

February 14, 2014

The Honorable Harold Rogers
Chairman, Appropriations Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Barbara Mikulski
Chairwoman, Appropriations Committee
U.S. Senate
Washington, DC 20510

The Honorable Nita Lowey
Ranking Member, Appropriations Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard Shelby
Ranking Member, Appropriations Committee
U.S. Senate
Washington, DC 20510

Dear Chairman Rogers, Chairwoman Mikulski, and Ranking Members Lowey and Shelby:

On behalf of the member universities of the American Council on Education (ACE), the Association of American Universities (AAU), and the Association of Public and Land-grant Universities (APLU), we wish to thank you again for giving priority to many research and higher education programs in the FY 2014 Consolidated Appropriations Act. We write now to urge you to make research and higher education programs a top priority as you consider the FY 2015 302 (b) allocations. The combined memberships of ACE, AAU, and APLU include all of the major public and private research universities in the United States.

Recent sequestration cuts, coupled with declining federal investments since FY 2009 in scientific research and higher education programs, occurred at the very time when other nations such as China, Singapore, and South Korea were dramatically increasing their investments in these areas. This has created an innovation deficit—the gap between needed and actual federal investments in research and higher education. The National Science Board’s just-released *2014 Science & Engineering Indicators* provides the latest evidence of the innovation deficit. The major Asian economies, taken together, now perform a larger share of global R&D than the U.S. Since 2001, the share of worldwide R&D performed by Asian countries grew from 25 percent to 34 percent. China led this expansion, with its global share growing from just four percent to 15 percent during this period. Meanwhile, the U.S. share of the world’s R&D fell from 37 percent to 30 percent.

Austere budgets and the spending cuts enacted under sequestration may have helped reduce the budget deficit in the short term, but they have worsened the innovation deficit. The innovation deficit undermines economic growth and harms our nation’s overall fiscal health, thereby worsening long-term federal budget deficits and the national debt. Federal investments in research and higher education are not inconsistent with long-term deficit reduction; in fact they are vital to it.

Our nation is at a crossroads. We know that long-term economic growth is necessary for American prosperity, and is critical to reducing budget deficits. History has demonstrated a proven pathway to long-term economic growth: innovation. Innovation drives the American economy, and higher education and research and development drive innovation. Since the end of World War II, federal investments in research and higher education programs have paid enormous dividends to our nation in the form of job creation, economic growth, high standards of living, improved health, and enhanced national security.

Ignoring the innovation deficit will have serious consequences, including: a less prepared, less highly skilled U.S. workforce; fewer U.S.-based scientific and technological breakthroughs; fewer U.S.-based patents; fewer U.S. start-ups, products, and jobs; and reduced economic performance and security.

As you consider FY 2015 spending measures, we urge you to ensure that the 302 (b) allocations for the Labor-HHS-Education, Commerce-Justice-Science, and Energy and Water Development Subcommittees will support robust investments in research and higher education programs, including: the National Institutes of Health, the National Science Foundation, the Department of Energy's Office of Science, Advanced Research Projects Agency-Energy, NASA's science and technology programs, Pell Grants, and other federal student aid programs. We also urge you to recommit to strong research investments in other agencies—the Departments of Defense and Agriculture, the National Institute of Standards and Technology, the National Oceanic and Atmospheric Administration, and the National Endowment for the Humanities—as you determine 302 (b) allocations and set priorities for the various appropriations measures.

We understand how important subcommittee allocations are to the end results of the appropriations process. Please use the allocations process to enable Congress to make a significant down payment toward closing our nation's innovation deficit in FY 2015. Thank you for considering our views.

Sincerely,



Molly Broad
President
ACE

Hunter R. Rawlings III
President
AAU

Peter McPherson
President
APLU

cc: Members of the House and Senate Appropriations Committees