MUS Research and Economic Development

May 2025

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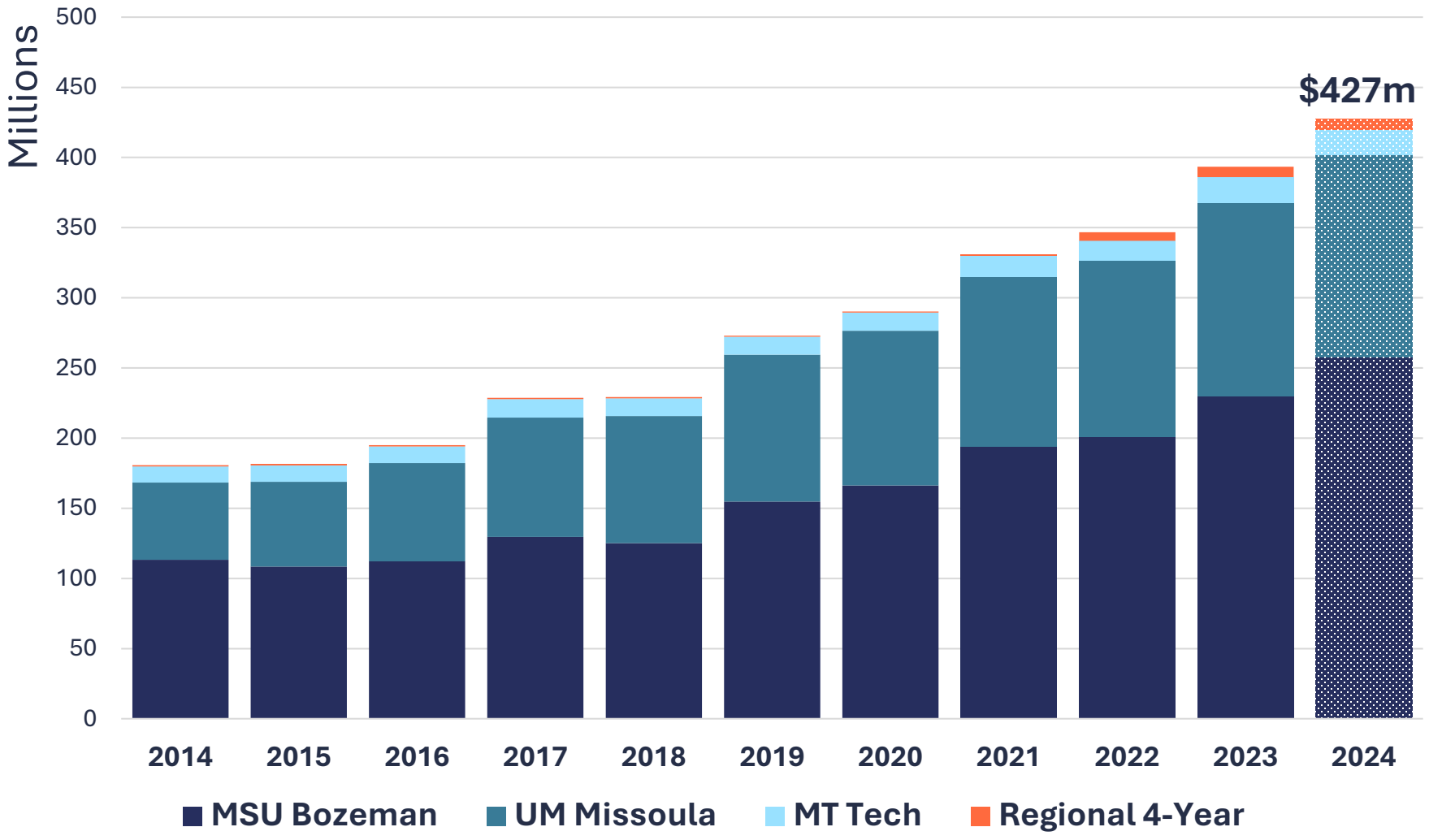
The MUS achieved a new record for research activity in 2024

(Research expenditure totals from National Science Foundation HERD survey. values in nominal $)

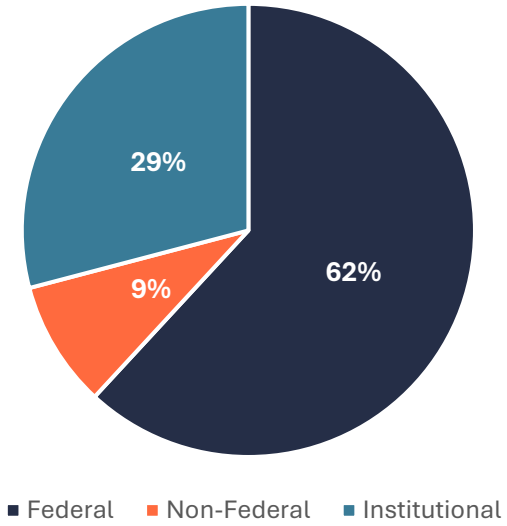


Montana ranks 5th in the nation for the growth of its university research enterprise in the most recently released national data.

External research funding directly supports employment of:

- ~1400 staff annually
- ~900 students annually

Expenditures by Funding Source, FY24



Federal funding pause & subsequent EO-driven grant reviews and cancellations

Federal Actions

Federal funding pause announced Jan. 27th

- Pause rescinded by OMB Jan. 29th
- Court injunctions in Feb. and March

EO 14151 “Ending Radical And Wasteful Government DEI Programs And Preferencing” issued Jan. 20th

EO 14168 “Defending Women From Gender Ideology Extremism And Restoring Biological Truth To The Federal Government” issued January 20th

- Led federal agencies to issue a variety of stop work orders and guidance
- Ongoing review and cancellation of some grants and programs

MUS Impacts

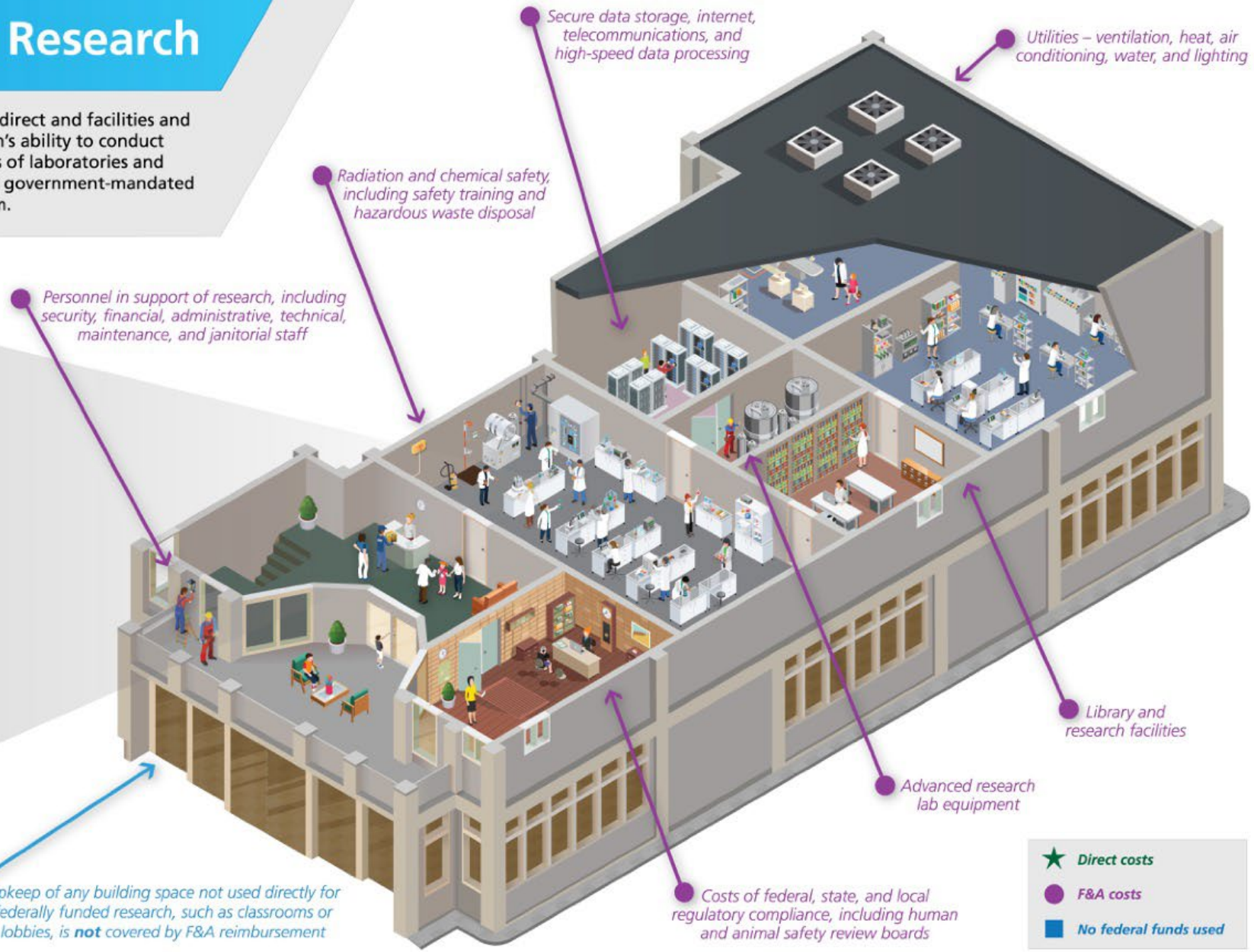
Most grants that were paused or subject to stop-work orders have resumed.

40 Grants totaling approximately $11m of unspent funds have been canceled

These include grants from NSF, NIH, U.S. Department of State, the Institute of Museum and Library Services, EPA, CDC, and the Department of Defense.

Costs of Federally Sponsored Research

The total cost of federally sponsored research includes a combination of both direct and facilities and administrative (F&A) costs. Both types of expenditures are key to an institution's ability to conduct cutting-edge research. F&A consists of the construction and maintenance costs of laboratories and high-tech facilities; energy and utility expenses; and safety, security, and other government-mandated expenses. These costs are real and research cannot be conducted without them.



AAMC | Association of American Universities | AIRI Association of Independent Research Institutes | Association of Public & Land-Grant Universities | COGR Council On Governmental Relations

Proposed caps to indirect cost recovery

National Institutes of Health

NIH 15% cap announced February 7th
- TRO on February 10th
- Permanently enjoined by district court on April 4th

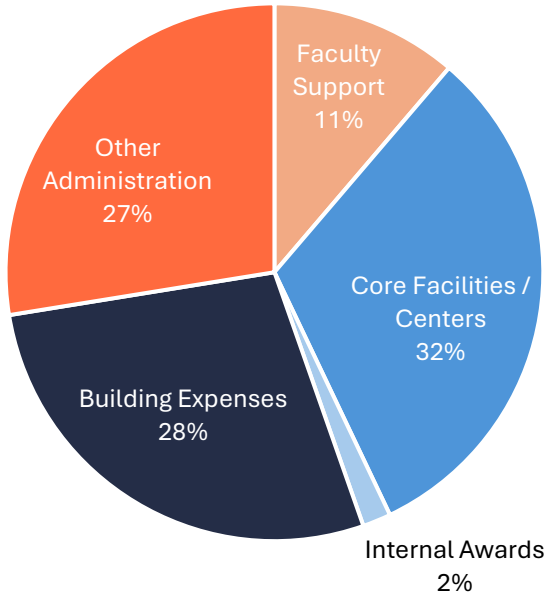
DOE 15% cap announced April 10th
- TRO on April 16th

NSF 15% cap announced May 2nd
- Ed associations file suit May 5th

In FY 2024, the MUS spent ~$57m in indirect costs.

A 15% cap on indirect costs across federal awards would be a cut of approximately $28m, about half of current expenditures. We expect this will be mitigated long term by more expenses being categorized as direct costs.

IDC Expenditures by category, FY 2024



Leading indicators of MUS research activity

MSU-Bozeman and UM-Missoula

	FY 25 through May	Y/Y Change
# of Proposals	1265	-14%
Proposal $	$601m	-25%
New Awards	896	+5%
$ New Awards	$268m	-11%
OSP Expenditures	$273m	+4%
IDC Recovery	$40.4m	+1%

Federal scientific agencies budget outlook

1. The Spring 2025 Continuing Resolution keeps federal science agencies budgets at historically high levels, but also eliminates ”congressionally directed” funding, which impacts some MUS programs, including the Defense Critical Language Program at UM and MilTech at MSU.

2. President Trump release his FY 2026 budget proposal with substantial cuts proposed. Similar proposed cuts in the Presidents’ first term were not implemented in congressional budgets.

FY 2026 President’s budget proposal – Federal Science Agencies

	Share of MUS Federal Funding	$ Change (Billions)	Percentage Change
National Institutes of Health	25%	-18	-37%
National Science Foundation	15%	-3.9	-56%
Department of Agriculture	11%	-5	-18%
NASA	5%	-3.4	-46%
Department of Energy	3%	-1.1	-14%

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