Financial aid awards for this spring semester are safe. The sequester does not affect spring financial aid, nor does it affect Pell Grants.

For the fall semester, Supplemental Educational Opportunity Grants and Federal Work-Study are subject to potential reductions. To offset the sequestration reductions, we may have to consider reducing the number of students being awarded SEOG and Work-Study, but this is very much dependent on information we don’t currently have, including the amount of reduction and the timing.

The University is exploring options with regards to SEOG and Federal Work Study recipients, should the federal funding for those programs be significantly decreased.

Our first priority is to assure continuity in financial aid, salaries, and research for as long as possible.

One of the primary areas of risk is with federally funded research. The sequester would cut federal funding for the National Institutes of Health across the board. NIH funding is a key source of funding for university research of many kinds, including medical research. Last fiscal year, U.Va. received approximately $130 million in NIH funding for research on key subject areas including cancer, diabetes, genomics, neurosciences and infectious diseases, among others.

NIH late last week announced budget reductions of 5.1 percent. We do not know how the NIH Institutes will implement these cuts quite yet. However, major reductions in NIH or other federal research funding that is at risk because of the sequester could threaten research and support staff that is dependent on such funding. There are approximately 3,400 federal research-related jobs at U.Va.

At UVA Health System, sequestration will lead to reductions in Medicare reimbursements for the Medical Center as well as to the physician faculty in the School of Medicine.

The University has been preparing for sequestration, which includes identifying alternative sources of funding to ensure that research that is already under way and at critical junctures would be able to continue for some period of time. An example of this would be research that requires extended and continuous laboratory testing without interruption.

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