

**House Appropriations Opening Statement
March 21, 2014**

- Thank you for inviting me to join you today.
- We are the State's Land-Grant Institution with four missions assigned by statute.
 - We educate students
 - Operate one of the nation's top Tier One research enterprises
 - Public service through outreach to citizens and organizations and provide health care services throughout the state
 - Economic development
- We do our work on three campuses—Springfield, Chicago, Urbana-Champaign
 - We have major medical education programs in Rockford and Peoria.
 - And we have sites across the state that range from Extension offices in far southern Illinois and 12 federally-qualified health centers in the underserved neighborhoods of Chicago.
- We take our responsibilities seriously
 - We currently enroll over 78,000 students—undergraduates, graduates and professional.
 - More than 20,000 graduated last year and there will be even more this year.
 - We produce one of every six doctors practicing in Illinois.
 - Nearly half of the state's dentists and
 - A third of pharmacists.
 - We educate the workforce for tomorrow—we are the state's top producer of students in science, technology, engineering and math....especially at the graduate levels.
 - Research conducted by our faculty is being put to use, with 344 technology disclosures, 96 patents, and 96 licenses in 2013 alone.
 - Our faculty research fosters economic development.
 - We partner with community colleges through articulation agreements such as we have with Southwestern Illinois College, the College of DuPage and others.

- And through guaranteed admission and Pathway programs (Parkland, Danville, Chicago City Colleges).
 - Our goal is to help students find a path to an affordable, world-class education.
 - The University of Illinois enrolls as freshmen more than one in four high potential (ACT of 27+) underrepresented minority high school graduates.
 - Our Chicago and Urbana campuses rank #1 and #2 among Illinois public institutions in the number of bachelor's degrees awarded annually to African American and Hispanic students.
 - Together the three campuses of the University of Illinois award one in three of the bachelor's degrees awarded each year to Black and Hispanic students in the state.
- You may have heard recently of the successful effort that we led to bring a \$70M Digital Manufacturing and Design Innovation Grant from the Defense Department. This program will create a center in Chicago that we will contribute to the reinvention of the Midwestern manufacturing economy.
 - We beat out a group led by MIT, another based in Huntsville, Alabama and another on the west coast.
 - How did we do it....
 - Because we have world-class faculty who are on the cutting edge of this new technology.
 - Because industry partners such as Boeing and Caterpillar brought 140M in matching dollars to the table.
 - Because we recently brought on line the most powerful academic computer in the country financed with a \$200M NSF grant.
 - And We were able to capture that grant because this legislature appropriated more than \$60M to create the infrastructure on the Urbana campus.
 - This DMDI represents what we can do with public-private partnerships, a stellar faculty and great facilities and infrastructure.
 - And because 22 community colleges were willing to join with us as future workforce training partners.
 - Our success was built on more than 140 years of investment... and we are on the cusp of losing that vital margin of greatness that enables us to compete.

- In order to continue to strive for excellence in delivering on all of our missions, quite simply, we need excellent human capital and relief from regulatory burdens allowing for operational efficiency and nimbleness.
- We need to retain quality faculty and staff with a competitive compensation package providing economic security for all our employees.
- The possibility of a 12.5% or larger cut creates instability (80% of appropriation goes to personnel costs). People leave.
- The lack of capital budgets (see attached FY15 capital request)
 - In nine of the last 10 years there have not been significant capital appropriations from the state to the University.
 - The University has at least \$1.6 billion in critical deferred facility renovation needs.
- The unmet financial need for undergraduate students of all three campuses in AY 2012-13 totaled \$216M.

To meet the challenges:

- Need flat funding from FY14 to FY15 and regulatory relief
- Address capital needs—through internal reallocation and student fees—two examples:
 - Natural History Building in Urbana: NO STATE FUNDS Project Budget: \$73.4M (Institutional Funds): \$54.9M, Fee Funds: \$18.5M)
 - University Hall in Chicago: Project budget being defined Institutional funds set aside: \$9.7M
- The level of federal research grants our faculty bring into the state approaches \$1 billion—that's the equivalent of over \$200,000 per tenure-track faculty.
- Let me conclude with a comment about students.
 - In 2012-13, financial aid from all sources to the undergraduate students of the University totaled \$345M (including Pell, MAP and other federal/state aid).
 - Of this total, the University provided \$207M in need-and merit-based aid or waivers. This corresponds to 31% of the \$661 million of tuition revenue generated at the undergraduate level.
 - We cannot absorb cuts and continue to support many of our most needy students.

Thank you... questions?