



NASULGC Stimulus Proposal

This nation's academic community fosters innovation, economic growth and social mobility. For generations, it has opened the doors of opportunity for millions of low-income and middle-income students while simultaneously serving as the engine of new knowledge development that has powered the nation's economy. Our ability to innovate and compete as a nation both in the near term and the long run depends on the fate of our students and institutions of higher education.

For these reasons, as the federal government acts to shore up our economy and point the way toward future prosperity and productivity, NASULGC, A Public University Association, believes that the public and land-grant university community and its many components have a critical role to play.

The following proposals are designed to ensure that the community is fully and effectively deployed in the effort to restart our economy and put our nation on the path to economic prosperity and renewed growth. These ideas should be regarded as an investment in America's future, with both immediate and long-term consequences.

Furthermore, we believe that the investments being sought below are especially needed given the budget situations of states and their impact on public universities. As more students and a larger segment of society turn to public institutions of higher education for services during these times, the budget constraints only compound the problems. State budget situations are not likely to improve in the near future; in fact, the future looks even bleaker. State institutions face a situation in which both state and private resources have become much scarcer. The vast majority of states are experiencing significant shortfalls which have already translated into tremendous cuts at state universities, including for operating expenses. NASULGC stands ready to work with the new Administration and the new Congress to stabilize the nation's economy.

I. *Student Aid:* Increase student aid funding to provide immediate financial relief to families struggling to pay tuition during the economic downturn and to enhance America's human capital. Enhance the federal student loan programs to make higher education more affordable and provide debt relief to students facing financial hardships in the current economy.

1. Immediately increase the Pell maximum award by \$700 (15 percent), and retire the shortfall the program has accumulated. For families hardest hit by the economic downturn or workers who have lost jobs, a \$700 increase in the maximum grant may make the difference between staying in college or putting college attendance on hold, or in choosing re-training in a new field over unemployment.
2. Double the funding for the Supplemental Educational Opportunity Grant (SEOG) Program. Additional funding injected into this program would enable SEOG to work in conjunction with Pell Grants to help prevent students from dropping out or stopping out of college.
3. Enhance the benefits and protections for borrowers in the federal student loan program.



- Create flexibility on annual loan limits.
- Extend the grace period on loan repayments.
- Ensure that student borrowers who are delinquent on their payments are provided immediate assistance by the Department of Education in accessing the repayment option most appropriate to their financial circumstances.
- Pay for Perkins Loan cancellations.

II. Infrastructure Grants: Launch a higher education infrastructure initiative to support campus infrastructure projects that provide jobs now and strengthen the academic capacity of colleges and universities. Approximately six percent of the entire population is enrolled in higher education. To reflect this reality, allocate six percent of the stimulus package for higher education infrastructure needs.

1. Create a Higher Education Infrastructure Block Grant (HEIBG) initiative to make federal funding available to the states to be distributed to public and private, two-year and four-year, non-profit institutions of higher education. HEIBG funds would support “ready-to-go” construction projects to repair, renovate or construct academic facilities. Athletic, recreational, and revenue-producing facilities are explicitly excluded.
2. HEIBG funding would be distributed to each state using a formula based equally on full-time higher education enrollment in the state and the state’s population. No state would receive less than ½ of 1 percent of the available funds.
3. After receiving the state allocation, governors would have 90 days to distribute HEIBG funding to institutions. Institutions would be required to begin work on funded projects within 90 days of the receipt of funds. HEIBG funding that is not distributed by the governor or used in a timely fashion by the institution would be returned for redistribution to other states.
4. In distributing funds, the governor (or the governor’s designee) shall consider the quality and readiness of projects and other needs and interests of the state as appropriate. The governor shall allocate funds between public and private institutions of higher education based on full-time equivalent enrollment in the state. Within the public sector, the governor shall equitably distribute funds among community colleges, state colleges and public research universities. States would not be precluded from allocating additional funds received through this stimulus appropriation for further higher education infrastructure that meet the goals of the legislation.
5. Governors will give priority to (a) sustainability projects, energy efficient buildings, or other “green building” initiatives, and (b) projects reflecting state or regional economic priorities.



6. Institutions that receive grants must submit information to the governor demonstrating the appropriate use of these funds and the governor would, in turn, submit a report on the use of these funds to the federal government.

III. *Critical Investments in Scientific Capital to Enhance Innovation:* Invest in scientific capital, both physical and human. Investments in scientific research not only lead to short-term benefits but also invariably to longer-term foundations which are responsible for societal advancements: they produce technological advances which translate into new products and industries as well as the workforce that makes such developments possible. America's science and technology enterprise underpins our country's long-term economic health and competitiveness. The research and trained scientists and engineers derived from federal investments in science and technology are among the chief factors contributing to sustained, accelerated productivity growth.

In order to foster both short-term and long-term growth, investments in both scientific human capital and physical capital are absolutely critical.

Scientific Infrastructure: Federal programs to modernize scientific infrastructure of the nation's research facilities and national laboratories have languished in recent years. The National Science Foundation (NSF), Department of Energy (DOE), and the National Institute of Standards and Technology (NIST) are capable of utilizing capital funds quickly to create as many as 14,000 jobs. Additionally, massive infrastructure and instrumentation needs exist in the biomedical fields and the National Institutes of Health (NIH) could quickly help address some of these needs through awards.

1. NSF Major Research Instrumentation (MRI): \$100 Million—NSF currently has many high-quality proposals they have not been able to fund with limited resources. The agency would be able to expend these funds quickly.
2. NSF Academic Research Infrastructure Facilities Modernization Program: \$250 Million—This program, which has not been funded for several years, assists in renovating, rehabilitating and modernizing existing research facilities on university campuses.
3. DOE Office of Science Laboratory Infrastructure Modernization Program: \$300 Million—These funds would assist in the renovation of laboratories supported by the DOE and would address the significant backlog of such projects.
4. NIST Special Construction Grants Program: \$100 Million—The FY2008 allocation only allowed NIST to fund three out of 93 proposals the agency received. Additional funds would allow NIST to quickly make additional awards.
5. NIH Research Extramural Research Facilities Improvement Program: \$300 Million—This program which provides grants for expansion, renovation and modernization of



existing research facilities and construction of new research facilities, has not received funding in many years.

6. **NIH Shared Instrumentation Grants Programs: \$200 Million**—The competitive shared instrumentation and high-end instrumentation grant programs award funds to institutions for state-of-the-art technologies and have been woefully underfunded in recent years.

Investments in Human Capital in Science: Short-term gains made through a stimulus package cannot be augmented or maintained without new investments in human capital in science and research.

1. National Institutes of Health (NIH): \$1.2 Billion—Support for the world’s premier biomedical research agency has stagnated and not kept pace with the needs in biomedical research. Clinical research has been particularly hard-hit. An immediate infusion of \$1.2 billion could fund highly-promising research projects which have been held up due to the lack of funds. Clinical research grants are one-year funding.
2. DOE Energy Frontier Research Centers: \$150 Million—An infusion of this amount will fund additional high-quality proposals that are designed to address one of the most pressing challenges currently facing the nation.
3. DOE use-inspired research grants: \$50 Million—Due to budget shortfalls, DOE did not fund any of the 700 proposals it received for use-inspired research grants. These funds would allow additional one-year energy research to be conducted by highly-skilled researchers.
4. NSF/NIH Young Faculty Programs: \$1.8 Billion—Economic conditions have dramatically decreased retirements of senior faculty, reducing opportunities to hire young faculty and engineers. To avoid losing several cohorts of new researchers, funding ought to be added to both NIH Pathways to Independence Award (K99/R00) and the NSF CAREER Award for multi-year support to young faculty which should include some augmentation of university salaries to make hiring possible.
5. Department of Agriculture (USDA) Agriculture and Food Research Initiative (AFRI): \$200 Million—The funding would improve the competitiveness of agricultural businesses and productivity as well as assist in addressing diabetes and obesity. It would also assist the agricultural community address global climate change.

NASULGC believes that investments highlighted above will play a critical role in addressing many of the short-term and long-term needs of the nation.