

Appropriations Committee of the Pennsylvania House of Representatives
University of Pittsburgh Chancellor Mark A. Nordenberg
February 25, 2014

This will be my last appearance before this Committee as Chancellor of the University of Pittsburgh, a position that I will leave on August 1. My successor, Dr. Patrick Gallagher, who currently serves as Acting Deputy Director of the U.S. Department of Commerce and as Director of the National Institute of Standards and Technology, will have the honor of representing Pitt in the years ahead. Dr. Gallagher already has built an enviable record of excellence and impact through public service. I know that his record of accomplishment will grow during his tenure as our Chancellor and am certain that your interactions will be both pleasant and productive. That certainly has been the tone of our dealings over the past nineteen years. I am deeply grateful for the thoughtfulness and commitment that have characterized these annual hearings and all of our other dealings. It has been my great privilege to work with you.

Of course, much of that work has occurred during difficult times. In fact, I cannot recall a single year that did not present significant challenges. Even when we had reached what we thought was the best possible resolution, problems frequently re-surfaced. In the past dozen years, for example, Pitt has experienced five difficult and disruptive mid-year appropriation cuts.

Even against this more extended backdrop, though, the past three years have been the most difficult. Three years ago, the proposal presented to you would have cut our general appropriation by 50% and completely eliminated our academic medical support. That would have been a major step toward the elimination of public higher education as we know it. Though those recommended reductions ultimately were tempered, our general appropriation was cut by 19%, and our academic medical support was reduced by 50%, as was our capital projects support. In that single year, then, Pitt suffered cuts to its state funding that totaled \$67 million.

For the past two years, our state funding has been flat, and that is what has been proposed for this year as well. We do understand, of course, that these continue to be challenging times, and we always have been prepared to do our fair share. However, a year of historically deep and disproportionate cuts, followed by two years of flat-funding have taken Pitt back to the levels of state support received in 1995, in nominal dollars unadjusted for inflation. If inflationary adjustments are made, Pitt now receives lower levels of state support than at any time since this Legislature made it a public university in the mid-1960's.

Despite the challenges confronted, the University of Pittsburgh has continued to make great progress on virtually every front. Let me comment on just three key areas.

- Applications for admission to the undergraduate programs on the Pittsburgh campus have almost quadrupled, from 7,800 in 1995 to a total that will exceed 30,000 for next fall's entering class. The academic credentials of enrolled students also have soared, and those students regularly compete for the highest forms of national and international recognition. Of particular note, applications from in-state students for next fall's entering class are running 21% ahead of last year's record-setting pace.

- In recent weeks, Pitt was twice named a national “best value” in higher education – by *Kiplinger’s* and jointly by *The Princeton Review* and *USA Today*. In the language of *Kiplinger’s* editor, its best value schools “have made admirable strides to maintain academic integrity and standards while meeting the financial needs of their students.”
- Pitt has emerged as one of the world’s most respected centers of pioneering research and as a powerful force in the transformation of the regional economy. Since 1995, Pitt has attracted more than \$9 billion of research funding. Those dollars have supported tens of thousands of local jobs and have helped the region recover from the collapse of the steel industry by positioning it to seize the opportunities of the new innovation economy.

The re-accreditation report received by the University of Pittsburgh just eighteen months ago was unusually positive in virtually every respect. It declared that Pitt’s “reputation as a world class research university has been advancing steadily,” and noted that “an important lodestar for the University of Pittsburgh has been an unwavering commitment to excellence.” However, that report also sounded a serious warning:

The greatest challenge to the University of Pittsburgh . . . is external. While the University has been advancing, state support has been diminishing at an alarming rate. . . . To the outside observer, these cuts were beyond bone to marrow. . . . We would be remiss if we did not note the following: that excellence, once lost, is difficult to regain; that excellence even at a great university is fragile and sometimes evaporates quickly; that, in the decades ahead, great cities and states will depend increasingly upon the existence of great universities within them (the University today is a wonderful example of this synergy); and that reducing public support for the University of Pittsburgh and institutions like it is singularly shortsighted, even if judged in narrow economic terms (the maxim “penny wise and pound foolish” comes to mind).

Just a few months later, the report of our Governor’s Advisory Commission on Postsecondary Education advanced a similar, though more broadly framed, message. It noted that “Pennsylvania’s higher education funding has declined over 20 percent in nominal dollars from its FY08/09 peak” and warned that “this level of funding impacts both the affordability of postsecondary education for families in the Commonwealth and the ability of institutions to maintain high levels of quality while advancing their missions.” It further asserted that “it is imperative to the health and vitality of our postsecondary system that funding not fall below” the levels found in the FY 2014 budget. Of course, if funding remains flat, as has been proposed, its value will be eroded by inflation, and the “health and vitality” of higher education will suffer.

In three days, the University of Pittsburgh will celebrate the 227th anniversary of its founding. The preamble to our chartering legislation declared that “the education of youth ought to be a primary object with every government.” Those words are even more true today than they were on February 28, 1787. As we move forward with this year’s budget-building process, then, it is in our shared interest to find ways to further invest in higher education – long recognized as a key to both individual pursuit of the American dream and to our collective strength.