

# A Message from the Dean



Alan M. Kelly

As this is the last column I shall write as Dean, I have chosen to address the high cost of tuition, an especially persistent concern that will continue to test the Veterinary School's ability to attract the very best students.

Prior to 1995, owing to our relatively expensive tuition and resulting high student debt, the School was losing some of the finest Pennsylvania applicants, students who would have preferred a Penn education, but decided to attend second- or third-choice schools with more affordable tuition. This unfortunate trend was reversed dramatically when the Commonwealth's governor and General Assembly substantially increased our appropriation. During the ensuing seven years, we were able to limit our annual increase in tuition to not more than 2.9 percent, even as the annual costs to the School for goods and services rose by well over 5 percent. The increase in appropriation also allowed us to award annual scholarships to every Pennsylvania resident; depending on a student's class year, the scholarships ranged from \$3,500 to \$5,400. Also, the generous gifts for scholarships from so many friends of the School have helped enormously to lighten the debt burdens of hundreds of our in-state and out-of-state students.

Considering the state of our national and Commonwealth economies, I am concerned that our recent success in increasing the applicant pool and the GPA of incoming classes, as well as the much-improved capture rate of top Pennsylvania applicants, may not last. In FY'04, our appropriation from the Commonwealth was slashed by 5 percent. In FY'05 we received an increase of only 2 percent, and the governor's FY'06 budget proposes an increase of only 1.5 percent. Clearly, we are losing ground steadily to the rate of inflation, which, if not reversed, will inevitably trigger an upward spiraling in the cost of tuition and very likely a steady decline in student quality.

The fundamental problem is the cost of quality veterinary medical education, arguably the highest among all the professions. In the School's FY'05 budget of \$107 million, tuition income of \$9 million accounts for less than 10 percent of total costs. Our largest expenditures are for the teaching hospitals where veterinary students are trained in the diagnosis, treatment,

and prevention of diseases in our six domestic species, as required by the accreditation guidelines for schools of veterinary medicine. Because our primary mission is education, teaching hospitals, with their spectrum of clinical specialties and state-of-the-art laboratories and equipment, are unable to operate in the black. Thus, the School is crucially dependent on Commonwealth support.

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With the realization that annual increases in our Commonwealth appropriation, sufficient to keep pace with inflation, may be unlikely, we have been examining options aimed at minimizing tuition increases while securing our competitive position vis-à-vis other veterinary schools. The option to close our teaching hospitals and outsource clinical training to local practices or to other veterinary institutions, as a few schools are attempting to do, was quickly discarded as anathema to Penn's tradition and philosophy. We believe that only a full-service university teaching hospital can provide appropriate clinical training for veterinary students. To develop an ability to apply basic knowledge gained in the first three years of a veterinary education to the clinical environment, assimilate clinical data, and think through cases to arrive at the

correct diagnosis requires a university environment where teaching, research, and patient care are integrated. Moreover, clinical research in teaching hospitals is essential to advancing our understanding of disease processes and to developing new therapeutic modalities. Teaching hospital faculties are also the main providers of continuing education for practitioners in the field. Without these faculties, continuing education programs will wither.

Since faculty salaries consume the largest slice of the School's budget, we considered the option of reducing faculty size. This too would be a spurious economy because the School is already a very lean enterprise, operating two campuses, each with its own hospital, a large research program, an extremely demanding curriculum, and an administrative burden comparable to some of the University's larger schools. Moreover, the faculty generates \$22 million in research grants and contracts, and \$25 million in clinical income, five times the yield from tuition. Obviously, cutting faculty size would compromise unacceptably the School's mission and quality.

Yet another option is to increase student numbers, thereby reducing the operating cost per student. This approach has added appeal because veterinary schools are producing too few graduates to satisfy societal needs in certain practice fields, public health, laboratory animal medicine, and teaching and research. Whereas our clinics can absorb additional students, and our new Teaching and Research Building will provide sufficient lecture, seminar, and conference rooms in Philadelphia, a large one-time expense will be needed for renovation of our Philadelphia-based teaching laboratories, including the gross anatomy lab, and for expanded lecture facilities at New Bolton Center. We estimate a one-time cost of at least \$10 million, and are hoping that the Veterinary Workforce Expansion Act of 2005, introduced by Senator Wayne Allard (R) of Colorado and Congressman Chip Pickering (R) of Mississippi will be passed to provide the needed funds.

In closing, I want to acknowledge with admiration and deepest gratitude the friendships and many kindnesses shown me by my faculty and students, by our alumni and the Board of Overseers, by the governor and members of the General Assembly, and by the thousands of friends and clients whose encouragement and support have made my Deanship the most enjoyable and memorable experience of my professional life.

—Alan M. Kelly