

Thank you very much for the opportunity to testify today. My name is Vincent Price, and I am the Provost of the University of Pennsylvania. I am joined today by Dean Joan Hendricks the Dean of the School of Veterinary Medicine; Dr. Gary Althouse, the Chair of Clinical Studies at the New Bolton Center, Penn Vet's production agriculture research facility in Chester County; and Robert Schieri, Vice Dean for Administration and Finance at the School of Veterinary Medicine.

We were invited today to discuss the challenges and abilities of our respective institutions to support state-funded agricultural programs during the current financial impasse. Prior to answering that question, I think it is worth noting the unique, long and positive relationship that Penn has had not only with the Commonwealth, but also with her most significant industry – agriculture. That relationship, one of the oldest and most cherished at Penn, is what drives much of the work of the faculty and staff at Penn Vet and is but one of many reasons we continue our work despite the current funding challenges. Our partnership with agriculture is recognizable by simply reviewing our School of Veterinary Medicine Board of Overseers where you will find not only the Chairs and Ranking Members of the Committees we come before today but many of the organizations testifying including the Pennsylvania Farm Bureau and PennAG Industries - two of our Commonwealth's leading agriculture organizations. We believe that working with our partners both in government and industry is the best way to serve them and to maintain a safe food supply and growing industry.

In the absence of approved funding by the Commonwealth, the University of

Pennsylvania has been supporting the agricultural work of Penn Vet. We would further note that the school has been the subject of fiscal tumult for almost a decade. In fact, it is important to note that funding for the school has remained relatively stagnant over the past few years after being significantly reduced in 2008. While the challenging funding environment has ensured that the Vet School maintains a culture of creativity and efficiency, the significant reductions have depleted the schools reserves and as such during the current crisis, Penn Vet continues to exercise extreme fiscal caution, including through the institution of a hiring freeze and spending limitations – despite increased and daunting challenges such as High Pathogen Avian Influenza.

It is our sincere hope that agreement can be reached to fund the critical work of the school. While Penn provides financial support during the crisis, we remain increasingly alarmed at the potential adverse impact for the Commonwealth created by the potential elimination of funding in the absence of an agreement. *I will ask that Dean Hendricks now walk you through but a few of the challenges if funding is permanently eliminated.*

Penn Vet, because of our role both as trusted veterinarians and our status as a private institution is able to work directly with producers to monitor disease, reduce outbreaks, and increase productivity of the Commonwealth's animal agriculture industry. Loss of funding threatens that ability which lies at the very core of why states fund a vet school in the first place. Penn Vet currently surveils 90% of Pennsylvania pigs, or 1.29 million hogs, on 547 farms across the Commonwealth through our partnership with pork producers in the PA Regional Disease and Control Program. Pigs in the program saw a 30% decrease in the number infected by Porcine Reproductive and Respiratory Syndrome

(PRRS) between 2012 and 2015. The current crisis could jeopardize that effort and similar future efforts and also jeopardizes both our dairy facility and the work that dairy faculty and staff does to increase the profitability and sustainability of dairy farms in the Commonwealth. Critical research and programs such as the Penn Dairy Analyzer program **increases the amount of milk produced from 23,000 to 32,000 pounds of milk** among cows on farms advised by Penn Vet. In the absence of funding, the dairy, which has significant deferred maintenance, and its work, will be jeopardized. Dairy farms working with Penn Vet produce milk at **significantly higher poundage than the 20,000 – pound state average.** Continued financial tumult also jeopardizes the **critical educational role of our dairy, where students logged in 5,245 hours in 2015** as well as our ability to attract qualified staff and faculty as senior leadership in the dairy retires. Given the critical role of family dairy farms in Pennsylvania, and the increasing role of federal environmental regulation, funding for the work and research at the Dairy and its role supporting the profitability of the industry remains critical.

Our proximity to animal dense counties makes Penn Vet a critical resource to farmers. In FY 2015 alone, our **Field Investigations Unit saw 12,000 cows in 24 herds, 180,000 pigs, and 830,550 poultry.** These industries rely on our research, clinical abilities, and proximity to assist in their critical role as producers.

The continued volatility of our funding jeopardizes our ability to assist Pennsylvania students and reduce their debt. Currently, the school provides a **\$10,000 reduction in tuition for Pennsylvania students, one of only two private Vet Schools to provide such a benefit to in-state residents.** As Pennsylvania's only Vet School, we place a high priority in seeking PA students. Volatility in

Commonwealth funding continues to place the school at a disadvantage in seeking students as other states continue to obtain financial support towards the recruitment and retention of students post graduation.

Also at risk is the Commonwealth One Health Scholarships launched last year. The scholarships accomplish a long held, yet unreached, public policy goal of the Commonwealth to retain the best and the brightest PA students and to have them commit to work in agriculture. Currently, the scholarship provides two full scholarships for PA residents committed to staying and practicing in PA. The scholarships, which the school hoped to grow, could be jeopardized for future students.

The tuition assistance and scholarships provided to students is critical to reducing their debt and the absence of that funding will have a chilling effect on the practice of Veterinary Medicine in the Commonwealth. It is worth noting that according to the American Association of Veterinary Medical Colleges, the average salary for a veterinarian coming out of school is \$75,000, significantly less than other medical professions. Further, under federal law, the annual loan cap for veterinary students borrowing federal student loans is \$47,167; while the aggregate limit for other health-profession students is \$234,000, creating a significant disadvantage for students seeking to enter veterinary medicine. Our students commitment to the Commonwealth is evidenced by the fact that **100% of students attending Penn Vet do a large animal rotation at the New Bolton Center**, but jeopardizing critical financial support in a field where financial disadvantages are already in place will certainly reduce the Commonwealth's supply of veterinarians and stifle critical agricultural work.

Without funding, all of these programs would cease, as would our support for the superb flagship program to train veterinarians simultaneously to receive a PhD, the Veterinary Medical Scientist Program (VMSTP) that has led the nation in training academic veterinarians since the 1960's.

Due to hiring freeze, clinical services personnel are being stretched, as fewer are being scheduled and distributed to cover services. Although it is our hope that this is temporary, it is not sustainable for an institution that supports Pennsylvania's #1 industry and that abuts and serves Pennsylvania's most animal dense counties protecting them from outbreaks while working to increase productivity.

Because of the volatility in funding, Penn Vet staffing has been reduced by over 13% in the last decade and we have moved to adopting an associated faculty track (AC track) that does not provide for tenure. Most hires this year are going into this track as the states funding continues to be tenuous and unpredictable. That fact we are not financially secure to hire more standing faculty is significantly affecting our ability to recruit new and promising staff. 46% of faculty is non-tenure track as of December 2015.

In terms of faculty and staff retention and recruitment, we are at or below the minimum level to function across each of our missions--teaching, research and service. Further, while staffing has been reduced, the school must remain competitive – providing items such as cost of living adjustments to retain existing staff or face further departures in areas critical to the Commonwealth.

Regrettably, the schools ability to garner revenues from other sources remains limited. Our clinical hospital and laboratory revenues will spiral downward if our service and education decline. Philanthropy would not be attracted to a failing institution with unstable funding. While faculty have worked hard to bring in grant revenue, support for research is limited and is legally committed to supporting the project for which it is designated. New Bolton faculty generated over \$2.5 million in research funding in FY2015.

Our work with the PA Diagnostic Laboratory System is critical to securing 400,000,000 birds in the Commonwealth. In 2015, we conducted 70,910 tests for Avian Influenza and nearly 30,000 tests for surveillance of non-AI diseases. Our education efforts on Avian Influenza reached over 2.3 million Pennsylvanians and have included everything from media interviews, information distribution, and working directly with communities through their elected representatives. Further, our staff are available 24/7 365 days a year. **Our contract for the PADLS lab expires in June.** Our current contract for the Equine Toxicology Lab will expire in March of 2017 and significant facility issues remain for both the Equine and Diagnostic Labs. Sustaining laboratories in the absence of funding while contracts lapse, would present an immense challenge. Further, we would note that over several years, even with appropriated funding, that the labs have been subject to delayed payments and recision, further straining the school's budget.

Finally, accreditation is up for both the School (self-study and site visit 2016) and the laboratories (self-study 2016, site visit 2017). Both require financial stability as a key standard. Obviously this is not the case--we cannot predict our funding, because of the Commonwealth funding being unpredictable.

Thank you for the opportunity to share this information with the committee. We look forward to continuing to work with you and will be happy to answer any questions that you may have.