



Creating Solutions. Inspiring Action.\*

2025 M Street, NW, Suite 800  
Washington, D.C. 20036

phone: (202) 367-1189  
fax: (202) 367-2269  
www.bhef.com

**EXECUTIVE COMMITTEE**

**Wes Bush**

BHEF Chair  
Chairman, CEO, & President,  
Northrop Grumman Corporation

**Barbara Snyder**

BHEF Vice Chair  
President,  
Case Western Reserve University

**Molly Corbett Broad**

President,  
American Council on Education

**Roger W. Ferguson, Jr.**

President and CEO,  
TLAA-CREF

**Charles L. Harrington**

Chairman & CEO,  
Parsons Corporation

**David A. Jones, Jr.**

Chairman,  
Chrysalis Ventures  
Board Member,  
Humana, Inc.

**Renu Khator**

President,  
University of Houston  
Chancellor,  
University of Houston System

**Michael D. King**

Vice President,  
Global Education Industry IBM

**William E. Kirwan, II**

Chancellor,  
University System of Maryland

**David Maxwell**

President,  
Drake University

**Sean O'Keefe**

CEO,  
EADS North America

**Eduardo Padrón**

President,  
Miami Dade College

**Charles B. Reed**

Chancellor,  
The California State University

**Edward B. Rust, Jr.**

Chairman & CEO,  
State Farm Insurance Companies

**Richard Stephens**

Senior Vice President,  
Human Resources & Administration  
The Boeing Company

**William H. Swanson**

Chairman & CEO,  
Raytheon Company

**Jeffrey Wadsworth**

President & CEO,  
Battelle

**Mark S. Wrighton**

Chancellor,  
Washington University in St. Louis

February 20, 2013

The Honorable Barack H. Obama  
President of the United States  
The White House  
1600 Pennsylvania Avenue  
Washington, D.C. 20006

Majority Leader Harry Reid  
Senate Majority Leader  
522 Hart Senate Office Building  
Washington, D.C. 20002

Minority Leader Mitch McConnell  
Senate Minority Leader  
317 Russell Senate Office Building  
Washington, D.C. 20510

Speaker John A. Boehner  
Speaker of the House of Representatives  
1011 Longworth House Office Building  
Washington, D.C. 20515

Minority Leader Nancy Pelosi  
House Minority Leader  
235 Cannon House Office Building  
Washington, D.C. 20515

Dear President Obama, Majority Leader Reid, Minority Leader McConnell, Speaker Boehner and Minority Leader Pelosi:

On behalf of the Business-Higher Education Forum (BHEF) executives, we urge you to speak out against the across-the-board cuts imposed by sequestration. These cuts will cause direct harm to the U.S. economy, our competitiveness and the college and university students who will become tomorrow's innovation workers.

BHEF is the nation's oldest membership organization of Fortune 500 CEOs and research university presidents dedicated to advancing innovative education and workforce solutions and improving U.S. competitiveness. BHEF's business and academic members collaborate in regions across the country to design and deploy education-workforce solutions in the high-demand and emerging fields that are so critical to innovation and national security.

Sequestration cuts will impose long-term damage on the economy, its workforce and higher education in several ways. First, indiscriminate sequestration cuts to the federal budget will hurt our economy, which is still in the grips of a weak recovery. One university study estimates that cuts will cost 2.1M jobs in defense and non-defense. The Congressional Budget Office estimates that cuts will reduce economic growth by half. Stalling growth could push the U.S. economy into another recession, costing additional private sector jobs and increasing the deficit.

Second, federal research budgets will incur significant reductions under sequestration. Research is the lifeblood of discovery and innovation and our nation's research institutions play a critical role in driving economic growth through innovation, which is so critical to U.S. competitiveness. The U.S. share of global research funding has already declined 18% in the first decade of the century and sequestration will cut federal research funding by 5.1%. Our "innovation competitors" – China, India, Japan, and Brazil, to name a few – are not cutting their research funding. In fact, they are rapidly expanding their R&D investments. Sequestration will weaken our competitiveness and limit our ability to stay on the cutting edge of technology and innovation advancements which, in turn, will inhibit our growth.

Third, these cuts will hinder the work being done to improve STEM education and workforce outcomes, as they rely on federal research funding and student aid. Without adequate research and student aid funding, efforts such as BHEF's member-led *National Higher Education and Workforce Projects*, will falter. BHEF business and academic members are contributing to the larger STEM workforce effort by collaborating regionally to create new pathways to cutting-edge careers in national security and other fields reliant on innovation, such as data science and analytics; cybersecurity; energy, water and materials sciences; and engineering. Undermining these efforts will rob our economy of the new innovation workers that global competitiveness demands.

Finally, the sequester will cut many federal Title IV student aid programs that provide essential financial support on which needy students rely for access to and success in U.S. colleges and universities. The Student Aid Alliance estimates that high-need students could lose more than \$700 million in 2013-14 support. While the most critical of the aid programs, the Pell Grant Program, is exempt from cuts in FY13, Pell Grants will be affected in FY14, compounding the cuts to other student aid programs in FY13 and prior years. Reducing access to higher education is no way to build a competitive workforce or improve economic growth.

Mr. President, senators, and representatives, we urge you to speak and vote in opposition to sequestration in favor of a reasoned approach to balanced, long-term deficit reduction that preserves investments in research and education, particularly student aid, and spurs long-term innovation and economic growth.

Sincerely,



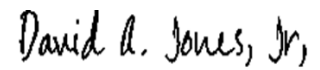
Molly Corbett Broad  
President, American  
Council on Education



Wes Bush  
Chairman, CEO and President  
Northrop Grumman Corp.  
Chair, BHEF



Charles Harrington  
Chairman and CEO,  
Parsons Corporation



David A. Jones  
Chairman and Managing  
Director, Chrysalis  
Ventures



Renu Khator  
Chancellor, University of  
Houston



William E. Kirwan, II  
Chancellor, University of  
Maryland System



David Maxwell  
President, Drake  
University



Sean O'Keefe  
Chairman and CEO,  
EADS North America



Eduardo Padrón  
President, Miami Dade  
College



Barbara R. Snyder  
President, Case Western Reserve  
University  
Vice Chair, BHEF



Rick Stephens  
Senior Vice President,  
Human Resources &  
Administration,  
The Boeing Company



William H. Swanson  
Chairman and CEO,  
Raytheon Company



Mark S. Wrighton  
Chancellor, Washington  
University in St. Louis