



April 16, 2015

The Honorable Tom Price, M.D.
Chairman
Committee on the Budget
United States House of Representatives
Washington, DC 20515

The Honorable Mike Enzi
Chairman
Committee on the Budget
United States Senate
Washington, DC 20510

The Honorable Chris Van Hollen
Ranking Member
Committee on the Budget
United States House of Representatives
Washington, DC 20515

The Honorable Bernie Sanders
Ranking Member
Committee on the Budget
United States Senate
Washington, DC 20510

Dear Chairman Price, Chairman Enzi, Ranking Member Van Hollen, and Ranking Member Sanders:

On behalf of the members of the Association of Public and Land-grant Universities (APLU) and the Association of American Universities (AAU), which include nearly all the major public and private research universities in the United States, we urge you, as you negotiate the FY2016 budget resolution conference report, to include a path to repeal the current sequestration-level discretionary spending caps, reverse the proposed massive cuts to student financial aid programs, and reassert strong support for scientific research.

Higher education and research are key drivers of economic growth, providing a highly educated and trained workforce along with scientific and engineering discoveries that lead to new innovations, technologies, and processes. It is shortsighted to undermine such investments in our nation's future, particularly as our global competitors are rapidly increasing their support for scientific research and higher education. In fact, the federal government's stagnating spending in these areas in recent years is creating an innovation deficit for the United States, which is giving our competitors a golden opportunity to catch up to and surpass us.

We strongly recommend the inclusion in the conference report of the provision in the Senate resolution, S. Con. Res. 11, which creates a deficit neutral reserve fund to repeal sequestration for the discretionary non-security and security categories in FY2016 and FY2017 through changes in spending programs and tax expenditures. The increasing

constriction of the discretionary portion of the budget, which includes the majority of government spending on education and research, is not justifiable if we hope to keep the U.S. as the global innovation leader. Similarly, we also greatly appreciate, and advocate for inclusion of, the bipartisan amendments included in the Senate budget resolution that support increased spending on federal investments broadly in scientific research and development and specifically on funding for the National Institutes of Health.

We were alarmed to see the drastic cuts to student financial aid programs outlined in both the House and Senate budget resolutions. The Pell Grant program opens the doors of higher education to students regardless of income, providing access to college and leading to the success of students who are needed to fill high-skilled positions at American manufacturers, businesses, classrooms, hospitals, laboratories, and offices. Freezing the Pell Grant maximum award for a decade and eliminating \$90 billion in funding for the program will be detrimental to students and our country. Further, at a time when college affordability is on the minds of many Americans, we strongly discourage adoption of the budget resolutions' provisions that would make going to college less affordable, including elimination of the in-school interest subsidy for need-based undergraduate loans, elimination of loan forgiveness, constriction of income-based repayment, and others. Additionally, we do not think it is appropriate to use "fair value accounting" rules for the federal student loan program, and we urge you to reverse this proposed change.

Our nation's long-term budget deficits and fiscal challenges cannot be addressed through cuts to programs that lead to scientific and technological innovations, a highly educated populace, and economic growth. As you resolve differences between the Senate and House FY2016 budget resolutions, we urge you to set the stage for a major budget agreement that includes tax and entitlement reforms and that places a high priority on critical investments in scientific research and higher education to close the innovation deficit and improve the outlook for our nation's future.

Thank you for considering our views.

Sincerely,



Peter McPherson
President, APLU



Hunter R. Rawlings III
President, AAU

Cc: Members of the House and Senate Budget Resolution Conference Committees
House and Senate Leadership