REMARKS BY PRESIDENT DESIGNATE ROBERT EASTER

ILLINOIS HOUSE APPROPRIATIONS COMMITTEE MEETING

GRAYSLAKE, ILLINOIS

1 P.M.

THURSDAY, APRIL 12, 2012

Good afternoon Chairman Dunkin and members of the Committee. Thank you for the opportunity to appear before you today to present some context for our Fiscal Year 2013 appropriations request.

I'm Bob Easter, President Designate of the University of Illinois. After almost forty years of working at this great university in various administrative roles I am hardly a stranger to Springfield and although I have had the pleasure of meeting some of you in the past I hope to get to know all of you moving forward. I believe that working together we can accomplish great things for the citizens of Illinois.

I'm joined this afternoon by Dr. Phyllis Wise, Chancellor of our Urbana-Champaign campus and Dr. Paula Allen-Meares, Chancellor of our Chicago Campus. Chancellor Susan Koch of our Springfield campus could not attend. Today I invited Chancellors Wise and Allen-Meares to share some of the ways we are addressing the needs of the future through our missions of education, research, public service and economic development.

However, I want to first thank the Committee for its understanding of the need to reschedule this important appropriation hearing. I am mindful of the inconvenience all of you had to experience for both the cancellation of the previous meeting and the rescheduling of this meeting.

Secondly, I want to assure the esteemed members of the Committee that even though we have had several leadership changes in the past three years, those changes have not led to a change in direction of the University of Illinois. We are more focused. We are more determined. We are more ambitious.

I have full confidence in the leadership of each of our three campuses. Chancellors Wise, Allen-Meares and Koch are each highly accomplished scholars and academic administrators, well regarded in American higher education, and each one is particularly well suited to the campus she leads. As vice presidents of the university, they work closely together, with the president, and the board of trustees on matters affecting the entire university.

Our commitment to our land grant mission of teaching, research, and public engagement is stronger that it has ever been in our 144-year-old history.

That commitment includes our most important mission: transforming the arc of young people's lives through increased knowledge of history, culture, government, the arts and sciences, as well as life fulfillment, critical thinking, and a sense of purpose. Seventy percent of our graduates stay in Illinois. They make substantial contributions to our state's economy.

Additionally, I want to assure each committee member here today that we continue to promote and celebrate diversity on our campuses.
To accomplish our mission successfully, we are working tirelessly to make sure that the face of our university reflects the face of Illinois. I

will talk about that a bit later in my remarks and I know both chancellors will provide you an update on those efforts, too.

Before we hear from our chancellors, I want to briefly give the members a university-wide overview regarding our mission.

This is a challenging time for higher education. As you know, President Obama has asked the higher education community to redouble its efforts to produce the next generation of engineers, doctors, computer scientists as well as critical thinkers, problem solvers, designers, inventors – indeed the entire array of smart workforce needed to power our nation's economy in the 21st Century.

Ladies and gentlemen, I believe we are called here to do nothing less than to make it possible for a large sector of our society to emerge,

evolve, and engage to our economy, to our democracy, and to our future as a nation.

We know that a college education is *transformative*. Over an adult's working life, high school graduates can expect, on average, to earn $1.2 million; those with a bachelor's degree, $2.1 million.

We know that the divide is growing between the haves and the have nots---those with college degrees versus those with only high school diplomas. In the past three years the 2.3 percentage point difference between the unemployment rates of four-year college graduates and high school graduates has now increased to 5.1 percentage points.

At the University of Illinois we welcome this challenge even in an environment of restricted public resources. We are fully committed to

meeting the high expectations you and the citizens of Illinois have for us.

So, how are we meeting the state's expectations? I have four examples.

<u>First, we are educating the Illinois workforce:</u>

- Applications and enrollments continue to rise. Last fall, our three campuses enrolled more than 77,600 students – another record number--and in 2011 we awarded 19,400 degrees, an increase of more than 900 from the prior year.

We have conferred:

1,400 more bachelor's degrees than a decade ago.

1,500 more master's degrees than a decade ago.

450 more doctorates than a decade ago.

We have approximately 3,000 more undergraduate students in the critical science, technology, engineering, and mathematics disciplines than we did 10 years ago. We are doing all of this with lower state appropriations.

Seventy percent of our graduates stay here in Illinois where they become valuable members of our workforce and, in many cases, they become entrepreneurs, opening up businesses and adding fuel to the state's economic engine and often they are involved in providing critical services. For example, the University of Illinois is a top educator/producer of health care professionals in the state: physicians, dentists, nurses, pharmacists and others.

- Important to our mission of transforming lives in this great state, we continue to engage with the Chicago Public Schools.

More than 5,000 CPS students are enrolled at the University of Illinois.

- We want to do even more to make sure that we do not leave behind any talented CPS or Illinois young woman or man who cannot attend our university because of financial constraints. This is why last year we launched a three-year, $100 million fund-raising campaign that will increase financial aid to help students and their families offset tuition costs that have risen sharply as state funding has declined over the last decade. The campaign is called Access Illinois: The Presidential Scholarship Initiative.

<u>Secondly, we are firmly and decisively committed to diversity:</u>

- We have added more than 1,500 undergraduates from underrepresented groups in the past decade, expanding

diversity that is vital as we prepare students to excel in an increasingly global workplace. Yet this is not enough.

- This year, we reallocated an additional $6 million for recruitment and retention of talented students from underrepresented groups, with a goal of further expanding those numbers, bringing the total funding for this program to over $17 million. Initial results indicate that this investment is already having an impact, applications among African Americans and Latino/a's have increased by at least 1,100 thus far this cycle. Yet this is not enough. We are working hard to increase the number of students from underrepresented groups this fall.

- We also reallocated an additional $1 million to programs to recruit more faculty from underrepresented groups. We

have made offers to many prospective faculty members, and again we hope to see results by fall.

- Yet this is not enough. We will continue to work tirelessly to expand diversity among our students, faculty, and staff.

<u>Third, we are adding real, tangible fuel to Illinois' economy engine through our activities:</u>

- The University of Illinois produces approximately $13 billion per year in direct and indirect economic impact on the State – that's a return of more than $17 for every dollar the State invests in its direct appropriation to the U of I. We have a legacy of innovation. This University is the largest producer of patents—a leading indicator of discovery and innovation--of any university in Illinois, and one of the top ten sources of all patents in the State.

- We understand the increased importance of philanthropy in our total revenue stream. Our Brilliant Futures campaign was the most successful ever in this university's history.

- Federal grants and contracts to the U of I have increased by 84 percent in the last 10 years. We received approximately $750 million in federally-sponsored projects last year. The Urbana campus is the number one recipient nationally of awards from the National Science Foundation.

What does this mean in real terms? It means real innovation and it translates into wealth. Also, the creation of jobs. It means an infusion of almost 1 billion dollars into the local economy that was not there previously. It means apartments rented that would not have been rented. It means more

houses purchased. More retail purchases. More services needed and provided. More checking and savings accounts opened. More citizens buying groceries and gasoline, attending concerts and movies, going out to restaurants. And, yes, more taxes paid into the State's coffers.

Finally, we are committed to affordability:

Over the past decade, between 1.4 million and 2.4 million students in the United States have been *prevented from going to college for financial reasons*, about 50 percent more than during the 1990s. This cannot stand.

- This year, our Board of Trustees acted early on undergraduate tuition so students and families could make more informed decisions. Tuition was set based on an

annual rate of inflation of 1.9 percent, and is the second-lowest increase in a decade.

- Our Board of Trustees understands the pressures that middle class families face in trying to send their children to the University of Illinois. That is why it has adopted a policy that ties tuition increases to the rate of inflation. But what that means is that we are basically treading water on operating costs. Any reduction in our GRF challenges our ability to do the work of transforming the lives of Illinois' students. Those GRF reductions are not being made up through tuition.
- Meanwhile, we are increasing the level of financial aid provided by the University by $7-10 million next year, to over $60 million; and, as I have mentioned, we have launched a new fund-raising campaign to raise $100 million for scholarships within the next three years.

Let me conclude by thanking you for helping secure appropriations that placed a high priority on higher education last year, and for the work I know is ahead of you now.

The Governor's appropriation recommendation for the University of Illinois for the upcoming fiscal year is for flat funding. We greatly appreciate the priority this places on higher education.

Finally, I want to also express my deepest gratitude for your service as public officials. I speak for the entire university when I say that I appreciate your careful attention to the funding challenges confronting this great state.

Now, I would like to have you hear from Chancellor Allen-Meares and Chancellor Wise. Chancellor Allen-Meares?