

Dear Colleagues,

The flurry of executive orders and federal funding decisions continue to have broad implications for public research universities nationwide. Below are updates on several fronts and how they may affect our work at Michigan State University, as well as the steps we are taking to address these changes and advocate for our mission.

President Guskiewicz and other leaders were in Washington DC last week meeting with congressional members at the Capitol on many of these topics and additional visits are planned for later this month. Rapid Response Working Groups continue to meet as well.

Impacts to Research

The proposed budget cuts to the U.S. Department of Health and Human Services, including reductions to **NIH**-funded programs, pose serious challenges to the continuity and expansion of research at MSU and across the country. Research universities won an extended reprieve April 7 when a federal judge [permanently barred](#) the NIH from capping funding for indirect research costs at a 15% rate. That decision is under appeal by the administration. These potential reductions could delay or limit progress in critical areas such as cancer research, infectious diseases, mental health and child development projects.

MSU's annual NIH expenditures in FY2024 were \$136 million, with facility and administrative cost reimbursement around \$39 million.

The loss of the reimbursement will impact MSU's ability to sustain research and related activities, including but not limited to physical lab operations and maintenance, security and utility costs, federal regulatory and financial compliance, reporting and oversight, insurance, and debt service.

With regards to **USAID**, in FY 2024, MSU received approximately \$23 million in awards from USAID. To date, the university has received notice that all USAID projects have been terminated across multiple colleges. Unfortunately, that has also resulted in some layoff notices to fixed term faculty and related staff for USAID projects within at least one academic unit. We know these decisions are extremely difficult and the impact can be felt across multiple areas. The university is working with those directly impacted to support them throughout this process. The full effect to the university and our employees continues to evolve day-by-day.

On April 11, universities also received notice about a similar F&A cap on all Department of Energy (**DOE**) related grants. MSU is a national leader in energy innovation and scientific discovery, with over \$161M in current DOE-funded research supporting breakthroughs in areas like clean energy, plant resilience, nuclear science and advanced biofuels. The 15% indirect cost cap would eliminate approximately \$32M in funding that MSU uses to support our research infrastructure. Last weekend, MSU leaders worked with AAU, ACE and APLU and other individual research universities to [file a lawsuit](#) challenging these cuts. On April 16, we learned that a judge has granted a temporary restraining order on this specific order and oral arguments will happen at the end of April. (Also, a reminder for any project managers or PIs that are contacted about an impacted grant from the federal government should refer the situation to the Office of General Counsel. OGC continues to manage communication and certifications with the government on behalf of the university).

The president mentioned during the Board of Trustees meeting last week a decision to dedicate \$5M/year for the next three years from an existing endowment fund to specifically support university research projects. More information on those funds will be shared in the coming months as we continue to monitor evolving actions across all federal agencies to determine impacts on MSU. As the president said in his remarks, few initiatives are more essential right now than sustaining our research enterprise and protecting educational opportunities for our students. (It is important to note that these funds are not intended to replace lost federal funding, but they represent a commitment to MSU's research mission).

Department of Education and Federal Student Aid

The transfer of Federal Student Aid programs under the Department of Education's restructuring may create temporary confusion for students and families. Through the Office of Financial Aid, the university is preparing for transitions, providing accurate information to students and families, and working to ensure uninterrupted student support. As always, our commitment is to safeguard access and affordability for our students. The change from the Department of Education to the Small Business Administration increases the risk of delayed financial aid processing and ultimately the disbursement of student financial aid for all colleges and universities due to the potential software recoding.

International Students and Visas

News started breaking last week that more than 1,000 students nationwide have had their F-1 visas revoked by the U.S. Department of State (important to note that students are notified of their visa situation directly by the federal government and MSU is only aware of the situation if a student voluntarily informs us). Separately, the university could see that some of our international students' information in the Student and Exchange Visitor Information System, or SEVIS, was being altered or erased. President Guskiewicz and Interim Provost Jeitschko [shared a letter with campus last week on the situation](#), and you may have seen in news stories that we believe 12 students (undergraduate and graduate level) currently have been impacted by these actions. Through OISS, those students continue to receive support and communication directly.

Michigan State University joined 85 other institutions recently in [filing an amicus brief](#) aimed at protecting the ability of non-citizens to study at American universities and colleges. Separately, individual MSU students and students from other universities [have also filed lawsuits against the federal government](#) on this action.

Public Broadcasting

It was announced earlier this week that the White House is asking Congress to rescind previously approved funding for the Corporation for Public Broadcasting, which directly impacts PBS and NPR and our own WKAR. General Manager Shawn Turner [sent a message to supporters](#) in the community this week with more details.

Public Commentary & Media Engagement

President Guskiewicz had a [guest op published in the Detroit News](#) recently advocating for the importance of higher education research and government collaboration. UCAM, working with Government Relations, also launched a new landing page, [Research for You](#), to connect the ongoing advocacy efforts with impact stories showing the importance of MSU research on our state and nation. Please share with your units and use these materials in your own efforts.

I hope this summary is useful to you and your teams. As a follow up to the webinar held on April 8 with leaders from the Provost Office, Institutional Diversity and Inclusion, Office of Research and Innovation and Government Relations, answers to many of the questions posted in the webinar continue to be posted to department websites. The [federal transition website](#) also continues to be updated.

Thank you for your continued leadership during this time of complexity and change. Please do not hesitate to reach out with questions, ideas, or concerns as we navigate these challenges together.

Best,
Emily



Emily Gerkin Guerrant

Vice President and Chief Communications Officer

408 West Circle Dr., Room 401B | East Lansing, MI 48824

Office: 517.355.3843 | Cell: 517-862-5462

Email: emilyg@msu.edu

Pronouns: She/Her/Hers

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