

Public Witness Testimony on Fiscal Year 2014 Appropriations
House Committee on Appropriations Subcommittee on Labor,
Health and Human Services, Education and Related Agencies
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Good morning, Chairman Kingston, Ranking Member DeLauro, and distinguished Members of the Subcommittee. Thank you for allowing me to testify on behalf of the 217 public research universities, land-grant institutions, state university systems, and related organizations that comprise the Association of Public and Land-grant Universities (APLU). It's an honor to appear before you this morning to discuss the importance of NIH funding and student aid.

I want to quickly note that each member of the Congress has an APLU member institution in their congressional district or state. Our member campuses have 3.6 million undergraduate and 1.1 million graduate students, employ more than 670,000 faculty and administrators, and conduct nearly two-thirds of all university-based research.

Sequestration

While I know that we are here to discuss the Fiscal Year (FY) 2014 appropriations bill, I must first briefly address sequestration since it's inherently linked to future funding levels. Sequestration will do much damage in FY 2013, bluntly cutting NIH and certain student financial aid programs by 5 percent. In FY 2014 and for the following seven years, the sequester will cut even deeper, harming our ability to maintain our role as the world's leading innovator and severely impacting the ability of Congress to fund the important education and research programs that grow our economy and reduce our deficit.

Sequestration solely falls on the back of discretionary spending – the spending that is the prerogative of this Subcommittee – rather than taking into consideration the two-thirds of the budget that is the real problem. I strongly urge you to work with your colleagues on the relevant committees to end sequestration and come to a big, bold, and balanced budget agreement that includes entitlement reform, revenue, and tax reform.

NIH Funding

As we look ahead to the FY 2014 appropriations process, I want express strong support for the critical biomedical research initiatives that the NIH is undertaking at universities across the nation. With a \$31 billion budget in 2011, the NIH generated \$62 billion in new economic activity while supporting an estimated 432,000 jobs and enabling 13 states to each see job growth in excess of 10,000 jobs, according to a report from United for Medical Research.

I recognize the extraordinary fiscal circumstances our nation is confronting. This Subcommittee must make many tough decisions. Now more than ever, Congress must focus on allocating resources in a way that maximizes the return on its investments. NIH research is one such area that yields far more economically than what it costs the government initially.

It's crucial to note that the basic research the NIH funds is research that private companies will not perform. Rather, industry utilizes the basic research conducted at our universities to develop drugs, devices and other medical breakthroughs. It's vital that we protect NIH research because it's the foundation for the U.S. biotech, pharmaceutical, and biomedical industries.

The economic benefits of NIH-sponsored research are impressive, but the dollar figures don't eclipse the value of saving and improving lives with the advancements that research yields. There's wide belief within the scientific community that we're on the verge of achieving

enormous medical breakthroughs. Cures for cancer, Alzheimer's, AIDS, and other diseases that have claimed far too many lives are believed to not be so far off in the distant future anymore.

The U.S. is playing a leading humanitarian role by helping to find better treatments for diseases that largely impact other parts of the world. The University of Georgia is collaborating in a five-year project to identify how malaria attacks the body so that better treatments can be developed.

If we cut NIH funding then we'll unnecessarily risk delaying treatments for people suffering from various diseases now and jeopardize achieving those future medical milestones altogether.

We also risk ceding these biomedical innovations and their associated economic growth to other countries, which are increasing investments in research at the same time we're looking at further cuts. Right now, researchers at the University of North Carolina are developing a synthetic version of the blood-thinner heparin that could eliminate the need to continue importing the drug, which is derived from pig intestines, from China. Unfortunately, this research project is at risk due to NIH funding cuts. If that happens, we may lose yet another extraordinary opportunity for economic growth rooted in NIH funding. There are many other stories like this at university laboratories across the country, which is why we must provide the resources necessary to achieve these biomedical discoveries here in the U.S.

On many campuses, NIH is the largest single funder of research. In addition to generating new discoveries, this funding helps support and educate students, the biomedical workforce of the future. Stagnant or decreasing NIH budgets will discourage students from pursuing fields in the life sciences, which will ultimately impact the private sector as well as academia.

Research leads to technology, which leads to new and growing companies, which leads to new jobs, which leads to new revenue, which leads to more investments in new innovation. This

economic circle of life is critical for our country's long-term success. I urge this Subcommittee to support this important component of future economic growth and fully fund NIH research.

Student Aid

I also want to address another vital investment in our country's future economic growth, which will pay for itself many times over. Student aid is the financial lifeline for millions of young adults who seek an education that will lead to a better life for themselves and their families, while also improving society overall.

Unfortunately, a child's family's economic status overwhelmingly corresponds with that child's ability to earn a college degree. There is currently an uneven playing field in which those at the bottom find themselves in a seemingly perpetual cycle from which it's very hard to break free. Right now, a child from a family in the top quartile of income has an 85 percent chance of earning a college degree while a child whose family is in the bottom quartile of income has just an 8 percent chance. That's simply unacceptable.

While there are admittedly many factors why children from families at the bottom of the economic ladder may not succeed academically, the lack of financial resources needed to go to college and earn a degree is undoubtedly a major one. Without federal aid, that already narrow path to achieve the American Dream is greatly diminished, taking with it the hopes and dreams of millions of young people who want a better life, but simply can't afford to take those first few steps toward a higher education degree. And the cycle renews itself anew.

The Pell Grant program serves nearly 10 million students and currently provides a total maximum award of \$5,550. To truly support those students who need our help the most, we ask

that the maximum appropriated Pell Grant award be maintained at its current level of \$4,860. In addition, in order to preserve the long-term health of the Pell program, please protect the projected surplus in the program for future use for Pell.

APLU is fully committed to providing increased access to students who want to attend college, but we know that the value of an education is only fully realized when that access results in a degree. To reclaim the United States' position as the world leader in degree attainment, APLU and the American Association of State Colleges and Universities (AASCU) recently created Project Degree Completion. This initiative consists of pledges from 500 four-year public colleges and universities to boost student completion by 3.8 million bachelor's degrees so that 60 percent of U.S. adults will possess a college degree by 2025.

For the student, a degree means expected lifetime earnings of more than \$1 million above someone with only a high school diploma and greater contributions to their community. For us as a society, we know that a college graduate is far less likely to commit crime or be dependent upon lifelong government support through programs like Medicaid and unemployment insurance. A well-educated society will require less support from its government and earn more income, which will go a long way toward helping reduce our deficit. Investing in student aid programs now will help relieve this Subcommittee of greater financial burdens in the future.

Closing

Thank you once again for the opportunity to appear before you. I'd be more than happy to answer any questions you have now. Additionally, those of us at APLU would be happy to serve as a resource for you as you move forward with the legislative process. Thank you.