



Renu Khator holds the dual titles of Chancellor of the University of Houston System and President of the University of Houston. The UH System's first woman Chancellor and the first Indian immigrant to head a comprehensive research university in the United States, she assumed her post in January 2008.

As Chancellor of the UH System, Khator oversees an organization that serves more than 61,000 students, has a budget that exceeds \$1.2 billion, and has a \$3 billion economic impact on the Greater Houston area each year. The UH System includes the University of Houston, UH-Downtown, UH-Clear Lake and UH-

Victoria, teaching centers in Sugar Land, Cinco Ranch, and Pearland, and KUHT, the nation's first educational television station, and KUHF, Houston's National Public Radio station.

As President of the University of Houston, she is the chief executive officer of the largest and oldest of the four UH System universities. UH enrolls 37,000 students, offers more than 300 undergraduate and graduate programs and awards 7,000 degrees each year.

During her tenure, UH has experienced record-breaking research funding and private support. Last year, UH brought in \$110 million in research grants and began construction of its Energy Research Park, the Cougar football team ranked nationally in the top 25, and Tier One pathways for the University of Houston were created by the Texas Legislature and approved by voters.

Khator was born in Uttar Pradesh, India, earning a bachelor's degree at the University of Kanpur. She received her master's degree and her Ph.D. in political science from Purdue University. A noted scholar in the field of global environmental policy, she has published five books and several articles on the subject. Prior to her appointment, she was provost and senior vice president at the University of South Florida, capping a 22-year career at that institution.

The U.S. Citizenship and Immigration Services included her among its 2006 Outstanding Americans by Choice awardees, recognizing her achievements as a naturalized citizen. Also in 2006, she received the Distinguished Alumnus Award from Purdue University's College of Liberal Arts.

In 2007, she and her husband Suresh Khator, associate dean in the UH Cullen College of Engineering, were honored with the prestigious Hind Rattan (Jewel of India) award, given to nonresident Indians for making outstanding contributions in their field. And in 2009, Purdue University bestowed upon her its Doctor of Social Sciences degree, honoris causa.

Khator recently joined some of the world's most respected leaders when she was named to the Indian Prime Minister's Global Advisory Council. She serves on many boards, including the Greater Houston Partnership, the Houston Technology Center, the Texas Medical Center Policy Council, the Methodist Hospital Research Institute Board, and the Business Higher Education Forum.

The Khators have two daughters, both of whom are ophthalmologists.

Joint Meeting of Senate and House Higher Education Committees

Testimony of Chancellor and President Renu Khator

August 19, 2010

Committee Charge:

Monitor the implementation of legislation addressed by the Senate Committee on Higher Education (81st Legislature), and make recommendations for any legislation needed to enhance and/or complete implementation. Specifically, focus on the following, as well as tuition legislation:

HB 51 relating to emerging research Tier 1 universities;

SB 175 relating to top ten percent.

Introduction

Good morning, Chair Zaffirini, Chair Branch, and members of the House and Senate Higher Education Committees. I am Renu Khator and I serve as Chancellor of the University of Houston System and President of the University of Houston.

Thank you for the opportunity to speak before you today about HB 51. It is a visionary piece of legislation, and we at the University of Houston are grateful to you. You have created legislation that is a topic of conversation in the national academic circle. The bill contains several elements that are critical to creating additional nationally-competitive universities in Texas. I will speak today specifically about the three major elements of HB 51 that affect the University of Houston:

- The strategic plan for research,
- The National Research University Fund, and
- The Texas Research Incentive Program.

Strategic Plan for Research

As we indicate in our strategic plan for research, the University of Houston will need to enhance its position in the number and strength of faculty, graduate stipends, post-doctoral positions, undergraduate research opportunities, core

research facilities, library resources, and technical staff support. To accomplish this, we will need major investment dollars.

The University of Houston has estimated that an additional \$70 million in annual recurring funds would give us a good launching pad to be listed in the top category by the Center for Measuring University Performance and/or by the Carnegie Foundation for Advancement of Teaching. Both of these organizations annually or bi-annually categorize universities based on their national research competitiveness. (Included with this written testimony is a matrix that we use to monitor our progress toward becoming a nationally-competitive university.)

Currently, the University of Houston uses four sources of state funding to strengthen our research portfolio:

- The Research Development Fund,
- The Competitive Knowledge Fund,
- The Texas Research Incentive Program, and
- Research special items.

In 2009, the university's annual appropriation from these sources totaled \$27.1 million. In addition, we continue to reallocate our institutional dollars toward our Tier One initiatives. To the extent appropriate, we also direct dollars received from state formula funding and Higher Education Fund appropriations to advance student-based research initiatives. The National Research University Fund – once UH meets the established criteria – will also serve as an important source of funding for tier-one investments.

Our Research Strategic Plan, submitted in April, outlines specific measures to accomplish prominence in:

- Research,
- Undergraduate education,
- Doctoral education,
- Faculty and student development,
- Libraries, and
- National Visibility.

Today, I will focus my remarks on our plan for research prominence.

Major research universities typically benchmark \$150 million or more in total research expenditures. UH currently tops \$99 million, which is an increase of 35%

in the last two years. Nonetheless, we have a long road ahead of us. Our specific strategies to expand our research footprint include:

- Investing heavily in programs that have either achieved or are close to achieving national prominence.
- Investing in research areas that build on UH strengths and expertise in Houston (i.e., energy and health).
- Developing core research facilities to be shared by multiple groups of faculty with related interests (rather than emphasizing individual labs, which is an expensive proposition).
- Building partnerships with other great institutions in Houston and in Texas.
- And finally, investing in the new UH Energy Research Park, which will serve as an incubator and development center for the commercialization of technology.

As the National Academies' landmark 2005 report, *Facilitating Interdisciplinary Research*, demonstrates, research universities seeking to be competitive nationally and internationally must develop the infrastructure necessary to support collaboration across the disciplines in order to respond to complex problems. Collaboration is also necessary to secure large federal research awards, such as those for the creation of national centers.

Currently, the University of Houston is a finalist for a very prestigious Energy Research Center from the National Science Foundation for our Wind Energy program. The site visit takes place next month, and if we are successful, it will mean an \$18.8 million national center to benefit scientists from four other institutions, including Texas A&M and UT-Dallas.

The University of Houston's Tier One agenda also includes building an undergraduate program that is nationally competitive in its retention and graduation rates. We know that UH must do better in helping students to persist and complete college. Within this context, I must point out that UH has reviewed the academic preparedness of entering freshmen and has made changes to freshman admissions requirements. In addition, we have instituted many other initiatives that make student success a centerpiece of our current and future efforts related to the Tier One Initiative. We proudly serve a very diverse student population and remain committed to this cause.

National Research University Fund (NRUF) and Texas Research Incentive Program (TRIP)

Like their predecessors, the Research Development Fund and the Competitive Knowledge Fund, NRUF and TRIP are innovative programs. They inspire universities to work hard and achieve more.

The NRUF criteria require universities to meet specific benchmarks for two years in order to qualify for funding. First, we must expend at least \$45 million in restricted research and then meet four of six criteria:

- \$400 million endowment (UH qualifies)
- 200 Ph.D.s awarded annually (UH does not qualify)
- Membership in the Association of Research Libraries, Phi Beta Kappa or equivalent national recognition (UH qualifies)
- A freshman class with high academic achievement (criteria to be determined by CB rules)
- High quality faculty (criteria to be determined by CB rules)
- Commitment to high quality graduate education (criteria to be determined by CB rules)

Currently, the University of Houston meets the requirements for restricted research, endowment, and membership in the Association of Research Libraries. We fall just short on Ph.D.s awarded. As for the other three measures, we, like the other emerging research universities, are awaiting the CB's final criteria.

With respect to TRIP, the University of Houston was pleased to receive a \$4.5 million match. While this was far less than the funds received by our two sister institutions – Texas Tech and UT-Dallas – (and I celebrate their success), we nonetheless are grateful for this additional support, which we are largely investing in our Energy Research Park.

I would like to offer two additional pieces of information regarding private philanthropy and the TRIP match:

1. UH serves a large number of students from underserved and low-income families whose success often depends on receiving financial support. Recognizing this, we undertook a major campaign to raise \$100 million toward undergraduate scholarships and programs. To date, we have raised \$63 million, and while none of these gifts was eligible for a TRIP match, they have played a critical role in our efforts to become a nationally-competitive university. Our graduation rate is up by 10% this year.

2. Our vision of becoming a Tier One university has been embraced by the community and alumni. Our private philanthropy has increased by 51% in the last two years despite a challenging economy. (Included with this written testimony are a chart showing recent UH fundraising performance and an Op-Ed on the same topic published in the Houston Chronicle.)

I link both of these successes to your vision of supporting additional nationally competitive universities. HB 51 has provided credibility to our efforts in the community.

As we look to the future, we are certain of capitalizing on our potential to secure more funding from TRIP. In fact, according to the Coordinating Board, as of July, UH has submitted the most matching gifts subsequent to September 1, 2009.

Recommendations and Conclusion

In January, when the Legislature convenes, I realize that you will face some very difficult decisions about the state budget. With that in mind I offer the following recommendations regarding HB 51 programs and others that support the development of more nationally competitive Tier One research universities:

1. Fund TRIP to the fullest extent possible. Doing so will maintain donor confidence in the program and facilitate the momentum the universities have built in securing gifts for research.
2. Develop a distribution methodology for NRUF, so that the universities, once they qualify, will have access to these much needed funds.
3. Maintain and expand, if possible, appropriations to the Research Development Fund and Competitive Knowledge Fund. These funds, in addition to NRUF and TRIP, are essential to the state's goal of building more top universities.

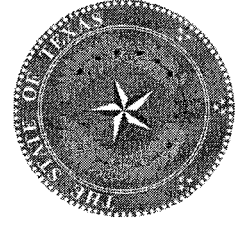
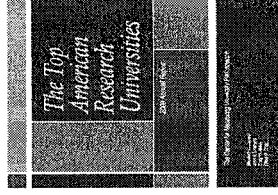
As I have said from the beginning, Tier One is not a destination but a journey. The passage of HB 51 and the related constitutional amendment have put this journey on the fast track. As a result of your hard work – and ours – Texas can look forward to a very bright future.

I thank you for the opportunity to speak today. I will be happy to answer any questions.

Matrix of Tier One Indicators

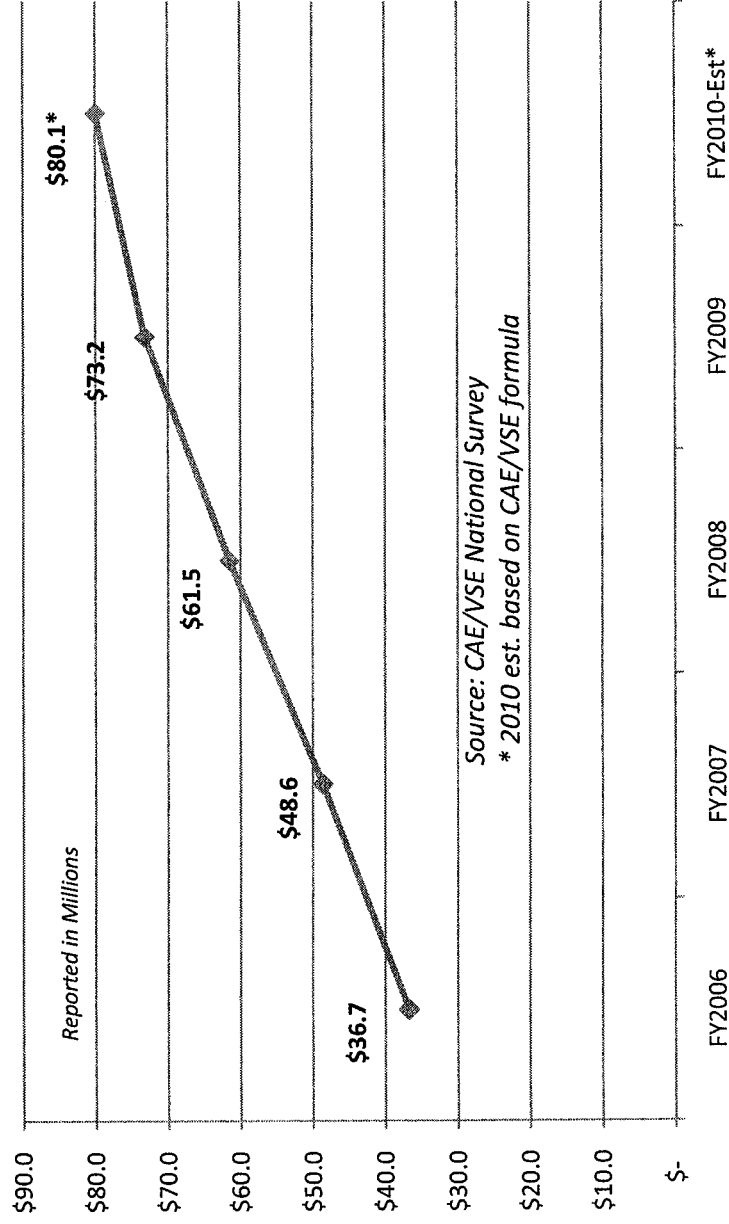
University of Houston

	National			Texas	
	Top American Research Universities (TARU)	Carnegie Foundation	Association of American Universities (AAU)	National Research University Fund (NRUF)	
Research Expenditures	✓	✓	✓	✓	✓
Defined as: Total S&E Research Expenditures	Y	Y	N	N	N
Federal S&E Research Expenditures	Y	N	Y	N	N
Restricted Research Expenditures	N	N	N	Y	Y
Per capita Research Expenditures	N	Y	N	N	N
Non-S&E Research Expenditures	N	Y	N	N	N
Research Staff	✓	✓	✓	✓	✓
Defined as: Postdoctoral Appointees	Y	Y	Y	Y	Y
Non-faculty Research Staff	N	Y	N	N	N
SAT/GRE	✓				✓
Graduation Rate (GRAD or UGRD)					✓
Degrees Awarded	✓	✓	✓	✓	✓
Defined as: Doctorates Awarded (All)	Y	Y	Y	N	N
Doctorates Awarded (PhD only)	N	N	N	Y	Y
Baccalaureate or Masters	N	N	N	N	N
Endowment Assets	✓				✓
Annual Giving	✓				
Defined as: Total Gift Income	Y				
Alumni Giving Rate	N				
National Academy Members	✓				✓
Faculty Awards	✓				✓
Citations					✓
National Research Council Faculty Quality Ratings					✓



University of Houston

Private Support FY2006 thru FY2010 (Est.)



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A COUGAR WITH TEETH

UH, Houston: Tier One track

Community supports the university's goal because it will be good for the city as well

By RENU KHALOR

IN my first two years as president of the University of Houston and chancellor of the UH System, I've learned many things about the city whose well-known name we share. Which freeways get crowded, where to buy good rodeo clothes, how to pronounce "San Felipe," who has the best barbecue and why it's not the heat, it's the humidity. I've also learned that the city of Houston truly appreciates the importance of higher education.

Even in the economically challenging times we all face, Houstonians have demonstrated a generous and, I believe, enlightened support of their premier public university. While many institutions across the country and in our state have struggled with notable declines in the charitable donations made to their schools, the University of Houston has run counter to that trend. And notably so. Annual giving to UH increased 27 percent in 2008 and 19 percent in 2009, rising from \$48 million to \$73 million during that period. In fact, UH has had both the greatest total dollar increase and largest percentage increase in private support during the past three years among all major public universities in Texas. In other words, while other Texas institutions were remaining flat or declining in their recent fundraising, UH was experiencing significant increases.

This unprecedented level of support is not just good luck. It is enlightened self-interest. We are doing a good job of explaining our ambitious plans — and considerable progress

— to transform UH into a Tier One university. And Houston gets it, genuinely understanding that this crucial transformation simply won't happen without the community's support.

New economic realities have directed us to look to private support to help us take the bold steps that must be taken on the pathway to Tier One. Fortunately, our optimistic expectations are being realized. The voters of Texas recently approved a critical constitutional amendment (Proposition 9) that establishes potential funding for UH and six other "emerging research universities" as we meet certain criteria in our respective pursuits of Tier One status.

However, this funding remains a few years away. In the meantime, we must continue.

Please see TIER ONE, Page B1



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TIER ONE: Of 27,000 donations a year, many are small, and all help

CONTINUED FROM PAGE B10
to press forward. Private giving is helping us stay on track to do just that.

Take, for example, Paul and Angela Lott, two 1984 graduates of our College of Pharmacy who own a successful pharmacy consulting business. Over the years, they have supported a variety of College of Pharmacy-related efforts, giving back to the college that gave so much to them. Last summer, their son enrolled at UH and became a member of the Cougar Marching Band. So, this year, the Lotts stepped up and also gave a gift to help defray the band's travel expenses to the Armed Forces Bowl. Or consider Kaye Stripling, whom you may recognize as the former superintendent of HHSO. After learning about UH's Tier One Scholarship program offering to match any donor's gift dollar for dollar, she contributed \$50,000 from the Kaye Stripling Scholarship Fund to the College of Education. With the marching funds, she has

created a powerful \$100,000 endowment.

These are just two of 27,000 annual donations that have come, for the most part, from your friends and neighbors, from area corporations and local businesses and from foundations. The range of gifts may vary from the modest to the extremely magnanimous, but they share a common motivation — to help improve this school and, by extension, the community.

This community benevolence is taking place, I believe, because we share a simple but inevitable realization: Making UH a better university makes Houston a better city.

At UH, we are focused on creating an Energy University for the Energy Capital of the world, on developing a health initiative that builds on and beyond our membership in the Texas Medical Center, on expanding our already exceptional arts programs, on fielding consistency competitive athletic teams and, growing this all, in a commitment to

student success that never loses sight of academic excellence and diversity. Of particular note in that regard is our emphasis on fundraising for scholarship support. During the past two years, we have raised \$18.4 million — more than double the amount of the previous two-year period. The push for Tier One Scholarships has been a significant factor in that success.

Essentially, we have told Houston that these are the things that are important to us. I believe that Houston has answered back, "Yes, these things are important to us, too." The gratifying level of private support to our university proves that this is no idle statement.

And so, in one sense, this is a thank-you note for the many gifts that the people and institutions of Houston have seen fit to give us.

But this is also an IOU, if you will, a promissory note that acknowledges our obligation to pay it back as UH becomes an even more powerful engine of economic development for Houston and the state, when we are providing even more globally prepared graduates who are productive leaders in the work force,

and when we are increasingly relied on as a hub of innovation for testing new ideas and creating solutions to problems society wrestles with every day. This is a debt we will

gladly repay — and with considerable interest.

Khalor is the president of the University of Houston and chancellor of the UH System.



BRETT COOPER / CHRONICLE STAFF

COUG COALITION: University of Houston President Renu Khalor, center, speaks out for a health awareness cause with children from the UH Charter School and other UH students at a rally in 2008. Community support is speeding the university's goal of achieving Tier One status among universities.