KU
THE UNIVERSITY OF KANSAS

BOLD ASPIRATIONS

Senate Ways and Means Higher Education Subcommittee – 2-20-17
Today’s Presentation
The University of Kansas

- Overview
- Structure
- How we serve Kansas
- Budget
- History of state funding
- Efficiency efforts
- FY 2017 allotment cut of $10.7 million
- KBOR and KU budget requests for FY18 and 19
- Q&A
Overview

Educating leaders, building healthy communities, making discoveries

- 28,400 students
- 2,600 faculty
- Five campuses
  - Lawrence and Edwards
  - KU Medical Center in Kansas City, Wichita and Salina
- State’s only schools of pharmacy and medicine
- 49 nationally ranked graduate programs
- AAU member since 1909
Structure
Two agencies, six controlled affiliated corporations and three non-controlled affiliated corporations

The University of Kansas

Lawrence and Edwards campuses
- Center for Research
- Memorial Unions
- Kansas Athletics

KU Medical Center
- Research Institute
- KU Health Partners
- Student Union

KU Endowment Association

The University of Kansas Hospital

The University of Kansas Physicians
How we serve Kansas (1 of 2)
Educating leaders, building healthy communities, making discoveries

Educating Leaders
• Five straight years of freshman growth; historic 2016 class

Building Healthy Communities
• Medical Center trains healthcare practitioners, provides outreach
• NCI designation
• Law enforcement and fire/rescue training; Kansas Geological Survey
• RedTire and Jayhawk Consulting

Making Discoveries
• No. 1 ranked programs in special education, city management
• 127 license agreements for commercial use of KU technology
• Partnerships with Garmin, ADM, Ford Motor Company
How we serve Kansas (2 of 2)
KU is an economic engine for Kansas

Addressing workforce needs for Kansas
• 6,000 graduates annually

Creating startups and recruiting existing companies to Kansas
• 38 active KU startups; 40 tenants in our on-campus incubator

Creating jobs
• NCI investment producing 4,140 jobs from 2007-2020
• Central District project creating 700 jobs per year

Bringing external research grants to Kansas
• $238.8 million

Attracting donations from outside Kansas
• 40 percent of donors live outside Kansas
Budget (1 of 2)
Revenue: research grants, tuition now top two sources

Source: FY 2017 Budget
Budget (2 of 2)
Expenditures: largest category is instruction

Source: FY 2017 Budget
History of state funding
SGF per FTE student down 44 percent in 17 years
Efficiency efforts (1 of 2)
Lawrence and KU Medical Center

Launched in 2012 with three goals:
• Be more efficient, reinvest in priorities, improve service

Examples of efficiencies:
• Centralized 85% of Information Technology units (L)
• Consolidated facilities/housekeeping (L)
• Launched paperless procurement, strategic sourcing (L and KUMC)
• Implemented multiple energy efficiency projects (L and KUMC)
• Reduced internal construction staff; now contract with vendors (KUMC)
• Negotiated new housekeeping contract with outside vendor (KUMC)
• Launched license plate recognition, badge readers (L and KUMC)
• Automated and consolidated mailroom and receiving dock (KUMC)
Efficiency efforts (2 of 2)
Lawrence and KU Medical Center

We have reinvested savings in priorities:

• Faculty hires
• Scholarships and fellowships
• Facility updates – Health Education Building and Central District
• Technology upgrades – medical simulation capabilities at KUMC
• Engineering school growth
• One-time salary supplement at KUMC
FY2017 allotment cut of $10.7 million

Difficult decisions across the university

The Governor cut the KU budget in May 2016

• $7M for Lawrence; $3.7M for KU Medical Center
• KU-L, KSU took a larger percentage cut

Lawrence impact

• Many unfilled faculty slots, failed retentions of top researchers
• CLAS has reduced faculty hires 60%
• Reductions to KPR, Audio-Reader, Fire & Rescue Training Institute

KU Medical Center impact

• No salary increase for seventh time in eight years
• Reduced statewide clinical outreach, teacher training programs
• Reduced slots for M.D./Ph.D program
KBOR and KU budget requests for FY18 and 19

Restoration of cuts, stability moving forward

• KBOR and KU both asking for:
  • Restoration of last year’s cut ($10.7M for KU)
  • Stable funding moving forward

• **Budget instability and uncertainty severely hampers ability to:**
  • Make basic budget decisions, forecasts, long-term investments
  • Recruit students
  • Retain top faculty
    • Professor Jeff Aube – left for UNC-Chapel Hill
    • Professor Michael Detamore – left for University of Oklahoma
    • Each took millions in funding, top grad students, economic potential with him to his new university
Conclusion
FY18 and 19

- KU continues to create healthy Kansas communities, drive prosperity
- KU has achieved efficiencies across campuses
- Per-student state funding has been declining for nearly two decades
- $10.7 million cut to current fiscal year has forced difficult choices
- Looking ahead, stability and predictability are crucial for KU
- Additional cuts and instability will harm students and severely hamper our ability to serve Kansas

- Questions?