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Thank you, Senator Cirino and members of the committee. You've asked me to address a few specific topics. My main purpose today is to deliver Kent State University's Capital Budget request and present our cost summary, including resources devoted to Diversity, Equity and Inclusion on our campus. While our capital proposal encompasses important infrastructure needs across our system of campuses, I will also offer brief examples of the great work we do and the benefits of the state supporting this work.

I love this photo. It was taken by a Niles High School student named Brady Court. He took this photo during a recent information session at our College of Aeronautics and Engineering. Brady plans to attend Kent State and major in Aeronautics. Kent State is home to our state's largest flight training program, and our graduates fly for all major airlines and in corporate aviation.

Many of you know it was Governor James "Jim" Rhodes who, in 1962, put forth the "Blueprint for Brainpower," pledging to locate a public university campus within 30 miles of every Ohioan. Baby boomers were becoming college students, and the state and Governor Rhodes led the way, by dramatically expanding access to a college degree in Ohio. This massive program was of moonshot proportions, and it guaranteed Ohio's leading role in higher education nationally.

Through this plan, Kent State developed our state's largest footprint of regional campuses. We operate nine campuses, including our Kent Campus, plus one more, as today we also have our College of Podiatric Medicine in Independence, just outside of Cleveland.

You'll notice that I won't mention a capital request for our College of Podiatric Medicine in my presentation. However, I'd like to share that because of the change in the budget bill to allow for the state share of instruction, we passed that on to the students in the form of tuition savings. Students who are Ohio residents now pay nearly \$14,000 less per year in tuition as a result of the legislature's action. That's a savings of more than 30%. And for that, we say thank you, Senator Cirino. And by the way, 75% of CPM students come from out of state, and yet, 80% of licensed podiatrists in Ohio graduated from Kent State's College of Podiatric Medicine, meaning we are a net importer of talent.

As you can see, our footprint is approximately the size of Connecticut, meaning we are big, we educate and prepare citizens for jobs, and our funding and capital requests will help us continue this work.

As for a summary of costs, Kent State has reduced spending in each of the past seven years. Since 2019, we have eliminated 524 employee positions, representing an 11% decrease. We don't take these job eliminations lightly. We are a major employer in the state and the largest employer in Portage County. These are people who choose to make their careers here, raise their families, pay taxes, and vote in Ohio, all of them making Kent one of Ohio's "Best Hometowns," according to Ohio Magazine. Our five-year forecast tells us we will need to continue to cut between \$10 million and \$25 million a year through fiscal year 2028.

It is vital to note that we continue to deliver a balanced budget each year without dipping into reserves. I've noticed a trend lately of higher education leaders across the country claiming they deliver balanced budgets, but they do so by drawing on reserves. This is not balanced budgeting. We deliver truly balanced budgets. We always have, and we always will. Our trustees will not allow us to do it any differently.

76% of our budget goes to salaries, benefits and scholarships. People educate people, so we must preserve our human resources. But we've also increased our scholarship spending by 257% since 2009 to boost access and degree completion.

Even with our dramatic reduction in the number of employees, our system-wide costs (salaries, benefits, non-personnel expenses) increased by a little over \$16.7 million, or 2.6%, between 2019 and 2023. Why? How is it that we reduced our workforce by 11%, yet our cost increased?

First, the cost of benefits increased. Specifically, we experienced yearly increases in healthcare costs in the 5-10% range. In addition, the cost of property/casualty/liability insurance coverage from 2019 to 2023 exploded by 180%, going from \$1 million to over \$2.8 million a year.

Second, the cost of our physical space is significant. Our enrollment can fluctuate due to outside factors like demographics, but the buildings remain, regardless of enrollment.

Third, to better serve our students, we dramatically increased the provision of mental health counseling. In our Division of Student Life, our budget for psychological counseling increased from \$350,000 in 2019 to \$2.1 million in 2023, a 500% increase. In addition, advanced graduate students in doctoral programs in psychology and in educational counseling also see students. This is the right thing to do, and we will continue to spend at this level for this vital service.

Finally, our costs increased even though our pending salaries only increased by 1.2% between 2019 and 2023, a time during which we all experienced inflation in the 6-9% range.

We are here to request capital funding and it is important to note that Kent State has, and will continue to, strategically cut costs and find ways to be more efficient with our resources.

For example, to save on energy costs, we performed a reverse auction to secure the best pricing, and we are saving \$1.1 million a year as a result.

We've consolidated our healthcare plans and healthcare administrators to realize an annual savings of \$3.5 million.

Our Division of Information Technology facilitates IT services at Youngstown State University and Northeast Ohio Medical University (NEOMED).

We ended our contract with Aramark for dining services, bringing it in internally and gaining approximately \$2 million per year in efficiencies.

Our efficiency efforts are not just limited to higher education, as we'll see on the next slide.

Our capital request includes \$326,000 for the main classroom building on our Geauga campus in Burton. This funding will support great work happening there, including:

The Berkshire Partnership, which is an innovative relationship that applies the strength of Kent State University in a local community. A long-term ground lease and shared services agreement for over 40 acres of land on Kent State's Geauga Campus paved the way for Berkshire Schools to construct their new K-12 building, along with athletic and vocational facilities, on our campus.

Facilities, maintenance, custodial and grounds costs are now shared with the school district, saving Kent State \$250,000 per year.

Most importantly, this partnership promotes collaboration between secondary and post-secondary education, offering enhanced opportunities for students, including pathways to vocational education and college. We'll talk more about this partnership later in our discussion.

Even while we cut costs, we've grown merit-based scholarships to maintain our historic commitment to providing access and opportunity for all deserving students. That commitment and the need to remain competitive within the higher education landscape have been major contributors to rising costs.

As you can see on this slide, we've increased our total scholarship funding by \$52.4 million since 2009. That's a 257% increase in scholarship dollars awarded. Let me say that again: Since 2009, we've increased our total scholarship by \$52.4 million, or 257%. We are committed to providing an affordable education and lowering student debt. Our average student debt is 5.25% less than the state average.

With our Flashes Go Further program created in 2021, over 20% of our Kent Campus students will not need to borrow money to pay for in-state tuition and general fees. Students and families with incomes ranging up to \$100,000 are eligible for funding, extending this benefit well into the middle class. One of the great things about the Flashes Go Further Scholarship is that students do not need to apply. Funds will automatically be placed into the student's account as long as they meet all the eligibility and FAFSA requirements.

To date, over 7,900 students have benefited from the Flashes Go Further program. Over \$42 million has been disbursed through the program, and, Flashes Go Further is expected to support its 10,000th student later this year.

Capital funds help us graduate students and graduate them ready to succeed in their first job, thrive in subsequent jobs, and excel in graduate programs. Year after year, nearly 10,000 students graduate with degrees from Kent State, including Associate of Technical Study degrees from our Regional Campuses, Doctor of Podiatric Medicine degrees, and doctoral degrees from our Kent Campus. 70% of our alumni live and work in Ohio. It is not an exaggeration to say that Kent State powers Ohio, which is why capital funding is so impactful.

Another important feature that our facilities and capital spending and people make possible is the range of offerings – well beyond traditional university degrees – that Kent State provides. It's sometimes said that college isn't for everyone. We agree. But we also believe that learning is for everyone. And we provide learning opportunities for people at all stages of their careers. In a moment, I'll show you a representative selection of the capital requests for the biennium. Many are modest on their own, but the collective facilities of Kent State are central to our mission and success.

Meet Lanetta Rucker. She's a proud business owner who credits her success to Kent State and Paul Mitchell. Rucker graduated from the Paul Mitchell School in Cleveland with her cosmetology license, and then earned her Associate of Technical Study degree from our Twinsburg Academic Center. She was one of the first graduates to benefit from the partnership between Paul Mitchell Schools and the Kent State Twinsburg Academic Center. This is an innovative program that assigns academic credits for work experience, and with Kent State's help, Rucker gained a valuable degree that allowed her to open her own salon and become a small business owner in Ohio.

You'll remember I mentioned Berkshire Local Schools and our Geauga Campus. Our Kent State faculty are teaching Berkshire high school students not only in College Credit Plus courses, but also to be medical assistants. Those students who earn a medical assisting certificate while they're in high school are ready to enter the job market when they graduate. These Berkshire students utilize our Geauga Campus, whose main classroom egress improvements are part of the capital requests.

Our infrastructure-related requests in the following areas will help maintain our ability to deliver the best learning environment across our campuses. It is now my pleasure to present a selection of these requests and their impact.

I want to begin with a building not in our capital request. Thanks to the generosity of retired U.S. Ambassador Edward Crawford, this \$83 million building opening this fall will be the new home of the Ambassador Crawford College of Business and Entrepreneurship. Ambassador Crawford made possible this enhancement to one of the university's preeminent colleges with the largest-ever gift to Kent State. No state dollars were used for this building. None.

However, two capital requests – #1, #12 – will fund infrastructure upgrades that will benefit adjacent buildings as well as Crawford Hall. Crawford Hall will serve as the jewel of the new Main Street Renovation Project done in partnership with the city of Kent, and will no doubt enhance our city's stature and attract students and visitors alike.

Our largest request is for ongoing infrastructure and classroom improvements for the home of our College of Education, Health and Human Services. Kent State began as a normal school, training the state's teachers, and tens of thousands of graduates have studied in this 60-year-old structure. Improvements will allow instruction to continue here for another 60 years, and HVAC and other improvements to this building will tie into Crawford Hall, the building's new next-door neighbor.

Our second-largest capital request is for the tallest building in Portage County, the Kent State University Library. For over 50 years one constant has been the contribution our library has made to educating students. Another constant for those 50 years? The original elevators in the building, which now break down repeatedly and make it difficult to use valuable space on upper floors of the tower.

Kudos to our Dean of University Libraries and our librarians for embracing change. With more and more digital materials available we have repurposed two floors in the library. To become even more efficient in assigning and using space we would like to similarly repurpose the upper floors of this building, but we cannot do so without replacing the original elevators so that staff and students can reach these offices without us having to call the Fire Department each time patrons are trapped in a broken elevator.

We are an anchor institution in the town of East Liverpool, which struggles with depopulation and other social ills. We will always remain in East Liverpool. That is our commitment to the city and region. We have experienced a decline in enrollment, yet each year, some 300 full-time students are enrolled at our East Liverpool campus, and over 50 earn degrees annually. Many are the first generation in their families to earn college degrees, and many of those degrees are in nursing and other technical and health fields.

As I'm sure you can attest, Senator Rulli, there is nothing more heartening than attending a Kent State University commencement program in East Liverpool, and seeing all those great, first-generation students earning degrees. We are requesting \$163,000 to help us renovate Purinton Hall, seen here, to consolidate from two buildings down to one, which will help us be more efficient and stay in East Liverpool. This is not a large request, but it is just important in fulfilling our mission and continuing Governor Rhodes' historic commitment.

In the decade of the 1960s, Kent State opened 60 buildings as part of Governor Rhodes' massive and successful effort to meet the higher educational needs of Baby Boomers. Many of these buildings have outlived their useful lives, and one-time demolition funds would allow us to downsize and be more efficient. These are pictures of our current/old Business Administration Building. It is just one of the outdated facilities that costs more to keep up than to tear down.

On the Kent Campus, three buildings have been identified for demolition. The long-term cost savings of tearing down these buildings far outweighs the one-time cost of demolition. For the three buildings, the cost of demolition is estimated at \$4 million, and the five-year projected cost savings would be \$6.5 million. In addition, our deferred maintenance expenses would decrease by \$20 million if we didn't have to keep these buildings dry and secure. Should additional dollars become available, this is how we would use them.

At your request, I'd like to clarify our Diversity, Equity and Inclusion efforts. At Kent State our goal is to graduate all students. These students come to us with varying strengths and challenges. We provide specialized services so that all can succeed and graduate. Well over 30% of our students on the Kent Campus are the first in their families to attend college, and that percentage soars to well over 50% on our Regional Campuses.

Others are military veterans. Kent State has been named a military-friendly school for 14 years in a row and has received the Collegiate Purple Star designation by Governor DeWine. In addition, Kent State offers both Army and Air Force ROTC commissioning programs. Another third of our students on the Kent Campus have high financial need, and many of these students are part of our Flashes Go Further program. In addition, nearly 12% of our students are registered for help offered by Accessibility Services. These are students with physical disabilities and/or other needs. We have included programs aimed at students with varying needs, along with currently provided services more typically identified as DEI, including our Student Multicultural Center, our Women's Center, and the LGBTQ+ Center.

Also, please note that last year we merged the Vice Presidency for Human Resources and the Vice Presidency for Diversity, Equity and Inclusion. We took advantage of the departure of a vice president to merge these units, reducing the number of vice presidents and increasing cost savings.

Total spending on DEI (Student Accessibility Services, Center for Adult and Veteran Services, Student Multicultural Center, LGBTQ+ Center and Women's Center): \$4 million, or roughly one-half of one percent of our total Kent State budget of \$680 million.

Total spending on what might typically be considered DEI (DEI division employees, Multicultural Center, LGBTQ+ Center, Women's Center): \$2.18 million, or just over three-tenths of one percent of our total Kent State budget.

For comparison, we enroll roughly 500 student-athletes and the budget for Intercollegiate Athletics is \$33 million, or roughly five percent of our total Kent State budget.

Kent State University now offers a master's degree in artificial intelligence, housed in our Department of Computer Science. Kent State Faculty Senate approved a policy governing student use of AI in coursework. Kent State faculty researchers, supported by a grant from the U.S. Dept. of Health and Human Services, are using AI deep learning to better track and predict overdose trends in three Ohio counties: Lake, Geauga and Portage.

One unresolved issue: Where will the electrical power come from to operate AI-enabled servers and chips? One large public university in another state reported to us that the consumption of electricity by servers and chips went from 9% of the university's electrical consumption to 19% after they geared up AI activities.

As I conclude, let's harken back to the mission of Kent State, which is to be a beacon of access, a producer of college graduates and a motor of economic development in Ohio. In the 1960s era of bipartisan support of higher education in Ohio, Governor Rhodes expanded the statewide system of public universities. His powerful motto was "A diploma in one hand and a job in the other."

Thank you for your attention, thank you for all you do as elected officials, and thank you for the vital role you play in educating Ohio's citizens. Of course, I will now do my best to answer any questions that you have.