

March 22, 2013

Dear Senator,

On behalf of the undersigned associations, representing every sector of American higher education, I write regarding the budget resolution passed by the Senate Budget Committee last week. We appreciate that the Senate budget resolution recognizes the central roles of postsecondary education and scientific research in expanding our economy. As our competitors abroad continue to make massive investments in education and research, it is critical that the U.S. maintain its own commitment.

By preserving and enhancing funding for student aid programs such as Pell Grants, Federal Work-Study and Supplemental Educational Opportunity Grants, the Senate budget resolution invests in the next generation of American workers, ensuring they'll have the skills to thrive in a competitive global environment. In addition, by guaranteeing that undergraduate students will not lose access to low-cost, subsidized Stafford loans, this resolution restores stability to the loan programs and prevents low-income students from facing a significant increase in borrowing costs on July 1.

The Senate budget resolution would also reverse the massive, indiscriminate cuts to research funding imposed by sequestration. The innovations developed on campuses and by university-trained scientists produce the new technologies and products our economy depends on. By returning the billions of dollars in research funding that were arbitrarily eliminated by sequestration, this resolution puts the federal budget on the right path to maintaining and strengthening America's competitive edge.

We applaud your budget proposal for the priority given to federal investments in student aid and basic research. However, one aspect of the proposal that raises concern is the possible inclusion of the charitable giving deduction as a means to reduce tax expenditures through limitations on itemized deductions. The charitable deduction generates significant returns on the federal investment—every dollar a typical donor receives in tax relief is matched by approximately three dollars of benefit to the public. These funds are used by colleges and universities to limit tuition increases, fund institutional student aid and support groundbreaking research. As this legislation moves forward, we urge a clarification that the tax code should continue to provide strong incentives for charitable giving.

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We believe this budget resolution makes investments needed to grow our economy, advance science and innovation, and build a skilled and competitive workforce. We strongly support these provisions of the resolution.

Sincerely,



Molly Corbett Broad
President

MCB/lw

On behalf of:

American Association of Community Colleges
American Association of State Colleges and Universities
American Council on Education
Association of American Universities
Association of Community College Trustees
Association of Jesuit Colleges and Universities
Association of Public and Land-grant Universities
Hispanic Association of Colleges and Universities
National Association of College and University Business Officers
National Association of Independent Colleges and Universities
National Association of Student Financial Aid Administrators