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March 17, 2016

**Remarks prepared for delivery by President Tim Killeen  
to the Illinois Senate Appropriations Committee on March 17, 2016**

Good morning, Chairman Trotter and members of the committee. Thank you for inviting me to join you today, and for your service to the people of Illinois.

Let me begin with some introductions. Here with me are: Christophe Pierre, vice president for academic affairs; Walter Knorr, vice president and chief financial officer; Susan Koch, chancellor of the Springfield campus; Barbara Wilson, interim chancellor of the Urbana-Champaign campus; James D. Anderson, a professor of education in Urbana and Presidential Fellow who is advising me on important matters of inclusiveness and equity across the U of I system; Dominique Wilson, a student at UIS and the voting student member of our Board of Trustees; and Aja Beckman, a student leader in Urbana and MAP grant recipient.

This is my first appearance before the committee and I wish we were meeting under better circumstances.

Our conversation today is about much more than next year's appropriation. Or even this year's appropriation, which has now hung in limbo for a record eight months and counting.

It is about the damage that lies ahead if we don't act now to restore the long partnership with the state that built our flagship university system and made it a key engine of progress for Illinois and our nation.

It is not a question of shutting our doors. We won't. We have been around for nearly 150 years and expect to be around for 150 more.

It is a question of quality – maintaining the excellence that has made the U of I one of the premier university systems not just in the state and nation, but in the world.

Excellence is what attracted a record 80,000-plus students last fall across our three campuses, and more than 56,000 applications from prospective freshman for next fall – record demand that is up 13 percent from the year before.

Excellence is what draws world-class faculty – Nobel, Pulitzer and MacArthur genius award winners and members of the nation's most prestigious national academies.

They are at the center of our global standing – the magnet for top students and nearly \$1 billion in research funding that perennially ranks among the top 10 or 15 university systems nationwide.

Those are dollars that would go elsewhere if not for their leading edge scholarship – and dollars

that promise breakthrough innovation that creates new businesses, new jobs and economic growth.

Excellence has built a university system that pumps \$14 billion into the state's economy every year ... a system with 700,000 alumni, including more than 260,000 here right here in Illinois, numbers that continue to grow through our 20,000 new graduates every year ... a system that graduates more world-class engineers than MIT, Cal Tech and Stanford combined by more than 1,000 a year ... a system that lays claim to nearly 1,000 issued patents and more than 250 startup companies.

It takes generations to build a world-class university, but only a few short years to destroy it.

That clock is ticking.

Just consider the growing financial challenges that threaten our standing as a go-to destination for talent.

The budget impasse has left us with more than \$600 million in vouchers that would normally have been paid by the state – money that is crucial to support our academic programs and day-to-day operations.

We are managing through, but burning quickly through our resources. These resources were set aside for critical modernizations of classrooms, labs, IT systems, and hundreds of millions of dollars in deferred maintenance of our facilities in the absence of capital funding. Once exhausted, the pain will be felt more acutely across our campuses and around the state.

The uncertainty alone threatens harm, as our peer universities reach out to top faculty and leading researchers with offers that we can't currently match – the promise of stability and security.

Our most vulnerable students also are at risk, with MAP grants among the casualties of the impasse.

Restoring MAP funding is essential to assure more than \$60 million in aid next year to support more than 15,000 students university-wide.

The ripple effects of the impasse also are being felt by our hospital and clinics in Chicago – a health-care enterprise that is critical to underserved populations and provides more than 450,000 patient visits every year.

Even if an agreement ends the impasse, more threats lie ahead.

Governor Rauner's budget blueprint proposes a 20 percent reduction in our appropriation for fiscal year 2017, a cut of about \$130 million compared to final fiscal year 2015 levels.

A cut of that magnitude would impact everything we do – from academic offerings to student services; from time-to-degree to graduation rates.

But to give you at least a broad perspective, if absorbed through payroll alone, it would amount to nearly 2,000 employees – about 800 more than the number of workers who lost their jobs

when Mitsubishi's auto manufacturing plant in Normal closed last year.

We are committed to building on our long history of service to the people of Illinois, not falling back.

So we are proactively examining our operations from top to bottom in search of efficiencies, and implementing structural reforms to ensure our campuses continue their legacy of excellence

For example, more than 360 positions have been trimmed during the current fiscal year through campus reviews and a hiring freeze in central administration.

And administrative units have been directed to reduce spending by \$27 million annually in Urbana and by more than \$13 million in Chicago.

But we cannot do it alone. Maintaining our greatness requires the state's support – a recommitment to our long and productive partnership.

The stakes are high. A world-class University of Illinois is a key to a better tomorrow for our state. A run-of-the-mill U of I would leave it sputtering.

It would carve into the very core of our service to the state – providing next-generation workers and innovation, and opening doors of opportunity that transform students' lives.

It would stifle our leadership role in promoting diversity – a commitment that extends from enrollment and hiring to our vendor network.

Yesterday, our board awarded the first contracts under the state's new sheltered market initiative – signing on 28 minority- and female-owned firms to provide IT services for our campuses. It was first by any state institution in Illinois.

But it is another critical effort that will fall by the wayside without the state funding to help support it.

We are committed to the students and families of Illinois, and to building on our legacy of excellence to help lead progress for generations to come.

We hope you will join us.

This is a time to turbo-charge your investment in the University of Illinois, not to siphon it down.

Thank you again for your service to our state. Now, I'm happy to answer any questions.