

that can be supported with the project grants. A large project grant can be used to support significant enrollment increase, significant change in curriculum, and other very important objectives, such as assisting or even salvaging a weak school in a very serious financial condition. A project grant of significant size could be used to sustain that school until it got back on its feet.

Mr. ROGERS. The formula is what, 25,000 base and then so much per student?

Dr. LEE. Right.

Mr. ROGERS. Project has no requirement as to—

Dr. LEE. Project grants would be awarded on a competitive basis, and we would remove the ceiling, which is presently 400,000 for next year.

Mr. ROGERS. What would be the ceiling? You would have no ceiling?

Dr. LEE. There obviously is not going to be an infinite amount of money, but I could envision a project grant of \$1 million, for example, to aid a school making a major expansion in enrollment, so that they would have to add faculty to achieve that objective.

For a school in serious financial trouble large grants would be needed to tide it through a period of 2 or 3 years, and funds at that level, I think, could easily be required.

Mr. ROGERS. Should there be a ceiling of \$1 million?

Dr. LEE. Well, I think that you could give this careful consideration. We could perhaps submit some other examples of estimated costs of projects so that you could better weigh that question.

(The data referred to follows:)

EXAMPLES OF NEED FOR AND ESTIMATED COSTS OF SPECIAL IMPROVEMENT GRANTS,
AS VIEWED BY HEW

The need for more physicians and other health professional personnel to meet the spiralling demand for health services is well recognized. The serious financial plight of medical schools is less well known. Traditionally these schools have not disclosed their weaknesses nor the financial problems responsible for them. They have been concerned that in doing so there might be difficulty in recruiting top quality faculty, loss of prestige, and, in some cases, inability to compete successfully for Federal grants. The dire situation which confronts these schools is now reversing tradition and some schools are speaking out about their needs.

Dr. Robert Berson, Executive Director of AAMC (Association of American Medical Colleges) made the following statements before the Subcommittee on Labor, HEW, of the House Appropriations Committee:

"University after university is finding it necessary to sever all fiscal relationships with its medical school because of the financial drain on university funds and the damage that drain has done to other components of the university. There is grave concern that some medical schools will be forced to close for lack of funds.

"Those schools in imminent danger of closing may find (basic and special improvement grants) to be lifesaving. A second group to which they might mean everything would be those in danger of losing their accreditation because of serious weaknesses in one or two departments."

Dean Franklin Ebaugh, Jr., described the plight of the Boston University School of Medicine to the same subcommittee. He said flatly that the school will close unless *more Federal funds* are soon made available. He predicted that the annual operating deficit will increase from the half million dollar level over the past three years to \$1,700,000 by 1972-73.

Dr. Ebaugh testified further that the Schools' incomes cannot keep pace with rising costs of operation.

Marquette, Tufts, and St. Louis University Schools of Medicine were described as having needs as great as, and, in some instances, larger than, those which confront Boston University.