



August 15, 2014

The Honorable Shaun Donovan Director Office of Management and Budget Executive Office of the President 725 17th Street, NW Washington, DC 20503

Dear Mr. Donovan:

On behalf of our associations' more than 200 member research universities, we urge you to uphold the President's commitments to federal investments in higher education and research as you develop the Administration's FY 2016 budget. Sustained increases above inflation in these investments are vital to closing the nation's innovation deficit as well as promoting the long-term economic growth necessary to reduce federal budget deficits.

Both the President and Members of Congress from both parties have expressed support for increasing investments in higher education and research, but they have been stymied by sequestration and the unrealistic caps on discretionary spending imposed by the Budget Control Act (BCA). Such increases require a careful setting of priorities. There is bipartisan understanding that investments in higher education and research provide real and significant returns for American taxpayers, including a highly educated and trained workforce along with new scientific and engineering discoveries that lead to new innovations, technologies, and processes. Many of these innovations are the basis for new businesses and some have led to entire new industries. Simply put, federal support for research and higher education drives the U.S. economy and strengthens both economic and national security.

Our nation is engaged in a long-term competition with other nations that will determine the economic security and quality of life for generations of Americans. While federal research funding has stagnated due to our dysfunctional budget process, countries such as China, South Korea, and Singapore are far outpacing the U.S. in their annual percentage growth of research and development funding. And as nations around the world aggressively seek to prepare their citizens to take on the global workforce challenges of the 21st century, our nation is falling behind in educating and training our people to compete and succeed. In order to maintain our competitive edge, the U.S. needs to invest in research and offer access to higher education to all who seek it.

Inadequate U.S. investment, combined with the growing strength of other countries, has created an innovation deficit, the widening gap between the actual level of federal funding for research and higher education and what the investment level needs to be if the U.S. is to remain the world's innovation leader. If we do not address the innovation deficit, it will harm our economy, national security, and overall quality of life. We agree with the President that substantial investments in education and research must be a top priority because they are "key to a 21^{st} century economy." Such investments are the single best way to address our innovation deficit and keep the U.S. in its preeminent global position.

We respectfully request that you consider the following to help achieve the President's vision for U.S. higher education and scientific research in FY2016.

To educate and prepare the next-generation workforce, we must continue to open the doors to higher education for as many Americans as possible through investments in the Pell Grant and other federal student financial aid programs. These programs provide students access to college and facilitate the pathways of success and completion for students who are needed to fill high-skilled positions at American manufacturers, businesses, classrooms, hospitals, laboratories, and offices.

In addition to robust support for student aid programs in the FY2016 budget, we ask that the Administration's budget include strong funding levels for graduate education and Title VI international programs. These programs are important to our nation's competitiveness as they help prepare graduate students studying in areas of national need and increase the global capacity of all our students. We request that the Administration's budget include funding to significantly expand the number of U.S. students studying abroad while also increasing diversity of participants and study in non-traditional destinations such as developing nations. Such opportunities will ensure that more students graduate from college with the international understanding and foreign language skills necessary to be successful in today's global economy.

U.S. investment in science and engineering research has produced innovations that have led to countless new technologies, medical advancements, improved business practices, new companies, and jobs. We urge that the FY2016 budget request make strong investments in federal science and research agencies, including: the National Institutes of Health, the National Science Foundation, the Department of Energy's Office of Science and ARPA-E, the Department of Defense and DARPA, the National Aeronautics and Space Administration, the National Endowment for the Humanities, the Department of Agriculture – particularly AFRI and the other agriculture research and extension programs, the National Oceanic and Atmospheric Administration, the National Institute of Standards and Technology, and the Department of Education's Institute of Education Sciences. Each of these federal agencies supports top notch research, researchers, and students vital to our nation's innovation capacity.

In closing, we urge the Administration to continue to work toward a long-term budget deficit reduction agreement that eliminates sequestration and allows for sufficient investments in high priority areas such education and research. The combination of strong federal support and prioritization of higher education and research will help close our innovation deficit and ensure U.S. economic growth and prosperity for years to come. Thank you for considering our views on the FY2016 budget.

Sincerely,

cc:

Peter McPherson President, APLU

Hunter R. Rawlings III President, AAU

William D. Adams, Chairman, National Endowment for the Humanities

Charles Bolden, Administrator, National Aeronautics and Space Administration

John Holdren, Director, White House Office of Science and Technology Policy

Francis Collins, Director, National Institutes of Health

France Cordova, Director, National Science Foundation

Arne Duncan, Secretary, Department of Education

Chuck Hagel, Secretary, Department of Defense

Willie May, Acting Director, National Institutes of Standards and Technology

Ernest Moniz, Secretary, Department of Energy

Kathryn Sullivan, Administrator, National Oceanic and Atmospheric Administration

Tom Vilsack, Secretary, Department of Agriculture