

**Legislative Testimony by President Robert H. Bruininks**  
**Minnesota House Higher Education Committee**  
**Tuesday, Feb. 22, 2011**

Good afternoon, and thank you for the opportunity to speak to you today. I just spent a few minutes with our students, who will be meeting with many of you to share their concerns about the future of the University of Minnesota. It's energizing to be around young people who share my passion for the U; however, it's increasingly difficult to keep them excited and engaged when this year's outlook is the same as the last: funding reductions, programmatic and service reductions, and increasing reliance on our aggressive financial aid strategies to keep college affordable for students with need. With that in mind, I would like to make a few brief prepared remarks, then I would be happy to respond to questions or concerns from the committee.

**The U's Unique Role**

First, I want to acknowledge that we all have difficult choices to make. My primary message today is that we want the University of Minnesota's future to be at the center of your deliberations, not only in terms of cuts to balance the state's budget in the short term, but also with regard to Minnesota's long-term economic vitality. As Minnesota's only comprehensive research and land-grant university, we have an essential role to play in developing human capital, creating innovation, and sharing knowledge in support of our businesses and industries, our families and communities. For 160 years, we've delivered on our mission of education, research, and outreach—and never more effectively than today. We are active in every corner of Minnesota—on five campuses, each with its own distinctive strengths and specialties; at 16 regional Extension offices, five Area Health Education Centers (AHECs), and more than 20 research and outreach centers, labs, and other locations statewide. This strong public focus has led to a strong sense of *ownership*, not only among our students, faculty, and staff, but also among our 400,000-plus living alumni and the citizens of this great state.

The people of Minnesota—your constituents—have great expectations of *their* University. And in the last several years, *we have outperformed our past, our peers, and nearly all of those expectations.*

### Academic performance

For example, each year we welcome nearly 68,000 students, including 2,000 transfer students from sister institutions across the state and region. Today, 91 percent of Twin Cities campus students continue after their first year, and four-year graduation rates have roughly doubled in the past decade. Last year, the University granted more than 14,000 degrees, including nearly half of all STEM (science, technology, engineering and mathematics) degrees in the state, and substantially higher percentages of graduate and professional STEM degrees. Many of these students—regardless of where they came from—choose to stay in Minnesota to live, work, and raise their families. Think for a moment about the future of our healthcare system alone. The University educates a full 70 percent of Minnesota’s health professionals, without whom communities and citizens throughout the state would be seriously underserved.

### Affordability

Our deep commitment to financial aid means that students who may not have thought themselves able to afford a University education are enrolling, persisting, and graduating on time. The University of Minnesota Promise scholarship program provides substantial need-based scholarship support to Minnesota students on all five campuses of the University of Minnesota—approximately 13,000 students from families earning up to \$100,000 per year. As a result of this innovative program, our other need- and merit-based scholarships and grants, and state and federal aid programs, the average net price that Minnesota undergraduates actually pay to attend the Twin Cities campus has increased just 3.4 percent per year over the past 10 years—and in three of those years, it has actually decreased!

### Economic impact

In addition, from its earliest days, the University has played a vital role in Minnesota’s

economy—and today, it's one of our state's best investments to spark economic growth and job creation. Already ranked among the nation's top 10 research universities, in 2010 the U garnered a record \$823 million in outside research funding, creating tens of thousands of jobs statewide, on and off our campuses. University-based technologies have figured prominently in the launch of 11 new companies in the past 18 months. Since 2004 the U's research portfolio has grown by 41 percent, significantly outperforming our peers. State support is essential to generating the new ideas and external resources that fuel thousands of private-sector jobs in Minnesota each year. And those numbers do not take into account roughly 10,000 known businesses founded by U alumni right here in Minnesota, in which hundreds of thousands of citizens work every day.

#### Productivity and responsible management

These improvements in academic performance, affordability, and economic impact are the result of specific decisions and strategic reinvestment across the University system. Today we are enrolling more students on our five campuses—some 12,400 more FYE (full-year equivalent) students than in 2000—and producing more than 1,200 additional degrees per year than just five years ago.

We have achieved these historic gains even as our level of state support has been rolled back to 2001 levels and now comprises less than 20 percent of our overall budget. Thanks to careful, proactive planning, we have reduced our workforce largely through voluntary retirement incentive programs and normal attrition; we have reduced energy use despite growth in facilities; and we have cut more than \$6 million per year out of purchasing and procurement in the last year alone. We have decreased levels of maintenance and custodial support for our facilities; eliminated highly successful but non-core programs such as the College of Science and Engineering's Solar Car and Solar Decathlon projects; cut course offerings; and raised course caps while reducing sections of high-demand courses.

We *are* doing more with less—we have been for years!

Although our budget is substantial, we manage it less like the state or federal government, and much more like a typical Minnesota family or business. For example, unlike government agencies or the state as a whole, we generate most of our own funding through the work that we do—and we balance our budget every year. Like so many others in Minnesota, we are cutting spending to the bone; we are reducing or postponing important investments; and we are once again facing a wage freeze. Why? Because, like your constituents, we simply can't afford to do otherwise.

### **Impact of Deeper Cuts**

For several years now we have warned of a future tipping point, in which we would no longer be able to sustain deep cuts and remain the University of Minnesota that our state expects and deserves. That tipping point has arrived. With a 15 or 20 percent cut in state support, we are no longer talking about reducing or eliminating offices, centers, courses and sections; cutting operational costs and degree programs; or consolidating colleges. Instead, we would be forced to re-examine the impact and financial viability of entire operations: statewide services; entire schools, colleges, and campuses; you name it.

That's not a threat—it's simply a matter of scale. A cut in state support of 15 percent is nearly \$100 million. A deeper cut of 20 percent equals nearly \$130 million. What would that mean to the University of Minnesota?

- We could eliminate the Medical Schools on *both the Twin Cities and Duluth campuses*—which receive \$87.2 million in state support (or nearly 25 percent of the U's total allocation)—and still not fill the hole in our budget.
- Alternatively, we could *eliminate all four of our coordinate campuses*—\$76.0 million in state support—and not balance the budget.
- We could *eliminate the College of Science and Engineering*, which produces nearly half of the state's STEM degrees and significantly higher percentages of graduate and professional degrees in these fields, *and close the schools of Pharmacy and Dentistry*—\$83.5 million in state support—and still be in the red.

- We could *eliminate the Veterinary Diagnostic Lab*, which protects the health of our population and our animal agriculture industry from animal-borne diseases (such as avian influenza). Currently this laboratory is subsidized by the University's other operations, because sending biological samples to Wisconsin or Iowa for testing is simply not viable. We could then *close all of our remaining regional Extension offices*—saving a combined total of \$30.2 million in state support—and we still would not have solved even a third of the proposed cut.

Just as the state cannot simply raise taxes to cover its shortfall, we cannot address a state cut of this magnitude by growing revenues. Research funding and private support are designated to specific purposes and can't be used for day-to-day operations. As a result, a state cut of 15 to 20 percent would require a tuition increase of 13 to 17 percent, jeopardizing the futures of countless U students. On the other hand, reducing staff in order to meet this cut could add as many as 1,700 workers to Minnesota's unemployed—and that would still require us to eliminate entire operations in order to continue others.

Or we could slash our enrollment, and send our best and brightest out of state, then try to woo them back once they've earned their degrees and made professional connections elsewhere. University of Minnesota graduates are the number one contribution we make to Minnesota businesses and industries—never mind the countless other public institutions and private-sector entities that leverage our knowledge, our resources, and our equipment and facilities to advance their own work every day. Time and time again, I hear from Minnesota's business leaders: *We would not be here without the University of Minnesota.*

As you can see, the tradeoffs are not insignificant. Obviously the U must significantly reduce spending and increase revenues—we have done so, and we will continue to do so. But reductions of the magnitude proposed will change the very nature of the University of Minnesota. Changing the nature of the University is not a trivial matter. It could export thousands of good jobs and talented students to other states. It could diminish our ability to create the new ideas and solutions that are vital to competitiveness in the global

economy. What happens at the University fuels Minnesota's economic engine. And while much of what we do at the U is costly, who else will do it?

## **Conclusion**

In closing, I want to share the perspective of former Columbia provost Jonathan Cole, who visited our campus this fall. Cole has written the definitive book on the strengths and international stature of American higher education, entitled *The Great American University*. He regards the University of Minnesota among the nation's greatest, and he noted that it takes time to build an institution of this caliber—capable of attracting talent, significant outside funding, and new companies to our state. Your investment in the University of Minnesota creates new ideas, new products, new industries, and new jobs.

Cole also offered a warning: Once such greatness is lost, and such extraordinary productivity is compromised, it's nearly impossible to rebuild.

For 160 years now, Minnesotans have invested in the University of Minnesota. For six generations, the University has delivered on its public mission, generating new knowledge, new ideas, new solutions, new jobs, and new talent for Minnesota.

Six generations of greatness—and we could lose it in a few bad years.

At the University of Minnesota, we have set high aspirations and found creative ways to achieve them. If we fail to deliver on our mission and forfeit the public's trust, then shame on us. But we have yet to fail, or even stumble. If we fall because the rug is jerked from under us—because a choice is made to solve a decade's worth of financial problems in one fell swoop by disinvesting in education and innovation—the impact will be statewide, and the damage, permanent.

Thank you.