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September 21, 2011

Hon. Jeb Hensarling, *Co-Chair* U.S. House of Representatives

Hon. Max Baucus U.S. Senate

Hon. Dave Camp U.S. House of Representatives

Hon. John Kerry U.S. Senate

Hon. Rob Portman U.S. Senate

Hon. Fred Upton U.S. House of Representatives



1307 New York Avenue, NW Suite 400 Washington, DC 20005

Hon. Patty Murray, *Co-Chair* U.S. Senate

Hon. Xavier Becerra U.S. House of Representatives

Hon. James Clyburn U.S. House of Representatives

Hon. Jon Kyl U.S. Senate

Hon. Pat Toomey U.S. Senate

Hon. Chris Van Hollen U.S. House of Representatives

Dear Members of the Joint Select Committee on Deficit Reduction:

The Association of Public and Land-grant Universities and the Association of American Universities, together with the presidents and chancellors of the member universities listed below, urge the Joint Select Committee on Deficit Reduction and the Congress to reach a balanced agreement that reduces budget deficits, reins in the nation's debt, and creates economic and job growth.

The need for public confidence in the future of the economy and the seriousness of the problem call for a big agreement – not incremental steps. The rising federal debt is unsustainable, and there is bipartisan understanding that significant reductions in budget deficits are necessary to bring the debt under control and achieve long-term prosperity.

Recent deficit reduction actions have concentrated almost entirely on domestic discretionary expenditures, which are only about one-sixth of the budget. Domestic discretionary spending is not the primary cause of our rising debt. Imprudent additional reductions in domestic discretionary expenditures and other federal programs that train the next generation risk undermining our nation's human capital, infrastructure, and technological and scientific needs.

A deficit reduction agreement should seriously address a primary source of long-term spending growth: entitlement programs. The entitlement programs account for a large percentage of the budget, and they are projected to take an increasing share of federal spending in the coming decade. However, the sizable deficit reduction required cannot be achieved solely through decreasing expenditures. Economic growth is critical. Tax reform should be part of the package, with any revenue measures designed to reduce the deficit and encourage economic growth.

The deficit-reduction legislation will need to prioritize expenditures, and economic growth must be an important consideration in making those decisions as well. Education, scientific research, and innovation underpin our nation's economic growth in this era of enhanced global competitiveness.

Our nation's past focus on education and research has paid extraordinary dividends. More than half of U.S. economic growth since World War II is a result of technological innovation, much of which is a result of federally funded scientific research. Such groundbreaking research has created vaccines, lasers, the MRI, Global Positioning Systems, the Internet, and a host of other advances that have grown our economy, improved our health, and made our nation stronger and more secure. And investments in student aid have made it possible for generations of young Americans to obtain a college education regardless of income. Substantial spending cuts to federal student aid programs have been made in recent years to shore up the Pell Grant program and reduce the deficit. Only by offering opportunities to all of our people to attain the highest levels of education they can will we optimize the nation's human capital to advance our economy and society. For our nation to create jobs and new industries there should be a sustained federal commitment to scientific research and to ensuring that every citizen has access to higher education.

Therefore, even as we reduce deficits through entitlement and tax reform, we must carefully prioritize spending. As the bipartisan majority report of the Bowles-Simpson National Commission on Fiscal Responsibility and Reform recognized, a deficit plan should:

"... cut red tape and unproductive government spending that hinders job creation and growth. At the same time, we must invest in education, infrastructure, and high-value research and development to help our economy grow, keep us globally competitive, and make it easier for businesses to create jobs."

The Bowles-Simpson plan specifically calls for devoting a portion of savings from cuts in wasteful spending to additional investments in these areas.

Now is the time to act. As national leaders in higher education, we urge the Committee and the Congress to move past contention and to reach a bipartisan compromise to bring the national debt under control and create a pathway for long-term economic growth. The Joint Select Committee has a historic opportunity to craft a balanced proposal that is at once bold, sensible, and forward-thinking. The choices will not be easy, but throughout our nation's history, American leaders have risen to great challenges. We offer you any assistance our universities can provide and wish you the very best in this critical endeavor.

Sincerely,

Peter McPherson, President Association of Public and Land-grant Universities Hunter R. Rawlings III, President Association of American Universities Michael F. Adams, President The University of Georgia

Stan L. Albrecht, President Utah State University

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Eric Barron, President The Florida State University

Mark P. Becker, President Georgia State University

Donald L. Beggs, President Wichita State University

Ronald Berkman, President Cleveland State University

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Universities Letter, page 4

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Universities Letter, page 5

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Universities Letter, page 6

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cc: Speaker of the House John Boehner House Majority Leader Eric Cantor House Majority Whip Kevin McCarthy House Minority Leader Nancy Pelosi House Minority Whip Steny Hoyer Senate Majority Leader Harry Reid Senate Majority Whip Richard Durbin Senate Minority Leader Mitch McConnell