

TESTIMONY OF DAVID J. SKORTON

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ON BEHALF OF

THE ASSOCIATION OF AMERICAN UNIVERSITIES

THE ECONOMIC IMPERATIVE FOR ENACTING IMMIGRATION REFORM:

HIGHLY SKILLED IMMIGRANTS AS DRIVERS OF ECONOMIC GROWTH

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Good morning, Chairman Schumer, Senator Cornyn, members of the Subcommittee. My name is David Skorton. I am the President of Cornell University. Cornell University, located in Ithaca, N.Y., with campuses or programs in New York City, including Weill Cornell Medical College; Geneva, N.Y.; Appledore Island, Maine; France; England; Italy; Singapore; India; China; Tanzania; Qatar and elsewhere, is the largest and most comprehensive school in the Ivy League and is the land-grant university of the State of New York. Founded in 1865, it is composed of 10 privately endowed and

four state contract colleges, including seven undergraduate colleges and seven graduate and professional units. Our four contract colleges are units of the State University of New York (SUNY). Enrollment is approximately 20,000, with students from every state and more than 120 countries studying under an internationally renowned faculty. Forty Nobel Prize winners have been affiliated with Cornell University as alumni or faculty members, and three Nobel laureates currently are on the faculty, in chemistry and physics.

Cornell is among the top research universities in the world, based on research expenditures, faculty quality, and reputation. It is a magnet for excellent students: undergraduate, graduate, and professional, from around the globe. It is home to four national research centers, in physics, astronomy, and nanotechnology, as well as three National Resource Centers for Foreign Language, Area, and International Studies, supported in part by Department of Education Title VI funding, focusing on East Asia, South Asia, and Southeast Asia. In addition, it has many interdisciplinary research centers, covering advanced materials, manufacturing, agriculture, astronomy and atmospheric science, biotechnology, electronics, environment, computing, and mathematics. Cornell also boasts the nation's first colleges devoted to hotel administration, industrial and labor relations, and veterinary medicine. The Weill Cornell Medical College in New York City is a pioneer in biomedical education, research, patient care, and global health, with special-treatment and research facilities including the Center for Reproductive Medicine, the AIDS Care Center, the Hypertension Center, the Institute of Genetic Medicine, and the Burn Center.- It is also home to a prominent Clinical

Translational Science Center and is committed to moving biomedical discoveries from bench to bedside.

The Association of American Universities is a nonprofit association of 59 leading U.S. public and private research universities and two Canadian universities. It focuses on national and institutional issues that are important to research-intensive universities, including funding for research, research and education policy, and graduate and undergraduate education. AAU's 59 U.S. member institutions perform 54 percent of federally funded university-based research and award more than half of all Ph.D. degrees earned in our country. Cornell University has been a member of AAU since its inception in 1900.

I want to thank Chairman Schumer for calling this important hearing and for inviting me to share my perspective as a university president on the topic of highly skilled immigrants as drivers of economic growth. There is no doubt that our current immigration system is broken, yet the most recent efforts at reform have gotten lost in a shouting match of angry rhetoric that focuses on only one set of issues – border security and enforcement. I applaud your efforts to break the stalemate by bringing some much-needed attention to the many positive economic benefits that immigration reform would bring to America. I have the privilege of being a member of the National Security Higher Education Advisory Board, a group of some 20 university presidents and chancellors, appointed by the director of the FBI to meet with senior officials of the bureau and the CIA to discuss issues of national security related to higher education, prominent among which are issues related to immigration policies and procedures. Through the NSHEAB,

I have gained an appreciation of the importance of ceaseless vigilance to maintain national security in our universities and elsewhere. But I have also learned of the need for balance in our approach to this volatile set of issues. I applaud your seeking that balance.

This issue is personal for me: I am a first-generation American, the son of immigrants. When my father and his family left western Russia (now Belarus) for the United States, he took it for granted that through hard work, adherence to the law, and an earnest desire to become an American citizen, he would create a better life for himself and his children and contribute to the advancement of this country. Although he never attended college, he was convinced that higher education was the ticket to success for the next generation. My own life and the lives of countless other first-generation Americans have proven him right.

The recent debate, however, suggests that many Americans have stopped seeing immigration as an integral part of the American Dream. Anti-immigrant sentiments and prejudices are nothing new, but the 24-hour instant news cycle amplifies and magnifies our collective fears and anxieties about security risks and economic competition from other countries. Still, by any objective measure, the benefits of immigration significantly outweigh the risks. We cannot afford to close the United States off from the rest of the world, and we must reach a consensus on comprehensive immigration reform that balances our physical and economic security with the realities of our growing immigrant population and our changing national workforce needs.

American colleges and universities are educating a record number of international students. According to the Institute of International Education (IIE), there were 690,923 international students in the U.S. during the 2009–10 academic year, a 3-percent increase over the previous year. At Cornell, there are currently 3,667 international students – 17.5 percent of our student body – enrolled in our undergraduate, professional, and graduate schools. This is a record number for us, but it builds on a long tradition, dating back to our founding, when five international students enrolled in the first class in 1868. International students contribute nearly \$20 billion to the U.S. economy, through payment of tuition, purchases of books and supplies, transportation, health insurance, and other living expenses, according to the U.S. Department of Commerce. In a small town like Ithaca, the \$138.7 million economic impact of our international student population cannot be overstated – it is one of the reasons why Tompkins County has one of the most robust local economies in New York State.

Throughout American history, and especially during the Cold War, it went without saying that the U.S. should encourage international students to enroll in our undergraduate, graduate, and professional programs. The idea was that U.S.-educated foreign nationals would return home and become leaders in their countries, bringing with them an appreciation and understanding of America that would benefit us both politically and economically. This has been borne out over time, as we have watched our international alumni succeed, rising to positions of prominence at the highest levels of government, education, and industry in their home countries, while staying connected – scientifically, culturally, and emotionally – to the U.S.

In the 21st century, however, the American relationship with international students has become more complex – especially after 9/11 – as national security concerns have made it more difficult for them to come or to stay in the U.S. As a result, the U.S. is not always the top choice of students from Asia who are applying to graduate school in science and engineering. This is a real cause for concern, because nearly half of all recent graduate degrees awarded by U.S. universities in science, technology, engineering, and mathematical (STEM) fields were to foreign nationals. In engineering, for example, international students earned 44 percent of the master's and 54 percent of the Ph.D. degrees in 2008–2009. If our immigration policy causes the number and quality of international students who matriculate in STEM disciplines at U.S. universities to decline significantly, it will reduce our capacity for research, innovation, and ultimately economic growth.

Contrary to concerns expressed by critics, there are not enough qualified or interested American students to fill the slots in STEM undergraduate and graduate programs. Congress took a giant step toward addressing this issue when it reauthorized the COMPETES Act last year. I know it did not originate in the Judiciary Committee, but I cannot emphasize how strongly I – and the rest of the higher education community – thank you for that legislation. The emphasis on elementary and secondary STEM education and teacher training programs – along with initiatives by organizations such as the Business–Higher Education Forum and the Council on Competitiveness – will help fill the pipeline with American students. These are long-term initiatives that will not address our immediate needs and that cannot succeed without adequate funding. If

COMPETES is as successful as we believe it can be, there will still be a need and demand for foreign-born students in our universities, research programs, and industries.

The student visa program works reasonably well while international students are in school, even with the extra security procedures that were added after 9/11. Even so, the visa approval process, as I'm sure every Senator on this panel knows, is complex, expensive, often very slow, and commonly very frustrating. Still, for the most part – and we know there will always be exceptions – it works. When we run into a problem at Cornell, we've often relied on Senator Schumer's caseworkers to help resolve it. Needless to say, we are grateful for the assistance. I know it is not in the Judiciary Committee's jurisdiction or within the scope of this hearing, but adding additional consular staff at U.S. embassies to process student visa applications would be extremely helpful.

The most difficult immigration issues arise when international students graduate and want to enter the U.S. workforce. While some students always intend to return home, many others want to stay here—to work, invent, innovate, start companies, create jobs, and contribute to economic growth in the U.S. Universities can extend student visas for “Optional Professional Training” (OPT) to allow graduates to stay in the U.S. for up to 29 months – 12 months initially, with a 17-month extension in high-priority STEM fields. OPT extensions are not only good for our graduates, but they are also very helpful for employers, as they are considered to be student visas that do not require sponsorship or count against the employment-based caps for highly skilled workers. At Cornell, we currently have about 800 graduates in the U.S. on OPT extensions, about one-quarter of

our total international student population. Once an OPT extension has expired, there is little a university can do to influence the immigration process.

We know from our career placement offices and alumni associations that U.S. companies want to hire our international graduates – not surprising, when you consider that foreign-born inventors are responsible for a large share of patents granted in the U.S. We hear, as my colleagues on the panel will certainly tell you, that businesses are frustrated by complex immigration laws and extremely low quotas that do not differentiate between countries of origin for highly skilled workers. According to Bill Swanson, chairman and CEO of Raytheon, “Raytheon, like the nation, depends upon highly educated and experienced STEM graduates, many at the doctoral level. Foreign nationals with these qualifications, with appropriate immigration status, are critical to our country’s competitiveness.”

Sources as diverse as the non-partisan Congressional Budget Office (CBO), the Libertarian CATO institute, and the liberal Center for American Progress all agree that comprehensive immigration reform would result in economic growth and generate considerably more revenue from taxes on wages than expenditures on services. According to the CBO, even under the most conservative economic assumptions, immigration reform would boost the American economy by between 0.8 and 1.3 percent during the next four years, resulting in \$12 billion in additional revenue over a 10-year period. After three years of anemic growth and amid the debate on the budget deficit, these facts alone should be enough to encourage action on immigration reform.

If that is not enough to convince Congress to act, the Partnership for a New American Economy—a national bipartisan group founded by New York City Mayor Michael Bloomberg that includes more than 300 mayors and business leaders who believe sensible immigration reform can help the economy grow and create American jobs—has compiled some impressive statistics about the economic and entrepreneurial activity of immigrants:

- More than 40 percent of the current Fortune 500 companies were founded by immigrants or their children. These are established companies that employ more than 10 million people worldwide and have combined revenues of \$4.2 trillion – a figure greater than the GDP of every country in the world except the U.S., China, and Japan.
- Immigrants are nearly twice as likely as U.S.-born individuals to start new businesses, according to an analysis of entrepreneurial activities between 1996 and 2008.
- More than one quarter of all technology and engineering businesses launched in America between 1995 and 2005 had an immigrant founder. In Silicon Valley, over half of the new high-tech startups had an immigrant founder, according to the National Venture Capital Association.
- Immigrant-founded start-up companies created 450,000 jobs in less than a decade, and collectively they have generated as much as \$52 billion in sales in a single

year. The Center for American Progress estimates that, with comprehensive immigration reform, those numbers could increase by 900,000 additional jobs over the next three years.

- About a quarter of the international patents filed from the United States in 2006 were based on the work of non-citizen immigrants living in America, according to an analysis of patent filings by Duke University. Many major American companies rely on foreign-born inventors. For example, foreign-born inventors were behind 72 percent of Qualcomm's patents, 65 percent of Merck's patents, and 64 percent of General Electric's patents. Additionally, 41 percent of the patents filed by the U.S. government had foreign-born inventors or co-inventors. These are our graduates: more than half of these inventors obtained their highest degree from a U.S. university.
- Immigrant STEM graduates will help fill projected job shortages. McKinsey Global Institute projects that as many as 190,000 positions for data analytics experts such as industrial engineers and mathematicians will go unfilled in the U.S. by 2018. The institute also projects a shortage of 1.5 million managers and analysts who have the ability to understand and make decisions using large and complex data sets.

Mayor Bloomberg summed up the work of the Partnership for a New American Economy when he wrote in the *Wall Street Journal*: “We would not have become a

global superpower without opening our doors to immigrants – and we cannot long remain one without continuing that practice. Smart, self-motivated immigrants spur the inventions and create the jobs our economy needs to thrive.” I couldn’t agree more.

Our immigration policy is causing us to lose our international graduates and other highly motivated immigrants to countries like England, Australia, and Canada that encourage and promote immigrant entrepreneurs with streamlined visa application processes, more flexible pathways to permanent residence or citizenship, and special consideration for entrepreneurs with venture funding. Further, as other countries like China and India develop graduate education programs and cultures of innovation and entrepreneurship based on the U.S. model, we see that some of the best young scientists and engineers are opting to go home – if they even come to the U.S. to study in the first place – and use their skills to compete with the U.S. This trend was one of the factors identified in the initial *Rising Above the Gathering Storm* report that could knock the U.S. off its pedestal as the world leader in innovation. In light of these facts, I offer the following suggestions for reform.

The administration has laid out a good blueprint for comprehensive immigration reform that starts with enforcement and addresses everyone from the most highly educated and skilled workers to seasonal farm workers to the nearly 11 million undocumented individuals already in the country. Though I believe we need comprehensive reform, and support the administration’s and Senator Schumer’s efforts, I

will limit my recommendations to proposals that address international students and highly skilled workers.

I believe Congress should:

- Create a streamlined green card process for international students who graduate with STEM degrees from U.S. universities. Highly educated, foreign-born students who have earned advanced degrees in science, technology, engineering, and mathematics from U.S. universities should be fast-tracked toward permanent residency and not counted against the annual limit on employment-based green cards.
- Reduce the backlog of skilled immigrants waiting to become permanent residents by increasing the number of employment-based visas. The higher education community has consistently supported efforts to reduce the number of skilled immigrants waiting for green cards through legislation to eliminate per-country caps for green cards and to authorize the use of unclaimed green cards from previous years.
- Enact policies that allow families to stay together and allow for reasonable visits back home without too much red tape upon return. This is an important provision for students studying in the U.S., who have limited time between semesters to travel and can't afford to miss classes at the beginning of a term, waiting for a new visa.

- Pass the DREAM Act. Even though the DREAM Act is not the subject of this hearing, it is vitally important that undocumented children who are in the U.S. through no fault of their own be given the chance to earn citizenship through hard work: either college education or military service. CBO estimates that passage of the DREAM Act alone would generate \$1.4 billion in revenue over the next 10 years, through increased taxes on wages earned by these young people as they enter the workforce in higher-skilled positions.

Chairman Schumer, thank you again for the opportunity to testify today. I would be pleased to answer any questions that you and members of the Subcommittee may have.