



**Chancellor Bernadette Gray-Little
Testimony to the House Education Budget Committee
Tuesday, February 15, 2011**

Chairwoman Gordon, Ranking Member Winn and members of the committee: Thank you for the invitation to testify today in support of the Governor's budget recommendation for the University of Kansas and the Regents system.

Kansas continues to face challenges. But as we all know, the people of Kansas have faced challenges from the very founding of the state 150 years ago. During a time when our nation was waging a Civil War and our struggle with Missouri involved guns, not sports, Kansans made a commitment to the future of the state by founding universities.

They understood then as we do now that the future prosperity of a state is determined by its investment in the education of its residents. And I am pleased to report that the University of Kansas is delivering solid returns on the investment the people of Kansas have made. Our graduates form the backbone of many industries in Kansas. Our research creates new jobs and new businesses. And the service we provide is enhancing quality of life for people around the state.

If we want our state to emerge from this recession and return to prosperity, then we must continue to invest in our future by investing in our universities.

That investment in the future is most easily seen in our students, and I am happy to report that last fall we recruited the university's most academically talented incoming class ever. The freshman class' average ACT score was 24.9, almost three points higher than the national average. A third of them scored a 27 or higher.

We have students from all 105 Kansas counties, all 50 states and 112 countries, creating a vibrant mix of perspectives and backgrounds that benefits our students. Additionally, while test scores are just one measure of college readiness, if we continue to recruit better prepared classes, we will be able to achieve our goal of graduating a higher percentage of our students.

These students are wasting no time in contributing to our state and world. For example, one student discovered a species of lizard previously unknown to science, and another received national recognition for his work in green chemistry. A KU medical student was recognized nationally as a "physician of tomorrow," while KU engineering students won an international aircraft design championship for the second year in a row. These leaders at KU today will be leaders in business and society tomorrow.

We will have the opportunity to graduate even more students who will contribute to the prosperity of Kansas thanks to several important efforts. The first is the expansion of the School of Pharmacy, which was made possible by the support of the Legislature. In October we opened

the new School of Pharmacy building in Lawrence, and classes will start in the new facility in Wichita. Together, they will help us address the critical shortage of pharmacists in our state.

We are also addressing another critical workforce shortage, that of doctors, particularly in rural areas. The School of Medicine's expansion of its Wichita program and the creation of a program in Salina will help close this gap. KU has trained half of all doctors in Kansas, part of the school's dedication to meeting its social mission. Last year, that commitment placed KU among the top five schools in the nation for producing primary care physicians and physicians who practice in rural and underserved areas.

When coupled with other projects, such as the newly approved School of Public Health, the KU Medical Center will continue to lead efforts to improve the health and well-being of Kansans.

But it is not just in health-related fields that KU is meeting vital workforce needs. Our School of Engineering has made significant strides in expanding the number of graduates it provides to our state's industries. However, the continuing shortage of engineers in the state is an impediment to growth in Kansas, and state business leaders have called for a 60 percent increase in the number of engineers we train.

Just as a state commitment was made to address the pharmacist shortage, we are hopeful that you and your colleagues will provide further support to this effort. It has the support of top executives from a range of Kansas businesses because they want to hire engineers here in Kansas so they can grow their businesses here in Kansas.

In addition to engineering, we are very pleased to be able to create 10 new degree programs and construct the Business, Engineering, Science and Technology Building at the Edwards Campus thanks to the support of Johnson County voters. That voter support will also go toward the Medical Center's creation of a clinical trials facility.

And in an economy where workers can be expected to change jobs several times during their careers, our liberal arts and sciences programs continue prepare students for success. Our area studies programs, for example, earned nearly \$9 million in federal support to continue to give our students the global perspective and language skills they need in the modern workplace.

As they prepare for successful careers and lives after graduation, our students benefit from the experience and talent of our faculty. By being active scholars and researchers, our faculty are able to share the knowledge they discover with their students. That benefits our students, who get a more robust education, and it benefits our state by multiplying the effect of faculty discoveries.

KU research brought \$238 million in external funding to Kansas last year. That funding creates research jobs and lays the foundation for future job creation. Indeed, our skill at turning discoveries into businesses has created 16 active start-up companies in the state.

The past year saw a number of research accomplishments that hold great potential. Researchers in physics and astronomy made a discovery in the field of "spintronics" that could pave the way for smaller, faster computers. KU scholars described how painting city roofs white would slash

temperatures in urban areas. And discoveries at the medical center in areas ranging from treatments for illnesses to preventative medicine will enable us to live longer, healthier and happier lives.

These are just a few of the ways KU research added to human knowledge and delivered benefits not only to our students, but to the state and wider world. Those benefits will only grow, thanks to a number of high-profile grants our faculty members brought to Kansas.

Special education students in Kansas and 11 other states will benefit from new learning assessments that will be developed by the Center for Educational Testing and Evaluation. Teachers will get quick feedback on whether lessons are working thanks to these new assessments, which will be funded by the largest single grant in KU history, \$22 million from the U.S. Department of Education.

Foster children with emotional disorders and their families of origin will receive treatments and resources to facilitate family reunification. That's thanks to a \$13.3 million grant from the Department of Health and Human Services, the largest in the history of the School of Social Welfare.

And addressing the health challenges of Native Americans will be the focus of a new Center for American Indian Community Health. The center will not only study these challenges, but work to reduce disparities in health outcomes through a \$7.5 million National Institutes of Health grant.

Of course, achieving National Cancer Institute designation for the KU Cancer Center remains a top research priority, and I want to thank the Legislature for its longstanding support for this effort.

More than \$345 million has been invested in this effort over the last five years by the state, university, KU Hospital, Kansas Bioscience Authority, Midwest Cancer Alliance, the Hall Foundation and other private donors. These investments have helped create over 50 new researcher and laboratory staff positions, with a resulting 70 percent increase in National Cancer Institute funding.

Achieving Comprehensive Cancer Center status would mean Kansans won't have to travel out-of-state for cutting-edge cancer treatments. It would have an annual economic benefit of \$1.36 billion and create 9,400 permanent jobs. Our first opportunity to apply for NCI designation is this September, and I want you to know how proud we are of the progress that's been made so far and how thankful we are for your continued support.

We live in a changing world, and the university is adapting to meet new challenges and better serve our students and state. One way we are doing that is through a comprehensive strategic planning effort. We are focusing on three areas: energizing the educational environment, which includes undergraduate and graduate education; driving discovery and innovation; and engaging scholarship for public impact.

Energizing the educational environment covers every aspect of the student's academic experience from recruitment to graduation. We are renewing our general education requirements around the central question, "What should every undergraduate know and have experienced before graduating?" We're implementing early warning systems to get help to students who are struggling academically. And we're looking at the specific challenges faced by our graduate students, who are central to our ability to conduct research.

Additionally, we are changing the way we recruit students. For example, more of our professional schools are exploring admitting students as freshmen. And we are realigning our scholarships toward recruitment so that we can offer more incoming students four-year scholarships.

Our second area of emphasis is enhancing the scholarly profile of the university. We have continued to increase the amount of external funding we bring to the state, and because of KU, Kansas leads all other states in terms of growth in NIH funding in the most recent five-year reporting period.

That's impressive, though I believe we can do even better, and our strategic planning process is seeking to break down barriers that hamper scholarly work. As I mentioned earlier, this will have benefits for students, who get to learn from leaders in their fields. We're also seeking to identify the emerging global grand challenges and societal issues where KU can have the greatest impact, so that we can spur forward our efforts in these areas.

This third area of planning emphasis builds on the existing desire to improve our world through scholarly and creative works. Commercialization of new discoveries is one example, and last year's opening of the Bioscience and Technology Business Center on west campus will help us turn research into jobs and create new businesses.

These planning efforts go hand-in-hand with our upcoming comprehensive campaign, which will combine private contributions with state investments in order to meet these goals. Together, our work in this area will result in more students who graduate ready to contribute to our economy and world; more discoveries that improve lives and create jobs; and a stronger, more vibrant university that's able to deliver an even greater return on Kansans' investment.

The progress we've made thus far has been during a time of financial challenges for higher education in Kansas. Though the university was spared additional cuts last year, the nearly \$43 million in cuts and unfunded mandates absorbed by KU since the start of the crisis continue to have an effect. Additionally, while funding has not been cut, costs such as health insurance have continued to rise.

These limitations have affected our students as we have closed sections of classes and been forced to limit enrollment in many areas since eliminating upwards of 200 positions at KU and KUMC. It has also affected our state, as the stagnation in salaries makes it difficult to recruit and retain outstanding faculty and staff. The past two years have seen a dozen KU faculty members leave for other universities because of stunted resources. Several of these individuals have taken grant funding and the associated jobs with them.

We want to be good stewards of the funds available to us and be as efficient as possible. Consistent with that goal, we're continuing the on-going effort to maximize efficiencies. Since 2008 those efforts have resulted in \$14.6 million in savings from cost avoidance, operational efficiencies and other measures.

But savings won't be enough, as the last decade alone saw a 37 percent decrease in the amount of money we receive from the state for each full-time equivalent student, from \$9,092 to \$5,729 (inflation adjusted). Resident students now pay a larger portion of the cost of their education than does the state. And each budget cut puts even more upward pressure on tuition.

We understand Kansas continues to face economic challenges and that the recovery is still gaining strength. But we also know that higher education has public benefits and that the future of Kansas is tied to the future of its universities. The educated workers of tomorrow are KU students today. The new, job-creating industries of the future are being envisioned in KU labs now. The prosperous, growing state we all want to live in can be created in our universities, but only if we renew Kansans' long-standing commitment to higher education.

We stand ready to do our part, operating more efficiently and offering programs that meet the needs of Kansas and the nation. But as Gov. Brownback told Kansans last year, Kansas cannot cut itself out of the budget crisis — economic growth is the key. That growth will be driven by the educated workers we graduate, and it will be fueled by the thousands of new jobs created by investments in research.

I look forward to working with you and my fellow presidents to continue Kansas' tradition of outstanding public higher education, and to work together on the investments that will lead to renewed prosperity for Kansas. Thank you again for the opportunity to provide this testimony to you.

At this time, I am pleased to introduce Dr. Barbara Atkinson, executive vice chancellor at the KU Medical Center and executive dean of the School of Medicine. Following her remarks, we'd be happy to answer any questions you may have.