



## **Sounds of eRA Podcast Transcription**

**Part three of a twelve part series where Edward Johnson Jr. (a.k.a. Eddie) sits down with Sandra Nordahl, President, Society of Research Administrators International (SRA), to discuss the mission of SRA and the effects of sequestration on research administration.**

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# Sequestration 101

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Eddie: Welcome to another “*Sounds of the eRA.*” My name is Edward Johnson, a.k.a. Eddie, and I'm the President of InfoEd International. We're going to be speaking today with Sandra Nordahl. She's the President of SRA. We're going to be speaking about SRA's mission and inner workings and also the effects of sequestration on research administration and its effects on the world around us. Hello, Sandra.

Sandra: Hi, Eddie. Thank you for asking me to participate in your podcast.

Eddie: Glad you were able to accommodate this. Now, Sandra wrote an article back in March of 2013. It is called “*Sequestration Threatens Research Jobs.*” It's an interesting read. You can actually find the article if you Google the title. It's posted on the SRA website. Sandra had made some statements in the article that I'd like to speak to her about and hopefully elaborate on. She has mentioned for example in her article that there've already been some effects on job losses as a result of sequestration.

Now sequestration itself is something that came into play by the Budget Control Act of 2011 and basically what that said was we needed to have a balanced budget. If the country did not have a balance budget, sequestration was going start in 2012 and it's basically going to cut \$1.5 trillion of federal spending over the next 10 years and it was going to do it by a somewhat general formula, and it was just going to happen. Agencies had really no impact on it. It wasn't going to be up for discussion. It was just going to happen.

Then the government was supposed to, in the ideal world, come up with its own budget that would achieve the goals that's like the act, the Budget Control Act had prompted thus not letting the act just do a blanket reduction. Again, they were hoping that Congress could come up with their own budget that achieved what the act was going to force. That didn't happen so what happened is across the board, all these cuts were made.

Sequestration is really now the effect of the budget control act coming into play or being activated if you will. In Sandra's article, she had mentioned that there have been some losses in jobs already as a result of that coming into play. So Sandra, can you describe that and how you came to that conclusion?

Sandra: Well, actually Eddie, I've known people who have lost their jobs because of sequestration. When they were laid off, they were told that their positions were being eliminated because of sequestration and that's always a sad thing for people to realize that the actions of, or I should say the failure of the government to perform their jobs correctly is resulting in this kind of economic downturn for our country.

Eddie: For people that might not be able to connect the dots here, the majority of the research and development funding in the United States -- actually that's true of most companies, countries -- comes from the federal government. Here, the federal government under the sequestration if you will has to cut its spending and that does, and it will affect the research in development aspect. The research and development funding of course being reduced has its effects to all the downstream recipients of that money and part of the money that they receive is F&A which is the overhead allowed for the administration of that research which is what research administration ultimately is.

What Sandra's describing is as a result of those cuts, that means there's less F&A which then can translate into less people which I think is what you're saying, right, Sandra?

Sandra: Exactly, so the buzz on the research F&A listserv which I'm sure many of the people listening to this podcast participate on was basically what model are you using to do your economic forecasting for your organization. Recently when I was at the western, southern SRA section meeting, Bill Sweary was, and he also was talking about this at our Fall international meeting last year in Orlando, if you didn't have an economic model to forecast the hits that sequestration going to make to your F&A budget, you're going to be in dire straits and it would result in some layoff to your organization if you hadn't planned accordingly.

Fortunately for my organization, we were planning on sequestration taking effect. We have been doing work for reduction through attrition and hopefully that will prevent layoff in our organization but I can tell you numbers are down and it's not a pretty picture.

Eddie: Now in some ways, sequestration as I mentioned before is a broad brush. It's just saying well, if the government can't decide how to save this money, sequestration, when it gets enacted if you'd like, a sequestration is the enactment as opposed to a thing. It's going to make these cuts broadly. The bad news is of course, it's done without any judgment, any decision, or any negotiation. It's just happening.

In this realm, if the government had looked at it, there's a very good chance that they would've chosen not to get those savings by blanket cutting of research. They might have chosen to say research and development, which we're going to speak about in a little bit, is important and so in order to protect that, we're going to try not to affect that area and we're going to look at other areas to make up that money.

Sandra: I would say that that is correct although it seems to me, and I was chatting with others about sequestration and how to, it was being implemented but it seems to me that some agencies have taken a look at how they're going to implement the cuts. Of course, I don't think that any organization or government agency can just say oh, we're just going to cut X amount across the board and have it be done. I think some agencies have put thoughtfulness into how they're going to implement their cuts even though they weren't supposed to be able to.

Eddie: Sandra, this has been absolutely fantastic stuff. I am very excited about the information we've been able to collect from you here

Again Sandra, I really appreciate your time, fantastic information.

Sandra: Great, thank you so much for having me.