



The Board of Governors
of
The University of North Carolina

The following statement shall accompany the 112th Congress Federal Policy Agenda and the Appropriations Guide as guidance for The President and his staff and for communication with the North Carolina Congressional Delegation:

Given growing public concern for federal budget deficits and the need to prioritize the use of scarce public resources, the Board of Governors of the University of North Carolina ("The Board") supports federal efforts to achieve budget savings in entitlement and discretionary spending and through tax reform to ensure the long-term viability of federal programs that invest in America's future.

The Board further believes that federal investments in student financial aid and research programs and infrastructure are fundamental to our national economic recovery and prosperity.

In general, The Board believes:

- The University is a producer and not a consumer. The University produces students, medical treatments and cures, ideas, technologies, and leaders for government, industry, education, and more.
- The University is a partner with the federal government in promoting and enhancing American competitiveness and capturing and accelerating Innovation.
- The Federal Government must continue to make strategic investments for future economic growth even as it seeks to control spending.
- The University supports accountability for performance in exchange for public funding.

APPENDIX P

- Academic autonomy and the freedom to pursue ideas free from political or government influence are core University principles.
- Federal rules and regulations should be reasonable and necessary. Increased federal reporting and other requirements should not impose disproportionate financial hardship and compliance for the University.

Specifically, the Board's highest federal priorities (in priority order) are:

1. a. Preserve the current maximum Pell Grant award for qualified students.

and

- b. Preserve current funding levels for National Institutes of Health (NIH), National Science Foundation (NSF), Department of Defense (DOD), Department of Agriculture (AG), Department of Education (ED), and Department of Energy (DOE) research grants and contracts with Universities.
2. Preserve Title III and set aside funding for Historically Black Colleges and Universities (HBCUs).
3. Preserve negotiated Facilities and Administrative (F&A) reimbursement rates for federally funded grant awards.
4. Include federal employee tuition assistance and Veteran educational benefits in the Department of Education's calculation of the 90/10 rule for institutions of higher education.
5. Permanently extend the Research and Development Tax Credit.
6. Provide a favorable tax environment for students and families that do not qualify for need-based financial aid.
7. Fair and adequate Medicare/Medicaid payments to physicians and increased funding for teaching hospitals and medical resident physicians.
8. Relief from Federal rules and regulations whose benefits do not justify imposed costs.
9. Immigration reform that enables expedient, cost-effective recruitment of international faculty, international graduate students in STEM fields, and international students in health professions.
10. Intellectual Property/Patent Reform adjustments that favor University-based interests.