



February 20, 2013

This letter went to all members of New York's Congressional Delegation:

RE: ESTIMATED EFFECT OF SEQUESTRATION ON HIGHER EDUCATION IN THE STATE OF NEW YORK

Dear:

Representing 198 colleges and universities located in New York State and more than one million students, we write to urge that you work with your colleagues in the 113th Congress to avoid budget actions such as sequestration that will harm our nation's long-term competitiveness by slashing valuable investments in scientific research and education. For the State of New York—just looking at two key sources of research funding and two key programs that help our neediest college students—sequestration would mean an automatic cut of nearly \$110 million in the current fiscal year.

Half of New York State's ten largest employers cluster in the areas of higher education and health care, a significant shift from earlier decades. Colleges and universities, as well as medical centers and hospitals, attract significant federal dollars to the state. Blunt, across-the-board cuts to researchers and students threaten this higher education enterprise, a critical component of the state's economy.

Research and Development (R&D) — Federal support for basic research is at the core of our nation's ability to innovate and compete globally. It helps us solve our nation's most pressing challenges; improves healthcare for our people; protects our food, environment and water resources; addresses critical energy challenges; and maintains our national security.

In fiscal year 2010, higher education research and development (R&D) expenditures totaled \$61.23 billion for the United States and its territories; New York State ranks second among the states (\$4.95 billion). New York also ranks second in grants from the National Institutes of Health (NIH) with \$1.56 billion. Federal funding for basic research sustains high-paying jobs in the State of New York while also fueling innovation and prosperity. It helps New York's leading research institutions attract and retain the most talented researchers and faculty.

Federal investment in R&D falls under discretionary spending. How these cuts will be made is not yet known, but could negatively affect New York State, particularly as the Governor and the Legislature look to higher education as a major driver of economic prosperity.

- *Potential loss in National Institutes of Health funding for New York State:* Approximately \$80.00 million on a FY2011 total of \$1.57 billion.

- *Potential loss in National Science Foundation funding for New York State:* Approximately \$22.13 million on a FY2011 total of \$434.02 million.

Student Aid — Student aid programs are also at risk under sequestration. While Pell Grants are protected from the across-the-board cuts, discretionary spending caps could affect Pell Grants in later years. Other student aid programs, including campus-based aid programs such as Federal Work-Study (FWS) and the Supplemental Educational Opportunity Grant (FSEOG), would be affected immediately by across-the-board cuts. Additionally, students who use federal student loans next year would be affected by increased origination fees for federal student loans.

- *Potential loss in FWS for New York State:* Approximately \$4.41 million on an AY 2012-13 total of \$86.47 million. Currently, college students in the State of New York receive nearly nine percent of the nation's total investment in FWS funds; on average they can earn nearly \$1,700 annually through this program. Estimates show that some 2,600 students in New York State could lose FWS.
- *Potential loss in SEOG for New York State:* Approximately \$2.71 million on an AY 2012-13 total of \$53.06 million. An estimated 4,300 students in New York State could lose SEOG funds. By definition, this funding goes to the neediest students at each campus. Collectively, college students in the State of New York receive more SEOG funding than all states except California, approximately \$52 million in all for AY 2012-13. On average, a low-income student receives \$600 to supplement her or his Pell Grant. It is critical funding that ensures students can persist to graduation.
- *Total increased borrowing costs to students and families in New York State:* \$7.02 million on AY 2011-12 borrowing of \$4.97 billion in Direct Loans and \$1.95 billion in PLUS loans, the federal loans that graduate students and parents of dependent undergraduate students can use to help pay for college.

Sustained support for federal research, education, and student aid programs will pay dividends by building human, scientific, and technological capital for our nation. We cannot afford to let the United States fall behind other countries on scientific research and innovation. A clear commitment to sustained funding of essential student aid programs and of scientific research across the disciplines will help our nation compete globally and help us to build a better America.

Sincerely,



Laura L. Anglin
President
Commission on Independent
Colleges and Universities



Matthew Goldstein
Chancellor
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Nancy Zimpher
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