

March 4, 2013

Dear Grantee:

As you are likely aware, in accordance with the Budget Control Act of 2011, a series of spending cuts, called sequestration, will cancel approximately \$85 billion in budgetary resources across the Federal government for the remainder of the Federal fiscal year. As a partner with HRSA, we are writing to provide you with information about what this reduction means for the funds provided to your organization.

At this time, the Department of Health and Human Services and HRSA are taking every step to mitigate the effects of these cuts, but based on our initial analysis, it is possible that your grants or cooperative agreement awards may be affected. Examples of this impact could include: not issuing continuation awards, not awarding incremental funds on multi-year awards, or negotiating a reduction in the scope of your awards to meet the constraints imposed by sequestration. Additionally, plans for new grants may be re-scoped, delayed, or canceled depending on the nature of the work and the availability of resources.

To the extent that your grants or cooperative agreement awards are affected due to these budget cuts, you will be contacted by the appropriate Grant Management and/or Project Officer with additional details at a later point.

Thank you for your continued partnership with the Department of Health and Human Services and HRSA and for your cooperation as we work together to manage these circumstances.

Michael J. Nelson

Associate Administrator

Office of Federal Assistance Management

Health Resources and Services Administration