioned above. This is a pretty safe expectation, as the ratio of federal R&D to discretionary spending has been pretty static over the past few decades. Then, we estimated potential cuts under a couple different scenarios. The first scenario assumes sequestration goes forth in a balanced fashion: equal cuts to defense and nondefense, as the law is currently written. We drew on previous analyses of the BCA by the Congressional Budget Office (CBO) and the White House’s Office of Management and Budget (OMB) to develop these estimates.ⁱⁱ

However, many have proposed alternative plans that would shift at least some of the spending-reduction burden onto nondefense and away from defense (and given the tenor of the debate, there are many who would shift the entire burden).ⁱⁱⁱ So, in the second scenario we looked at what might happen should this shift happen in its entirety, with the defense cuts redirected onto nondefense spending. The aforementioned analyses by OMB and CBO were helpful here too.

Lastly, we used state-by-state funding data from the National Science Foundation (NSF) to determine how a balanced sequestration may impact individual states.

WHAT WE FOUND

Again, see the full brief for more details, but here are the basic results. In both scenarios, total R&D could be cut by at least \$50 billion below the baseline over five years. If sequestration is balanced (see graph at right), the total cuts over five years would be somewhat higher but more evenly distributed. R&D programs on the defense side could be cut by 9.1 percent over five years, while nondefense programs would receive 7.6 percent

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.							

cuts (they would be larger in the first year and decline thereafter). At the agency level, the National Institutes of Health (NIH) could receive a cut of \$11.3 billion over five years, averaging \$2.3 billion less per year for research. The Department of Defense (DOD) could average \$6.7 billion less for R&D per year, while NSF could receive \$2.1 billion less over five years. Total cuts through 2017 would amount to \$57.5 billion. The resulting R&D budgets at most agencies would be lower than they’ve been in several years.

The nondefense-only scenario would be far tougher for most science agencies, with \$50.8 billion in cuts to nondefense R&D funding over five years (see table). This is more than twice the cuts we might expect under a balanced sequestration. Should larger cuts take place, it would mean a cut of 17.5 percent per agency over the next five years, except for Veterans Affairs, which is exempt. For NIH, this could amount to \$26.1 billion less for research, or an average of \$5.2 billion less per year. The Department of Energy's (DOE) Office of Science could lose \$3.9 billion total for research, or \$775.9 million per year; NSF could lose \$4.9 billion, or \$976.0 million per year. For many agencies, cuts of this magnitude would reduce their R&D budgets to levels not seen in over a decade. NASA, for one, hasn't seen its budget at these potential levels since the 1980s.

One of the frustrating things about these cuts is that we won't really know *how* the agencies will adapt to them until they make their plans known. No doubt, agencies will likely cut the numbers of available research grants; for instance, NIH expects to lose over 2,000 grants.^{iv} Agencies may also modify grant terms to reduce individual grants values but maintain award numbers. Agencies may also reduce or terminate select programs, capital projects, or overhead, or withdraw from current partnerships. Each of these choices will have diverse effects on researchers and contractors depending on the nature of the project. These effects will likely ripple through the broader economy, but the actual impacts are difficult to predict.

What we do know, in any event, is that agencies will have much less to work with when it comes to R&D. We also know that the impacts on researchers will be spread far and wide, geographically speaking. The table at right ranks the impacted states by the size of the potential cut under the balanced scenario. California tops the list, given its enormous size and its large university system, with several prominent federal research centers in energy, space technology, and defense. Some states, like Virginia, are particularly heavy in defense R&D, but many, like Maryland, New York, Massachusetts, and Pennsylvania, receive more balanced federal research funding. New Mexico is somewhat unique given the presence of a pair of major labs, Sandia and Los Alamos, making DOE R&D particularly important there. Illinois' profile is also somewhat unique, given low levels of DOD funding relative to other nondefense agencies like NSF and the presence of Argonne National Laboratory and Fermilab.

Estimated R&D Cuts Under Nondefense 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	0	0	0	0	0	0	0.0%
HHS	-5,711	-5,561	-5,411	-5,264	-5,124	-27,070	-17.5%
<i>NIH</i>	-5,509	-5,365	-5,220	-5,078	-4,944	-26,116	-17.5%
Dept of Energy	-1,236	-1,203	-1,171	-1,139	-1,109	-5,857	-10.4%
Natl Sci Foundation	-1,029	-1,002	-975	-949	-924	-4,880	-17.5%
NASA	-1,723	-1,678	-1,633	-1,589	-1,546	-8,170	-17.5%
Dept of Agr	-427	-416	-405	-394	-384	-2,026	-17.5%
Dept of Commerce	-232	-226	-219	-213	-208	-1,098	-17.5%
Dept of the Interior	-146	-142	-138	-135	-131	-692	-17.5%
EPA	-104	-101	-99	-96	-93	-494	-17.5%
Homeland Security	-113	-110	-107	-104	-102	-536	-17.5%
Total R&D Cut	-10,721	-10,440	-10,158	-9,882	-9,620	-50,822	-7.4%

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.

Top 20 States by Lost Federal R&D

Five-year total reductions due to sequestration, in millions of constant 2012 dollars.

State	Total	Percent Below Baseline
California	-11,315	-8.5%
Maryland	-5,440	-8.1%
Virginia	-4,256	-8.8%
Massachusetts	-3,140	-8.4%
District of Columbia	-2,877	-8.6%
Texas	-2,822	-8.6%
New York	-2,401	-8.2%
New Mexico	-1,880	-8.4%
Pennsylvania	-1,754	-8.2%
Washington	-1,661	-8.5%
Florida	-1,566	-8.7%
Alabama	-1,439	-8.7%
Ohio	-1,434	-8.5%
Arizona	-1,337	-8.8%
Colorado	-1,157	-8.1%
New Jersey	-1,142	-8.7%
Connecticut	-1,054	-8.7%
Missouri	-1,039	-8.6%
Illinois	-1,015	-8.0%
Georgia	-907	-8.4%

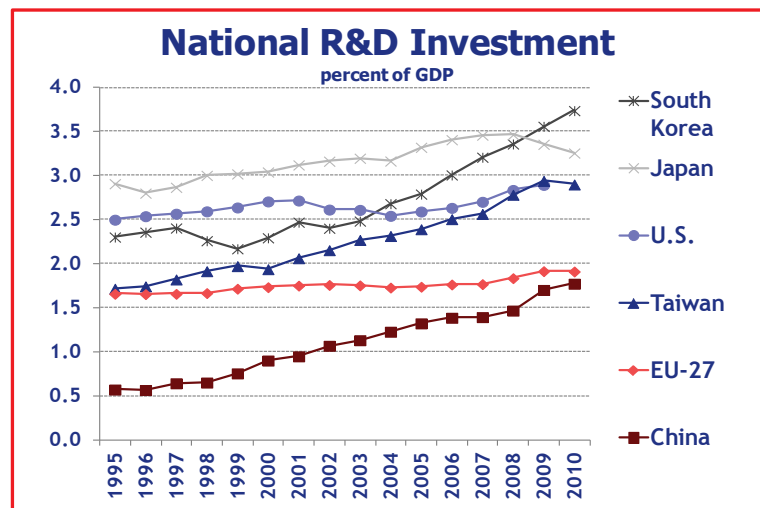
WHAT IT MEANS IN CONTEXT

It would be strange to call this a bad time for cuts of this magnitude, because that would imply that there's a *good* time. Nevertheless, there are some negative trends we need to keep in mind as we look at the current situation. As we don't quite know yet how agencies might adapt, keeping this context in mind is important.

First, federal funding for R&D has been largely flat over the past decade in regular appropriations, and more recently has been on the downswing. In just the past two years, federal nondefense R&D has declined by 5 percent, after a largely stagnant decade. The big exception to the trend, of course, was the infusion of research dollars from the Recovery Act in 2009. While quite large and no doubt helpful, a one-time injection is not a substitute for steady, predictable investment over time, and that stimulus funding has long since dried up. Even the Bowles-Simpson commission has said public investment in R&D is important.^v

Second, as appropriators have been restrained, federal R&D as a share of the economy has declined. This trend is much more long-term, as federal research investments have generally not kept up with economic growth since the 1970s; if it had, it would be closer to \$200 billion, rather than its current level of \$140 billion. As public R&D funding has declined in relative scale, private R&D funding has increased. The growth of industrial R&D should be welcomed by those who would have an innovative economy, but it's also not a perfect substitute for public R&D, which tends to be more long-term, higher-risk, and focused on more fundamental knowledge areas that can have big long-term benefits.

Lastly, while the U.S. prepares to scale back, other nations are ramping up. When measuring by research intensity, or research investment as a percentage of GDP, Asian tigers like South Korea, Taiwan, and China, and select European economies like Sweden and Finland, have managed to increase their research intensities substantially – and at a far faster pace than the U.S., albeit from a less research-intensive base. Simply put, sequestration would set the U.S. on a path that runs counter to global research investment trends.



ⁱ <http://www.aaas.org/spp/rd/fy2013/SeqBrief.shtml>

ⁱⁱ Congressional Budget Office, "Estimated Impact of Automatic Budget Enforcement Procedures Specified in the Budget Control Act," September 12, 2011, <http://www.cbo.gov/sites/default/files/cbofiles/attachments/09-12-BudgetControlAct.pdf>; OMB's September 14 sequestration report, http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/stareport.pdf

ⁱⁱⁱ See <http://www.aaas.org/spp/rd/fy2013/HouseBudgetBrief.shtml>; see also, "Paul Ryan's Fiscal Year 2013 Budget: The Details," Bipartisan Policy Center, March 21, 2012. <http://bipartisanpolicy.org/blog/2012/03/paul-ryan%E2%80%99s-fiscal-year-2013-budget-details>

^{iv} See <http://markey.house.gov/sites/markey.house.gov/files/documents/HHS%20response%20on%20sequester%20cuts.pdf>

^v National Commission on Fiscal Responsibility and Reform, <http://www.fiscalcommission.gov/news/moment-truth-report-national-commission-fiscal-responsibility-and-reform>

APPENDIX

Table 1: Estimated R&D Funding Under the BCA Caps, FY 2013-2017

(budget authority in millions of constant 2012 dollars)

	2013	2014	2015	2016	2017	Total	Average Annual Growth
Dept. of Defense	73,704	73,862	73,869	73,974	74,298	369,707	0.2%
HHS	30,825	30,881	30,933	30,971	31,052	154,661	0.2%
<i>National Institutes of Health</i>	29,739	29,793	29,843	29,880	29,959	149,213	0.2%
DOE	11,191	11,213	11,224	11,239	11,276	56,143	0.2%
<i>Energy Programs</i>	2,252	2,256	2,260	2,262	2,268	11,298	0.2%
<i>Office of Science</i>	4,417	4,425	4,433	4,438	4,450	22,164	0.2%
<i>Atomic Defense</i>	4,522	4,531	4,532	4,538	4,558	22,681	0.2%
NSF	5,557	5,567	5,576	5,583	5,598	27,880	0.2%
NASA	9,303	9,320	9,336	9,347	9,372	46,677	0.2%
<i>Science</i>	3,252	3,258	3,264	3,268	3,276	16,319	0.2%
<i>Aeronautics</i>	468	469	470	470	472	2,349	0.2%
<i>Space Ops</i>	1,686	1,689	1,692	1,694	1,698	8,457	0.2%
<i>Exploration Systems</i>	3,386	3,392	3,398	3,402	3,411	16,989	0.2%
<i>Space Technology</i>	382	383	383	384	385	1,917	0.2%
USDA	2,307	2,311	2,315	2,318	2,324	11,576	0.2%
<i>Agr Research Service</i>	1,115	1,117	1,118	1,120	1,123	5,592	0.2%
<i>National Inst of Food and Agr</i>	703	704	705	706	708	3,526	0.2%
<i>Forest Service</i>	331	331	332	332	333	1,659	0.2%
Commerce	1,250	1,252	1,254	1,256	1,259	6,272	0.2%
<i>NIST</i>	549	550	551	552	553	2,756	0.2%
<i>NOAA</i>	575	576	577	578	579	2,885	0.2%
Interior	788	789	791	792	794	3,953	0.2%
<i>US Geological Survey</i>	668	669	670	671	673	3,352	0.2%
EPA	562	563	564	565	566	2,821	0.2%
Veterans	1,152	1,154	1,156	1,158	1,161	5,781	0.2%
DHS	611	612	613	614	615	3,064	0.2%
Total R&D	137,250	137,524	137,631	137,815	138,316	688,536	0.2%
Defense	78,225	78,393	78,401	78,513	78,857	392,388	0.2%
Nondefense	59,024	59,130	59,230	59,303	59,459	296,147	0.2%

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.

Table 2: Estimated R&D Cuts Under the Sequestration, FY 2013-2017

(budget authority in millions of constant 2012 dollars)

	2013	2014	2015	2016	2017	Total Cut	5-Year Percent Cut
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>National Institutes of Health</i>	-2,439	-2,343	-2,251	-2,162	-2,079	-11,274	-7.6%
DOE	-972	-944	-916	-889	-865	-4,585	-8.2%
<i>Energy Programs</i>	-185	-177	-170	-164	-157	-854	-7.6%
<i>Office of Science</i>	-362	-348	-334	-321	-309	-1,675	-7.6%
<i>Atomic Defense</i>	-425	-418	-411	-404	-398	-2,057	-9.1%
NSF	-456	-438	-421	-404	-388	-2,106	-7.6%
NASA	-763	-733	-704	-676	-650	-3,527	-7.6%
<i>Science</i>	-267	-256	-246	-236	-227	-1,233	-7.6%
<i>Aeronautics</i>	-38	-37	-35	-34	-33	-177	-7.6%
<i>Space Ops</i>	-138	-133	-128	-123	-118	-639	-7.6%
<i>Exploration Systems</i>	-278	-267	-256	-246	-237	-1,284	-7.6%
<i>Space Technology</i>	-31	-30	-29	-28	-27	-145	-7.6%
USDA	-189	-182	-175	-168	-161	-874.6	-7.6%
<i>Agr Research Service</i>	-91	-88	-84	-81	-78	-422.5	-7.6%
<i>Nat Institute of Food and Agr</i>	-58	-55	-53	-51	-49	-266.4	-7.6%
<i>Forest Service</i>	-27	-26	-25	-24	-23	-125.3	-7.6%
Commerce	-103	-98	-95	-91	-87	-474	-7.6%
<i>NIST</i>	-45	-43	-42	-40	-38	-208	-7.6%
<i>NOAA</i>	-47	-45	-44	-42	-40	-218	-7.6%
Interior	-65	-62	-60	-57	-55	-299	-7.6%
<i>US Geological Survey</i>	-55	-53	-51	-49	-47	-253	-7.6%
EPA	-46	-44	-43	-41	-39	-213	-7.6%
Veterans	0	0	0	0	0	0	0.0%
DHS	-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%
Defense	-7,353	-7,237	-7,107	-6,989	-6,894	-35,580	-9.1%
Nondefense	-4,746	-4,560	-4,381	-4,207	-4,046	-21,938	-7.4%

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.

Table 3: Estimated R&D Cuts Under Nondefense-Only Sequestration, FY 2013-2017

(budget authority in millions of constant 2012 dollars)

	2013	2014	2015	2016	2017	Total Cut	5-Year Percent Cut
Dept. of Defense	0	0	0	0	0	0	0.0%
HHS	-5,711	-5,561	-5,411	-5,264	-5,124	-27,070	-17.5%
<i>National Institutes of Health</i>	-5,509	-5,365	-5,220	-5,078	-4,944	-26,116	-17.5%
DOE	-1,236	-1,203	-1,171	-1,139	-1,109	-5,857	-10.4%
<i>Energy Programs</i>	-417	-406	-395	-385	-374	-1,977	-17.5%
<i>Office of Science</i>	-818	-797	-775	-754	-734	-3,879	-17.5%
<i>Atomic Defense</i>	0	0	0	0	0	0	0.0%
NSF	-1,029	-1,002	-975	-949	-924	-4,880	-17.5%
NASA	-1,723	-1,678	-1,633	-1,589	-1,546	-8,170	-17.5%
<i>Science</i>	-603	-587	-571	-555	-541	-2,856	-17.5%
<i>Aeronautics</i>	-87	-84	-82	-80	-78	-411	-17.5%
<i>Space Ops</i>	-312	-304	-296	-288	-280	-1,480	-17.5%
<i>Exploration Systems</i>	-627	-611	-594	-578	-563	-2,974	-17.5%
<i>Space Technology</i>	-71	-69	-67	-65	-64	-336	-17.5%
USDA	-427	-416	-405	-394	-384	-2,026	-17.5%
<i>Agr Research Service</i>	-206	-201	-196	-190	-185	-979	-17.5%
<i>Nat Institute of Food and Agr</i>	-130	-127	-123	-120	-117	-617	-17.5%
<i>Forest Service</i>	-61	-60	-58	-56	-55	-290	-17.5%
Commerce	-232	-226	-219	-213	-208	-1,098	-17.5%
<i>NIST</i>	-102	-99	-96	-94	-91	-482	-17.5%
<i>NOAA</i>	-107	-104	-101	-98	-96	-505	-17.5%
Interior	-146	-142	-138	-135	-131	-692	-17.5%
<i>US Geological Survey</i>	-124	-121	-117	-114	-111	-587	-17.5%
EPA	-104	-101	-99	-96	-93	-494	-17.5%
Veterans	0	0	0	0	0	0	0.0%
DHS	-113	-110	-107	-104	-102	-536	-17.5%
Total R&D Cut	-10,721	-10,440	-10,158	-9,882	-9,620	-50,822	-7.4%
Defense	0	0	0	0	0	0	0.0%
Nondefense	-10,721	-10,440	-10,158	-9,882	-9,620	-50,822	-17.2%

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.

Table 4: Estimated State R&D Cuts Under Sequestration, FY 2013-2017

(Five-year totals expressed as budget authority in millions of constant 2012 dollars)

	DOD	DOE	HHS	DHS	NASA	NSF	DOI	USDA	DOC	EPA	Total	Percent
Alabama	-1,168	-7	-125	-2	-112	-11	-1	-10	-2	0	-1,439	-8.7%
Alaska	-116	-4	-6	0	-4	-15	-12	-10	-10	0	-178	-8.5%
Arizona	-1,114	-5	-73	-5	-47	-73	-6	-12	-1	0	-1,337	-8.8%
Arkansas	-10	-1	-35	0	-1	-5	-1	-15	0	0	-68	-7.8%
California	-7,313	-920	-1,381	-40	-1,205	-339	-39	-51	-22	-5	-11,315	-8.5%
Colorado	-453	-85	-147	-1	-246	-104	-39	-17	-63	-2	-1,157	-8.1%
Connecticut	-803	-16	-191	-5	-9	-22	-1	-4	-3	-1	-1,054	-8.7%
Delaware	-17	-3	-13	0	-5	-10	0	-3	-1	0	-53	-8.0%
District of Columbia	-1,996	-218	-108	-15	-342	-63	-2	-106	-2	-25	-2,877	-8.6%
Florida	-1,216	-10	-158	-2	-59	-58	-14	-24	-18	-6	-1,566	-8.7%
Georgia	-548	-24	-238	-4	-15	-41	-5	-29	-1	-3	-907	-8.4%
Hawaii	-142	-2	-28	0	-9	-15	-4	-12	-7	0	-220	-8.5%
Idaho	-19	-110	-6	-2	-2	-5	-4	-10	-1	0	-158	-8.1%
Illinois	-174	-371	-314	-6	-11	-107	-2	-25	-4	-2	-1,015	-8.0%
Indiana	-127	-12	-88	-1	-6	-43	-2	-8	-1	0	-287	-8.2%
Iowa	-97	-24	-88	0	-5	-17	-1	-27	0	0	-260	-8.1%
Kansas	-77	-6	-36	0	-3	-15	-2	-8	0	0	-147	-8.3%
Kentucky	-27	-3	-61	-1	-2	-9	-1	-7	0	0	-113	-7.9%
Louisiana	-76	-3	-66	0	-7	-13	-8	-20	-1	0	-195	-8.1%
Maine	-68	-1	-32	0	-2	-7	-1	-3	-1	0	-115	-8.4%
Maryland	-2,071	-16	-2,531	-31	-463	-52	-7	-70	-196	-3	-5,440	-8.1%
Massachusetts	-1,843	-60	-956	-11	-90	-143	-6	-11	-15	-4	-3,140	-8.4%
Michigan	-372	-20	-246	0	-10	-67	-3	-11	-7	-3	-739	-8.3%
Minnesota	-238	-6	-191	-1	-6	-32	-2	-16	-1	-7	-500	-8.2%
Mississippi	-329	-2	-19	-1	-15	-6	-3	-37	-5	0	-417	-8.7%
Missouri	-769	-5	-214	0	-9	-24	-5	-14	0	0	-1,039	-8.6%
Montana	-17	-3	-58	0	-5	-9	-4	-11	0	0	-108	-7.8%
Nebraska	-29	-1	-33	0	-1	-10	-1	-14	0	0	-90	-8.0%
Nevada	-58	-145	-10	-1	-6	-7	-2	-1	-1	-7	-239	-8.3%
New Hampshire	-127	-1	-40	-4	-10	-9	0	-4	-8	0	-204	-8.4%
New Jersey	-885	-45	-118	-6	-22	-48	-1	-4	-12	-2	-1,142	-8.7%
New Mexico	-611	-1,150	-50	-20	-23	-14	-4	-5	-2	-1	-1,880	-8.4%
New York	-932	-390	-835	-4	-40	-167	-2	-18	-9	-3	-2,401	-8.2%
North Carolina	-100	-12	-485	-2	-7	-49	-3	-18	-7	-66	-750	-7.7%
North Dakota	-14	-8	-8	0	-2	-3	-2	-14	0	0	-52	-8.0%
Ohio	-919	-20	-304	-6	-91	-40	-1	-11	-2	-38	-1,434	-8.5%
Oklahoma	-103	-6	-36	0	-7	-10	-1	-9	-8	-5	-185	-8.4%
Oregon	-42	-10	-121	0	-5	-26	-7	-21	-3	-8	-244	-7.8%
Pennsylvania	-758	-244	-603	-1	-20	-96	-3	-25	-3	-1	-1,754	-8.2%
Rhode Island	-245	-2	-58	-1	-3	-15	-1	-1	-1	-6	-333	-8.6%
South Carolina	-99	-17	-57	-1	-3	-15	-1	-8	-8	0	-209	-8.3%
South Dakota	-5	0	-8	0	-4	-3	-6	-4	0	0	-31	-7.8%
Tennessee	-150	-290	-180	-14	-90	-18	-3	-11	-1	0	-757	-8.1%
Texas	-2,025	-28	-483	-2	-165	-67	-6	-39	-5	-1	-2,822	-8.6%
Utah	-324	-6	-67	0	-54	-17	-3	-12	0	0	-484	-8.5%
Vermont	-61	-1	-29	0	-1	-4	0	-4	-1	0	-102	-8.4%
Virginia	-3,590	-63	-178	-30	-247	-74	-57	-7	-6	-4	-4,256	-8.8%
Washington	-1,056	-118	-353	-10	-15	-50	-6	-20	-30	-2	-1,661	-8.5%
West Virginia	-83	-64	-18	0	-11	-3	-2	-14	-1	0	-196	-8.3%
Wisconsin	-35	-20	-163	0	-8	-39	-6	-21	-2	-1	-295	-7.7%
Wyoming	-3	-2	-4	0	-1	-5	-2	-4	0	0	-19	-7.8%
Other*	-70	0	-37	0	-1	-10	-1	-13	-1	0	-133	-8.3%
Total R&D Cut	-33,524	-4,585	-11,685	-232	-3,527	-2,106	-299	-875	-474	-213	-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.

*Includes territories, outlying areas, and offices abroad.

Summary of Significant Changes to the NIH GPS for October 2012 Version
(Guide Notices Issued Before October 1, 2012)

The revised NIH Grants Policy Statement (NIHGPS, rev. 10/01/2012) represents an update to the 10/01/2011 version and is applicable to all NIH grants and cooperative agreements beginning on or after October 2012. While the update does not introduce any new material for the first time, it incorporates new and modified requirements, clarifies certain policies, and implements changes in statutes, regulations, and policies that have been implemented through appropriate legal and/or policy processes since the previous version of the NIHGPS dated 10/01/2011. The 10/01/2012 revision supersedes, in its entirety, the NIH Grants Policy Statement (10/01/2011) as a standard term and condition of the award.

Notable Changes

- **Policy Changes**
 - Implements new policies and clarification of existing policies announced in the NIH Guide since October 2011, and listed at [Grants Policy & Guidance](#).

Section	Significant Changes	Reason
PART 1: NIH Grants – General Information Chapter 1 – Glossary	Section 1.1 Abbreviations: Added new abbreviation for RPPR and NCATS.	Instituted as noted at the federal-wide RPPR website and NOT-OD-12-083 . NCATS was created on December 23, 2011, by the Consolidated Appropriations Act, 2012 , (P.L. 112-74).
	Section 1.2 – Definitions of Terms	In response to user input: Clarification/revision of Definitions of Terms, aligning definitions with other sections as appropriate.
Chapter 2 – The National Institutes of Health as a Grant-Making Organization	Section 2.3.4 Types of Applications: NEW text added for definition of pre-application.	Editing for clarity in response to user input.
	Section 2.3.7.7 Post-Submission Grant Application Materials: NEW text reflecting revision to NIH policy.	Implements policies announced in Notice OD-12-022 .
	Section 2.4.1.1. – Responsibilities	In response to user input: revised to reflect current business processes.
	Section 2.4.3 – National Advisory Council or Board Review Section 2.5 – Completing the Pre-Award Process	Implements policy announced in NOT-OD-12-140 . Revised text based on user input.

Section	Significant Changes	Reason
	Section 2.5.1 – Just-in-Time Procedures: NEW text reflecting revision to NIH policy.	Implements policy announced in NOT-OD-12-101 .
PART II: Terms and Conditions of NIH Grant Awards Chapter 4 – Public Policy Requirements, Objectives and Other Appropriation Mandates	4.1 Public Policy Requirements and Objectives	Revised Exhibit 4 based on Legislative Mandates announced in NOT-OD-12-034 and NOT-OD-12-035 .
	Section 4.1.1 – Animal Welfare Requirements: NEW text reflecting revision to NIH policy.	Implements policy announced in NOT-OD-12-049 .
	Section 4.1.10 – Financial Conflict of Interest	Implements final rule amending 1995 PHS regulation published on August 25, 2011 in the Federal Register .
	Section 4.1.13 – Stem Cell Research	Implements policy announced in NOT-OD-12-111 .
	Section 4.1.15 – Human Subjects Protections: NEW text reflecting revision to NIH policy.	Implements policies announced in NOT-OD-12-129 and NOT-OD-12-130 .
	Section 4.1.15.8 – Inclusion of Women and Minorities as Subjects in Clinical Research and Reporting Sex/Gender and Racial Ethnic Participation	Revised text, corrected hyperlink, and provided new link for additional information on policies and procedures related to inclusion.
	Sections 4.2.3, 4.2.4, and 4.2.9	Updates Legislative Mandates announced in NOT-OD-12-034 .
	Section 4.2.10 – Salary Cap/Salary Limitation	Updates Legislative Mandates for salary cap/salary limitation announced in NOT-OD-12-035 .
Chapter 5 – The Notice of Award	Section 5.1 – Notice of Award Notification: NEW text to highlight Appropriations Law on expired funds.	Highlights expired funds policy per Appropriations Law 31 U.S.C. Section 1552(a) .
Chapter 6 – Foreign Payments	Section 6 – Payment: REVISED text reflecting new, electronic business processes for foreign payments.	Implements new business process change for foreign payments announced in NOT-OD-12-139 .
Chapter 7 – Cost Considerations	Section 7.4 – Reimbursement of Facilities and Administrative Costs: NEW section added on genomic arrays.	Implements policy announced in NOT-OD-10-097 .

Section	Significant Changes	Reason
	Section 7.9.1 – Selected Items of Cost Exhibit 5: Selected Items of Cost: NEW text on genomic arrays. REVISED text reflecting revision to HHS policies.	Implements HHS Policy on Promoting Efficient Spending announced in NOT-OD-12-041 and NOT-OD-048 , including EO 13589 , EO 13576 , and M-35-11 .
Chapter 8 – Administrative Requirements	Section 8.1 – Changes in Project and Budget	New text based on user input.
	Section 8.1.2.5 – Change in Scope: NEW text reflecting revision to NIH policy.	Implements policies announced in NOT-OD-12-129 and NOT-OD-12-130 .
	Section 8.1.2.7 – Change of Grantee Organization: REVISED text supporting NIH’s continuing efforts to implement electronic business processes.	Implements new business process change announced in NOT-OD-12-132 .
	Section 8.1.2.8 – Change of Grantee Organizational Status	Implements new business process change announced in NOT-OD-12-132 and NOT-OD-12-133 .
	Section 8.1.2.12 – Need for Additional NIH Funding without Extension of Budget and Project Period	Implements new business process change announced in NOT-OD-12-024 and NOT-OD-12-043 .
	Section 8.2.1 – Rights in Data (Publication and Copyrighting)	Revised text based on user input.
	Section 8.4.1 – 8.1.4.1 Reporting; Section 8.6.2 – Final Progress Report	Updates transition to RPPR announced in NOT-OD-12-083 .
Chapter 10 – Construction, Modernization, or Major Alteration and Renovation of Research Facilities	Section 10.1 through 10.3.2.2	Revised text based on input from subject matter experts.
Chapter 11– Ruth L. Kirchstein National Research Service Awards	Section 11.2.11.5 – Progress Reports	Updates transition to RPPR announced in NOT-OD-12-083 .
	Section 11.3.8.4 – Training-Related Expenses	Implements HHS Policy on Promoting Efficient Spending announced in NOT-OD-12-041 and NOT-OD-048 , including EO 13589 , EO 13576 , and M-11-35 .
	Section 11.3.13.4 – Progress Reports	Updates transition to RPPR announced in NOT-OD-12-083 .

Section	Significant Changes	Reason
Chapter 12 – Research Career Development (“K”) Awards	Section 12.2.3.1 – K22	Revised text based on user input.
	Section 12.11.1 – Progress Reports	Updates transition announced in NOT-OD-12-083 .
Chapter 13 – Modular Applications and Awards	Section 13.3.1 – Budget	Revised text for consistency with the application instructions.
Chapter 14 – Support of Scientific Meetings (Conference Grants)	Sections 14.10.1 - 14.10.2: REVISED text to reflect new policies.	Implements HHS Policy on Promoting Efficient Spending announced in NOT-OD-12-041 and NOT-OD-048 , including EO 13589 , EO 13576 , and M-11-35 .
Chapter 16 – Grants to Foreign Institutions, International Organizations, and Domestic Grants with Foreign Components	Sections 16.2, 16.5, 16.6, 16.7 and 16.7.5	Revised text based on user input and implements new business process change for foreign payments announced in NOT-OD-12-139 .
Chapter 18 – Grants to For-Profit Organizations	Section 18.4.6 – Inserted NEW Section entitled “Payroll Distribution Requirements for For-Profit Organizations.”	Editing for clarity based on user input.
	Section 18.5 – Small Business Innovation Research and Small Business Technology Transfer Programs	Revised text to reflect reauthorization of the SBIR and STTR programs per Public Law 112-81 .
PART III: Points of Contact Chapter 20 – Institutes and Centers	Section 20 – Institutes and Centers Section 20.1 – Other NIH Offices	Replaced National Center for Research Resources with National Center for Advancing Translational Research. Updated address for the Division of Extramural Activities Support Office of Extramural Research.

NIH Announces Plans to Transition to Electronic Submission of Multi-Project Applications

Notice Number: NOT-OD-12-161

Key Dates

Release Date: September 28, 2012

Issued by

National Institutes of Health ([NIH](#))

Purpose

This Notice announces NIH's plans to make changes to the application process for multi-project applications. These changes include: 1) transitioning multi-project applications from the paper PHS398 grant application to the Standard Form 424 Research and Related (SF 424 R&R), and 2) simultaneously transitioning to electronic submission of these multi-project applications.

Background

Since 2005, NIH has been [transitioning](#) its grant programs to electronic submission of applications through the fed-wide portal, [Grants.gov](#), using the SF 424 (R&R) form set. In 2010, NIH completed the transition for all its grant programs, except NIH's complex, multi-project applications.

To meet NIH's long standing goal of receiving all grant applications electronically, NIH and the Grants.gov program management staff worked together to develop an online application system called ASSIST (Application Submission System and Interface for Submission Tracking) to accommodate electronic submission of NIH's multi-project applications. ASSIST will allow users to develop and store their applications in a secure online environment. The system will also provide many of the features that have been requested by users over the years, such as error checking the application against both Grants.gov and many agency business rules before submission, providing the assembled application for viewing before submission, allowing applicants access control by component (subproject), and more. The Grants.gov Program Management team plans to leverage this collaborative effort to develop an online forms capability for the entire federal grants community.

Organizations that use [system-to-system](#) solutions to transmit applications via data stream to Grants.gov rather than using the Grants.gov forms will be able to send multi-project applications through Grants.gov using the same interfaces they do now. NIH and Grants.gov have made [technical information](#) on multi-project applications available for systems developers so they can plan for any system adjustments they need to make to accommodate these applications.

NIH expects that electronic submission of these applications will streamline many aspects of the grants administration process for both applicants and NIH staff.

NIH Transition Plan

NIH plans to transition all multi-project applications to electronic submission using the SF 424 (R&R) form set by January 2014. The transition will be done by activity code, in the same way NIH has completed previous electronic application transitions. As each activity code transitions, all applications submitted in response to funding opportunity announcements (FOAs) for programs with that activity code will require electronic submission. The pilot will include FOAs representing a variety of activity codes, however.

Initial plans/milestones are as follows:

- **November 2012** — Launch ASSIST and begin issuing a series of pilot funding opportunity announcements of varying activity codes that will require electronic submission for due dates between January and September 2013.
- **September 25, 2013** — All applications submitted in response to FOAs with the following activity codes intended for September 25, 2013 due dates and beyond will require electronic submission: P01, P20, P50, R24, U24, U19.
- **January 25, 2014** — All applications submitted in response to FOAs with the following activity codes intended for January 25, 2014 due dates and beyond will require electronic submission: G12, P30, P40, P41, P42, P51, P60, R28, U10, U41, U42, U45, U54, U56, UC7, UM1.

NIH will continue to communicate transition plans as they evolve and will provide the community with ample notice of impending events.

Inquiries

Please direct all inquiries to:

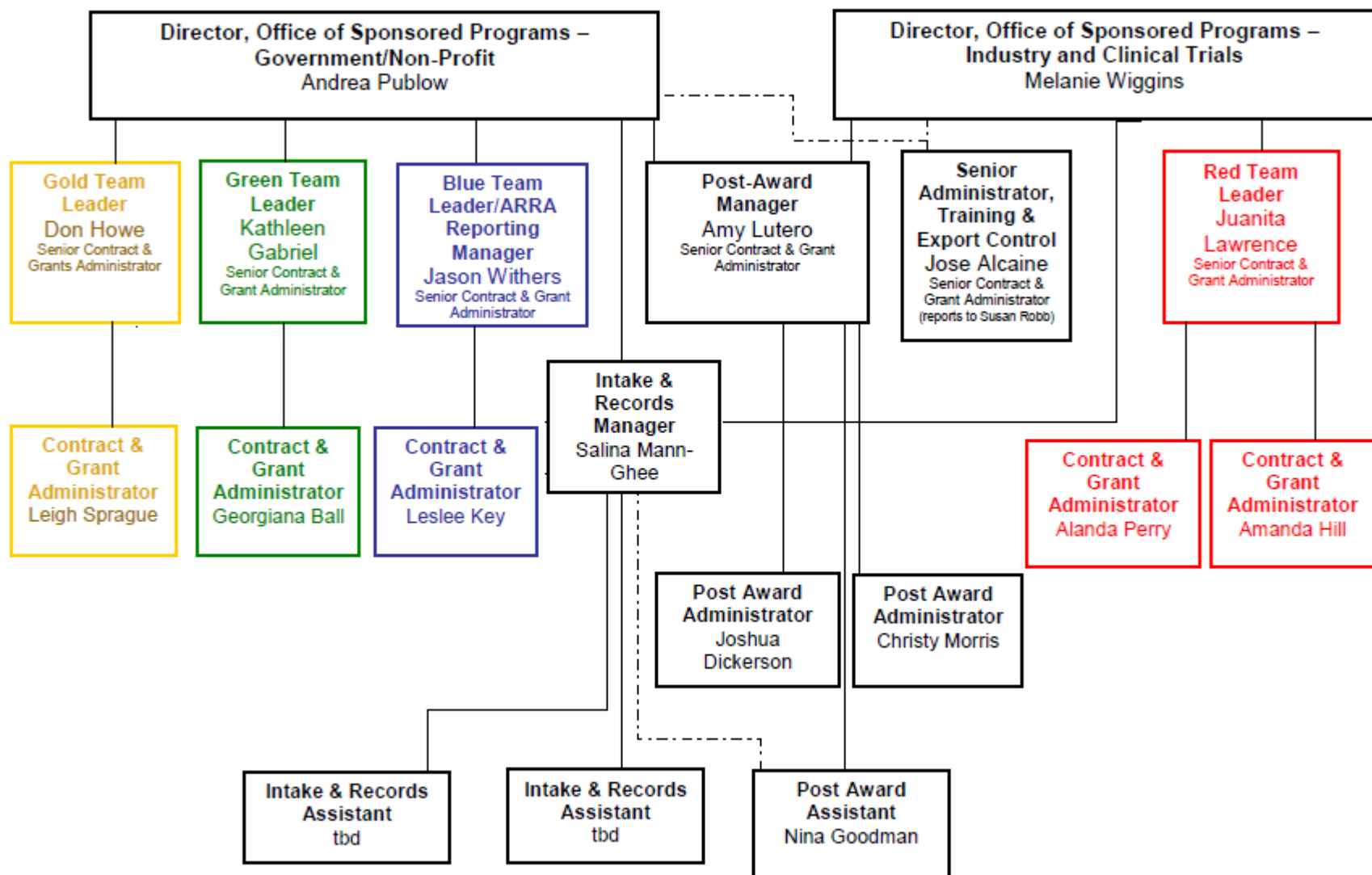
Grants Information
Office of Extramural Research
National Institutes of Health
Phone: 301-435-0714
Email: GrantsInfo@nih.gov

[Weekly TOC for this Announcement](#)

Research Administration & Compliance Meeting

Annie Publow,
VCU Director of Sponsored Programs,
Government/NonProfit Support
October 3, 2012

VCU OFFICE OF SPONSORED PROGRAMS



Office of Sponsored Programs'

Review of Financial Conflict of Interest Reporting

PROPOSALS

Request Advance PT#
(all non NIH proposals)

PD# in VCUeRA
database

Proposal is Delivered to OSP
(include PT or PD# on IAF)
COI Investigators must be designated
in the Personnel Section of IAF

OSP Intake & Records Team creates
entry in AIRS linking the PT/PD#
and the COI Investigators

OSP Review Team confirms that all
COI Investigators have reported in
AIRS (within the last 12 months)

Office of Sponsored Programs'

Review of Financial Conflict of Interest Reporting

AWARDS*

Award arrives to OSP Post Award Team
(either Notice of Award or
Fully Executed Agreement) for **proposal**
submitted **prior to** August 24, 2012



Award is Assessed to determine if
sponsor is Public Health Service (PHS) or
has adopted PHS Regulations



If PHS or PHS-adopting, Post Award Team
identifies COI Investigators (from IAF) or
emails PI (with request to complete
“COI Investigator” Supplement Form)



Post Award Team confirms that all
COI Investigators have reported in
AIRS (within the last 12 months)



Post Award Team holds the processing
of the award until the FCOI has been vetted by COIC

Award arrives to OSP Post Award Team
(either Notice of Award or
Fully Executed Agreement) for **proposal**
submitted **on or after** August 24, 2012



For all sponsors, Post Award Team
confirms that all COI Investigators
from IAF have reported in AIRS
(within the last 12 months)



Post Award Team
holds the processing of the award
until the FCOI has been vetted by COIC

*“Award” is any official action,
i.e. initial award, supplement,
continuation, expanded authority,
or prior approval

Organizations That Require Compliance with PHS Regulations

U.S. Public Health Services Agencies include:

- Agency for Healthcare Research and Quality (AHRQ)
- Agency for Toxic Substances and Disease Registry
- Centers for Disease Control (CDC)
- Centers for Medicare and Medicaid Services (CMS) [formerly HCFA]
- Food and Drug Administration (FDA)
- Health Resources and Services Administration (HRSA)
- Indian Health Services (IHS)
- National Institutes of Health (NIH)
- Office of Global Affairs
- Office of the Assistant Secretary for Health, including
 - Office of Minority Health Resources Center (OMH)
 - Office of Population Affairs (OPA)
 - Office of Research Integrity (ORI)
 - Office of Research on Women's Health (OWH)
- Office of the Assistant Secretary for Preparedness and Response, including
 - Biomedical Advanced Research and Development Authority (BARDA)
- Substance Abuse and Mental Health Services Administration (SAMHSA)

Non-PHS organizations which have adopted the PHS regulations:

- Alliance for Lupus Research
- American Cancer Society
- American Heart Association
- Arthritis Foundation
- California Institute for Regenerative Medicine (CIRM)
- Susan G. Komen for the Cure

AIRS UPDATE FOR RACM

Monika Markowitz, PhD

Director, Office of Research
Integrity and Ethics

Chair, Conflict of Interests Committee

10/3/2012

FIRS IN THE AIRS

(AS OF 9:30AM 10/3)

618 since 'go live' on 8/20/2012

- 491 in 'Active' state, i.e. submitted
- 127 'Open for Edits' - not submitted

553 in some state of review

- 115 - Complete - No COI
- 437 - Awaiting Review (assoc. with submissions or awards)
- 1 - Review in Progress

COI INVESTIGATORS

- ◉ # of COI investigators per 'transaction' -
range:

1 - 11 so far

1 may be appropriate

11 is too many!

Average appears to be 3-ish

WHO SHOULD BE DESIGNATED A 'COI INVESTIGATOR'?

Definition: Any individual, regardless of title, role or position, who is responsible for the design, conduct, or reporting of research.

A subset of listed personnel on proposal/protocol

Consider:

- direct responsibility; no need for authorization or direction from PI/co-I
- independence in function or decision making that is near comparable to the PI

COI investigators on the IAF and Personnel Roster are not necessarily the same!

WHO SHOULD PROBABLY NOT BE A 'COI INVESTIGATOR'?

- ◉ Students, community members, other personnel under the direct supervision of PI/co-PI/co-I
- ◉ Research staff (coordinators) under supervision, i.e., who must consult with PI and have minimal/no independent decision making authority
- ◉ Research-related personnel whose jobs support the research enterprise, eg. Investigational pharmacists, lab technicians, CRSU staff
- ◉ Fellows/trainees who will be beneficiaries of educational or training grants; other individuals providing training/mentoring for a training/educational grant

PROBLEMS WITH DESIGNATING 'COI INVESTIGATORS' INAPPROPRIATELY

- ❑ Individuals may be entering their FIR into the AIRS needlessly
- ❑ Extra time by OSP reviewers:
 - to check for FIR within last 12 months for all individuals before submitting proposal
 - to check COI disposition for all individuals on awarded proposal
- ❑ Extra time by IRB/IACUC coordinators:
 - to check for FIR within last 12 months for all individuals listed on protocol as 'COI investigators'
 - to check COI disposition for all individuals before final approval
- ❑ All individuals designated as 'COI investigators' are reviewed by COI office for each 'transaction'

AVOID DELAYS IN PROPOSAL SUBMISSION OR PROTOCOL APPROVAL

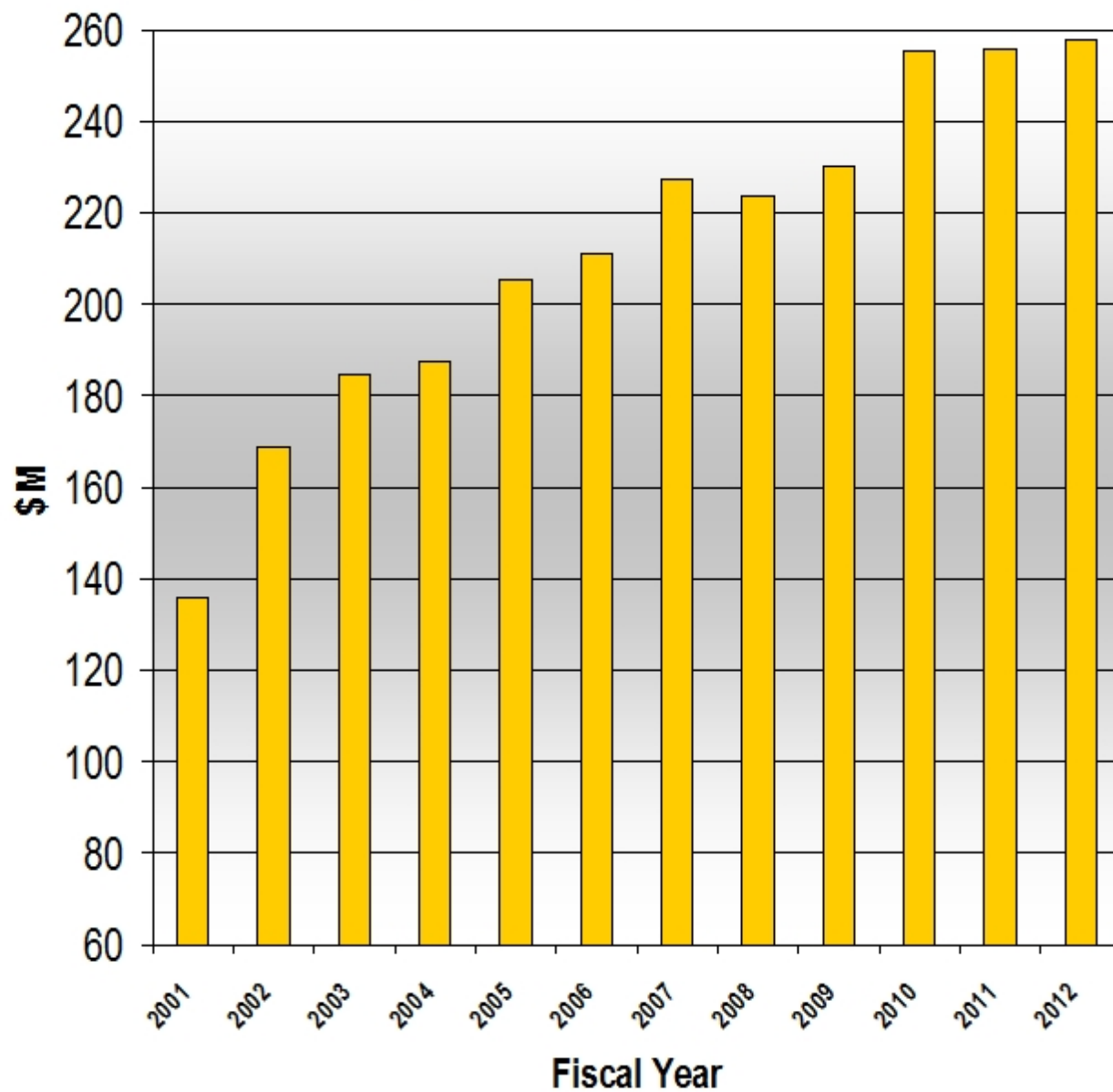
- ◉ Consider who is a 'COI investigator'
- ◉ Assist the PI with 'COI investigator' guidance
- ◉ If questions, contact:
 - AIRS@vcu.edu
 - COI office:
 - Zena Bailey, ORIE Programs Manager –
7-2156, zbailey@vcu.edu
 - Dr. Monika Markowitz –
7-2157, msmarkow@vcu.edu
- ◉ IAFs and Personnel Rosters may be resubmitted to correct COI investigator designations

VCU Sponsored Awards Portfolio

FY2012

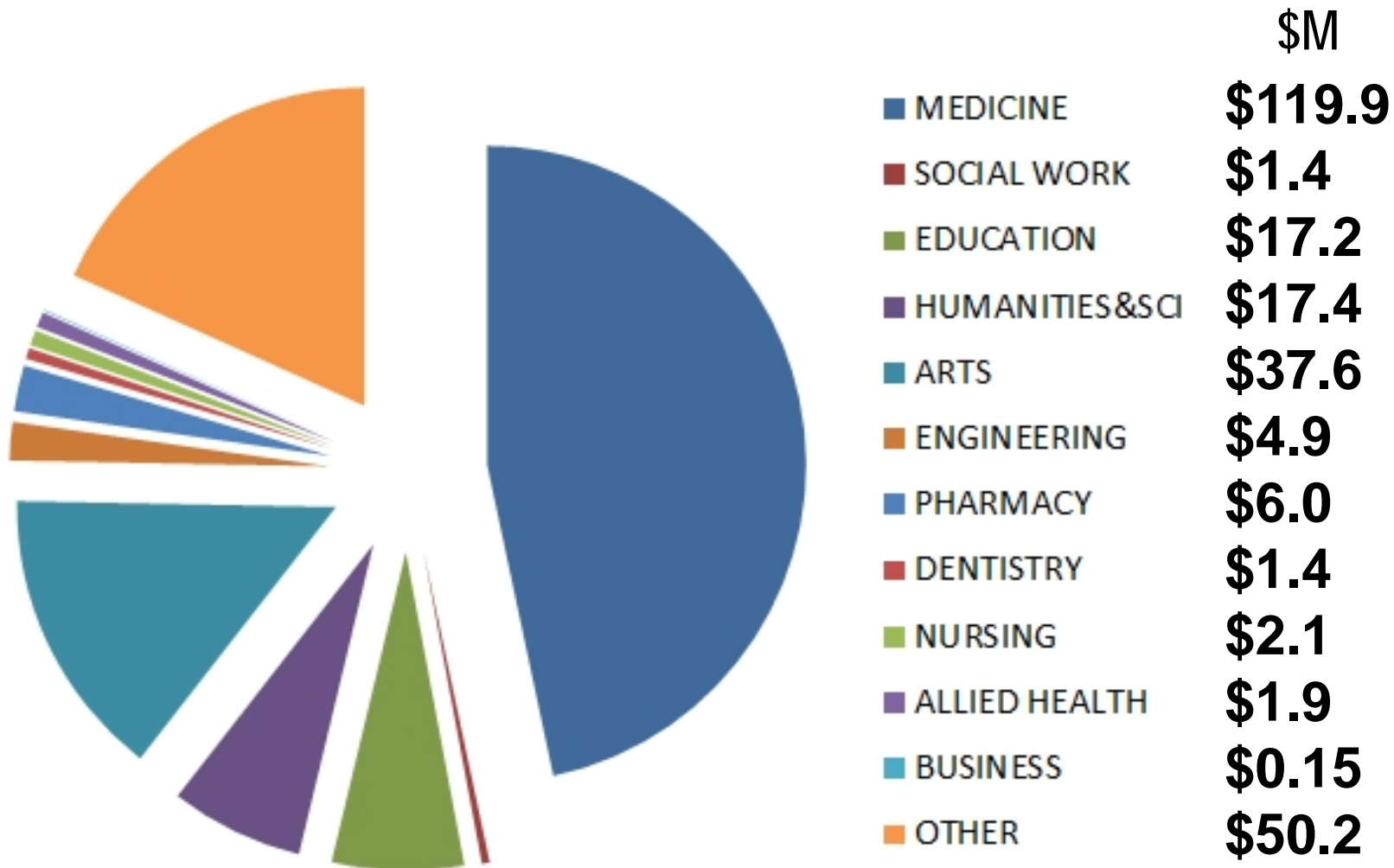
VCU Sponsored Programs Awards

FY	Spons. Programs
2001	\$135,893,748
2002	\$168,844,099
2003	\$184,717,534
2004	\$187,409,535
2005	\$205,432,559
2006	\$211,119,180
2007	\$227,153,887
2008	\$223,789,733
2009	\$230,232,223
2010	\$255,461,169
2011	\$255,927,083
2012	\$260,172,801

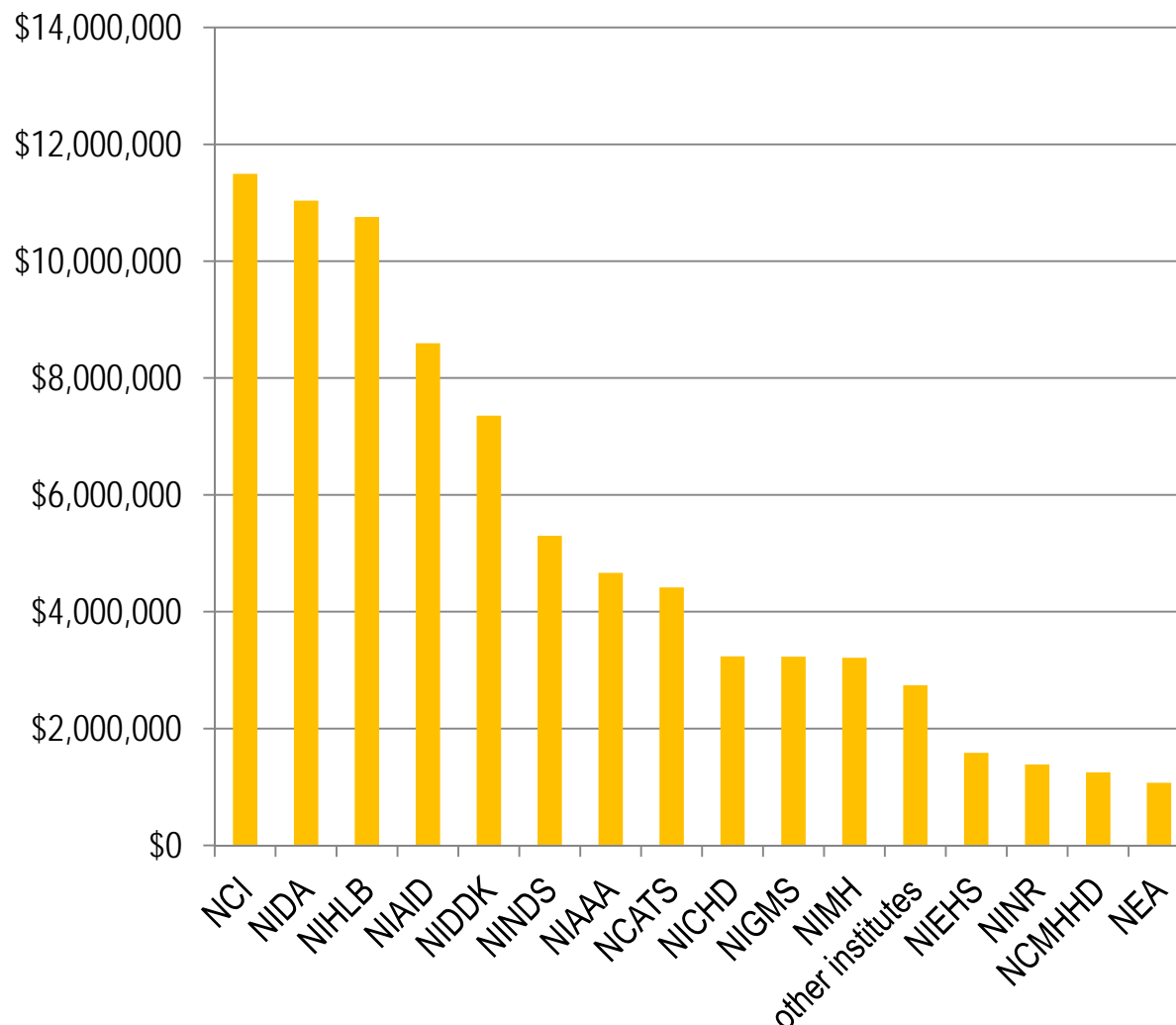


VCU Sponsored Programs Awards by School

Fiscal Year 2012



FY12 VCU NIH Portfolio; \$81,081,995



KEY

NCI: Nat. Cancer Inst.

NIDA: Nat. Inst. Drug Abuse

NIHLB: Nat. Inst. Heart, Lung and Blood

NIAID: Nat. Inst. Allergy & Infec. Dis.

NIDDK: Nat. Inst. Diabetes, Digestive, and Kidney Diseases

NINDS: Nat. Inst. Neurol. Dis. and Stroke

NIAAA: Nat. Inst. Alcohol Abuse and Alcoholism

NCATS: Nat. Ctr. Advancing Translational Sciences

NICHHD: Nat. Inst. Child Health & Human Development

NIGMS: Nat. Inst. Gen. Med. Sci.

NIMH: Nat. Inst. Mental Health

Other: Nat. Inst. Complem. and Alternative Med.; Nat. Inst. Res. Resources; Nat. Inst. Aging; Nat. Inst. Dental Res.; Nat. Inst. Imaging and Bioengineering

NIEHS: Nat. Inst. Envir. Health Sci.

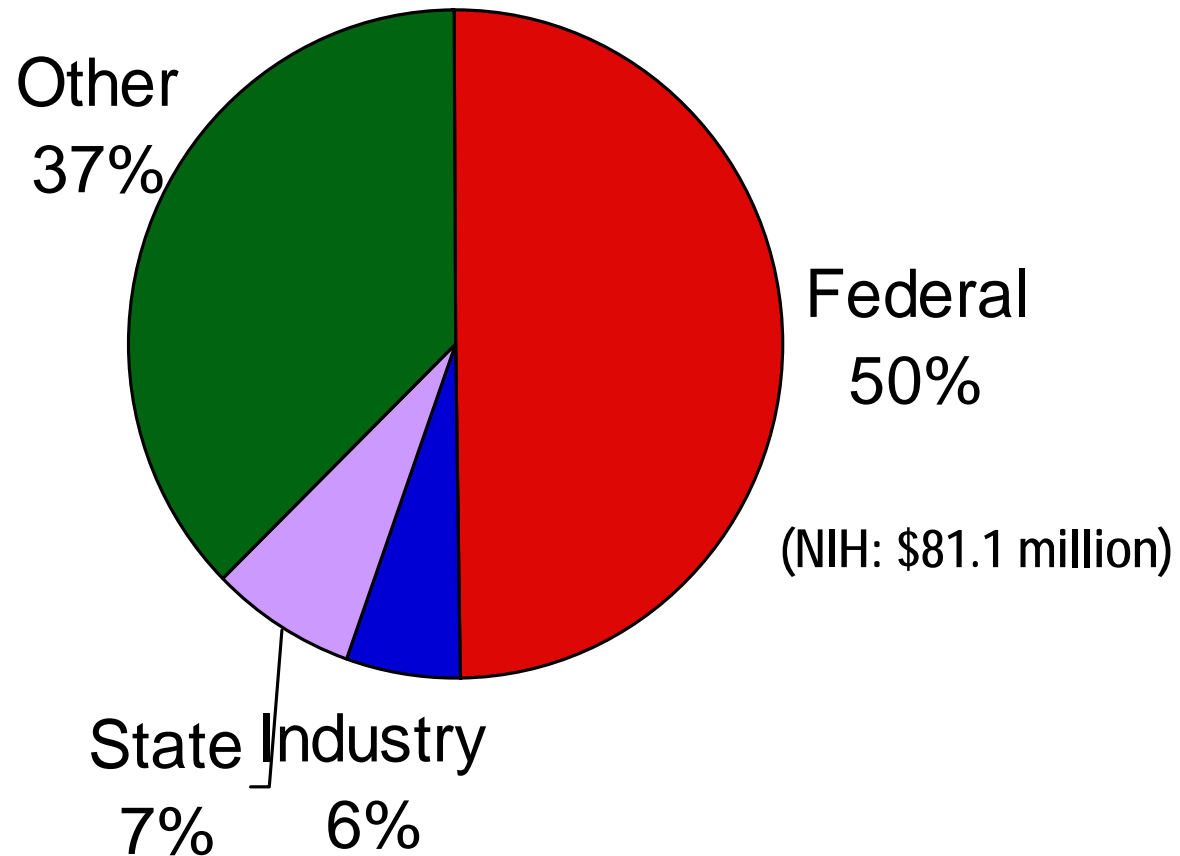
NINR: Nat. Inst. Nurs. Res.

NCMHHD: Nat. Cen. Minor. Health and Health Disparities

NEA: National Eye Institute

VCU Awards by Source: FY12

\$260.2 Million



VIRGINIA COMMONWEALTH UNIVERSITY
SPONSORED PROGRAM AWARD STATUS BY PERCENTAGE

Reference Date: Entire Fiscal Year

Office: <all teams>

	FY2012	FY2011	FY2011 Entire Fiscal Year
Federal	\$129,089,346	\$144,865,612	\$144,865,612
Industry	\$14,742,206	\$18,494,580	\$18,494,580
Other	\$97,461,079	\$66,122,105	\$66,122,105
State	\$18,880,170	\$24,985,117	\$24,985,117
Total	\$260,172,801	\$254,467,414	\$254,467,414
NIH	\$81,081,995	\$96,490,392	\$96,490,392
Non NIH Federal	\$48,007,351	\$48,375,220	\$48,375,220
NSF	\$7,634,599	\$6,136,561	\$6,136,561
non-NIH federal dollars as percent of total federal dollars	37.19%	33.39%	33.39%

Note: The FY2011 total is derived from the active InfoEd data base as of 9-11-12. This 0.1% difference in the official close (slide 1) reflects award adjustments made following the 8-31-11 closing date

VCU Annual Awards Trajectory 2008-2012

