Chairman Sloan, Ranking Member Hawk, and members of the committee: Thank you for the invitation to speak with you today. I appreciate the chance to meet those of you I haven’t yet met, and to take this opportunity to update you both on the university and my priorities as chancellor.

As you may know, I arrived on campus August 15. I believe it is important for the chancellor of the University of Kansas to be knowledgeable about the state he or she serves, and the hometowns of the 70 percent of KU students who are from Kansas. That’s why I immediately began a series of visits to communities around Kansas, meeting with local leaders, business people and KU alumni.

By the end of my first month at KU, I’d met with the legislative leadership, made trips to Topeka, Wichita, Pittsburg and the Kansas City area, and even visited the Kansas State Fair, where I had lunch with many of you during Legislator’s Day at the fair. I marked one month on the job by visiting Garden City and Liberal, capping things off at the Grant County Home Products Dinner in Ulysses that night.

What I learned on these trips, and on subsequent visits to Colby, Dodge City, Greensburg, Junction City, Manhattan, Parsons, Salina, Great Bend, and other communities, is that Kansans have a strong belief in the power of education to transform a life, a career, a community, a state, and an economy.

Kansans see education as a tool for both personal improvement and economic development. They’re proud of their local schools and their state’s universities, and they understand how investing in education leads to a prosperous Kansas.

My job as chancellor is to ensure that the dollars invested at KU bring a strong return on their investment. We do this by making sure high quality faculty are retained at KU – faculty who leverage the money the state invests by growing every dollar invested to three dollars through external grants and donations, and who teach the young Kansans who will keep our state strong and growing in the years ahead.

This is why Kansans believe that an investment in higher education is an investment in the prosperity of Kansas, and I’ve used the conversations I’ve had with them and with many of you to sharpen my vision for the university. I arrived at KU with three main priorities, and while my to-do list grows daily, these remain my focus for the foreseeable future.
First, the university must ensure that a student’s time at KU ends with a degree. We send 6,000 graduates into the workforce each year, but far too many student careers end at KU short of graduation.

It takes a commitment of time and money to go to college, not only by the students and their families, but also by the state and university. Not seeing this commitment through leaves students’ personal potential unfulfilled, and it reduces their ability to contribute to our economy and the life of our state.

We’re taking a broad look at how to address this challenge – from examining whether admission standards give an accurate picture of what it takes to succeed at KU to looking at what academic support services are most effective at ensuring student success. Teaching is our key mission and we have a responsibility to our students, their families, and the state of Kansas to do everything we can to give students the tools and opportunities they need to become college graduates.

Second, we must enhance the already high profile of our research and scholarly work. I know many of you took part in a roundtable on cancer research at KU held earlier in the session. That remains our top research priority and we’re making great progress toward achieving National Cancer Institute designation, which will bring new cures and treatments to Kansans in their communities.

Additionally, the Kansas Bioscience Authority earlier this year designated two more KU cancer researchers as Eminent Scholars, demonstrating the KBA’s benefits to the state and providing new resources to the fight against cancer.

Our bioscience research and commercialization efforts will also receive a significant boost from the bioscience incubator that we broke ground on last fall. Thanks to our state and local partners, that facility will help turn discoveries into new businesses and new jobs right here in Kansas, adding to the 17 start-up companies already active in Kansas thanks to KU research.

As we support bioscience research, I also believe we can enhance scholarly work in all fields. We have research and scholarly activities taking place across a wide spectrum – from developing techniques to help parents and teachers unlock the potential of children with autism to an international conference on human migration that was held on campus this week.

Our scholarly activities leverage the state’s investment in KU by bringing external grants into the state – $207 million last fiscal year alone. This creates research jobs, as well as boosting commercialization efforts that lead to greater job creation and improved quality of life.

And finally, my third priority is ensuring the university has the resources necessary to achieve these goals and carry out all the functions that go into KU’s mission of teaching, research and service.

We know the challenges the state is facing, which is why we have not only sought to maximize our use of private funds, research grants, and Recovery Act dollars, but have also taken action to use existing funds efficiently.
KU has implemented savings and efficiencies totaling at least $9 million over the past two fiscal years. The Purchasing Pilot Project that you authorized in 2006 has saved $1.76 million alone over two years and I appreciate the House’s overwhelming approval of legislation making this project permanent and expanding it to all Regents institutions.

The accomplishment of these three goals will require a university-wide effort and the support of state leaders. But fortunately, I came to KU during a time of great accomplishments for the university’s students, faculty, staff, and alumni – accomplishments that further justify Kansans’ pride in the university and the state’s investment in our work.

This fall we had our second highest enrollment ever, surpassing the 30,000 student mark for the second consecutive year. We continue to enroll more Kansans than any other university, with seven in ten of our students being from Kansas.

The Kansas workforce is the key to the prosperity of the state, which is why we have continued our efforts to educate the next generation of doctors and nurses, teachers and engineers, business leaders and professionals in nearly every field imaginable. Three projects illustrate our aspirations.

First, work is underway in both Lawrence and Wichita on the expansion of the School of Pharmacy that the Legislature supported, and we plan to start educating new pharmacists in Wichita in the fall of next year. This will help us meet the state’s critical need for pharmacists, particularly to serve patients living in rural Kansas.

Another highlight is the recent $12 million National Institute of Standards and Technology grant we received to build an engineering research facility for faculty working on biofuels and clean energy, as well as those developing sustainable materials and techniques. KU was one of only 12 research institutions chosen to receive this funding. Having this research take place in Kansas will make it more likely that jobs in these growing industries will be created in Kansas.

And finally, we know Kansas can produce a larger pool of engineers, but to do that we need a strong supply of math and science teachers to inspire smart young students. That’s why we’re pleased to report that our program to graduate math and science teachers, UKanTeach, is expanding to Johnson County Community College, opening up opportunities for even more students to enter a field that is crucial to our nation’s ability to compete globally.

These are just three examples of how state’s investment in KU adds to Kansas’ workforce and economic growth. KU also has a mission of service to the state and its residents. This involves everything from training first responders at the Kansas Law Enforcement Training Center to serving uninsured Kansans at our JayDoc Free Clinics in Kansas City and Wichita.

Later this month you’ll receive a publication called “KU Works for Kansas” detailing just a few of the ways KU is active in Kansas communities. You’ll be able to read about how the Healthy Hawks program at the KU Medical Center is helping families eat better and exercise more. Or about the lifelong learning courses that KU Continuing Education is offering in conjunction with
four Kansas community colleges. Or about an effort by the KU Entrepreneurship Program to match small business owners near retirement age with students from KU and K-State, with the goal of successfully transitioning those businesses to the next generation.

These are just three of the countless stories we could tell about the ways KU’s faculty, staff and students are reaching out across Kansas.

Unfortunately, not all of the news I have to report to you today is good. As you are well aware, the state budget crisis has had serious effects for KU students, our instructors and researchers, and the Kansans we serve.

As a result of the $37.3 million in cuts and unfunded mandates that the university has taken, we have had to eliminate more than 200 positions. This has the potential to affect the long-term prosperity of Kansas. Let me give you a few examples.

In Kansas, the need for engineers remains acute. The state currently has 16,000 engineers, and the payroll earnings for them and their team members are estimated at $2.5 billion. They are a cornerstone for our economy, especially in aviation, construction, and technology-related fields.

Unfortunately, budget cuts have forced reductions in our engineering faculty. KU now has about 40 percent fewer engineering faculty members than the average for Big 12 public universities and that constrains enrollment capacity at a critical time for the state.

There’s a similar shortage of nurses, especially as the state and national populations age. However, because of cuts, KU was only able to admit 120 nursing students of the 336 qualified applicants this year. With a decreased enrollment capacity brought about by faculty reductions, we are now educating only as many undergraduate nurses as we did in 2005.

These are just two specific programs, but there are other examples. Chemistry is a core course for a range of fields, from engineers to doctors, but we have had to reduce the number of introductory chemistry courses offered because of a lack of staff and available space. Some students have to delay taking required courses because the classes they need are full. Other introductory courses, such as calculus, which form the foundation for many fields, now have classes of 40 to 49 students.

This all adds up to a diminished student experience and potentially reduces the number of students who will graduate in a timely manner.

The budget crisis affects our students, but it also affects KU research. As I mentioned, KU teachers and researchers bring approximately $200 million in external grants to Kansas each year, so a reduction in faculty members reduces KU’s ability to bring money into Kansas. It also reduces opportunities for the creation of start-up companies, further hampering the state’s job growth.
Even the drive for National Cancer Institute designation isn’t immune. Budget cuts have slowed down recruitment efforts for researchers and clinical staff, even though there are a number of talented researchers interested in joining our cancer center.

I know that you understand the challenges faced by Kansas, its residents and businesses. These are difficult times, but they will pass, so we must ensure the state and its people are ready for the recovery.

Kansas’ students must have the ability to better themselves and improve their ability to contribute to the life and economy of our state through higher education.

Kansas’ businesses must have the ability to hire educated workers here, in Kansas, and the opportunity to take advantage of the discoveries made in our university laboratories.

And to do this, Kansas’ universities must have the resources needed to educate the talented graduates and make the critical advances that will lead to renewed prosperity for all Kansans.

I have greatly enjoyed the opportunities I have had to meet with you and your constituents, and I remain confident that not only will Kansas recover from this recession, but that higher education will play a vital part of that recovery.

I look forward to working with you and my fellow presidents to continue Kansas’ tradition of outstanding public higher education, and I would be happy to answer any questions you might have.