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Nebraska Agri-Business Association

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What took UO 30 mins. to do
I now can do 10 mins!

BOB
ALICE

NEBRASKA AGRI-BUSINESS ASSOCIATION
(Formerly Nebraska Fertilizer and Ag-Chemical Institute)
IANR 2003 AND BEYOND
January 30, 2003
Omaha, Nebraska
Dr. John C. Owens
NU Vice President and IANR Harlan Vice Chancellor

When I was with you back in August of 2001, I mentioned that in New Mexico I served on the board of the New Mexico Agricultural-Chemical and Plant Food Association, and have, I hope, some appreciation of the work you do. I also truly appreciate your interest in and your support of the work conducted at the Institute of Agriculture and Natural Resources at the University of Nebraska-Lincoln. Thank you for that! Your support, always critical, becomes even more so in such difficult, difficult economic times as our state finds itself in today. Nearly $4 million dollars was permanently slashed from the IANR budget in three rounds of budget cuts between October 2001 and August 2002, a result of Nebraska's continuing revenue shortfalls. At the same time, our frustrated IANR constituents make it clear that nearly $4 million of need did not disappear with our funding. Now more cuts are expected in this legislative session.

To talk about the situation we face today – "IANR 2003 and Beyond" is the topic I was given – I think it helps to describe how we got here, for context. I will

do that, and then on a much happier note I will talk about the strategic planning process we are launching this spring in the Institute in order to update our strategic plan. I hope each of you will be part of that planning process as we travel throughout our state seeking input on what you and other Nebraskans would like the Institute of Agriculture and Natural Resources to be, and what we need to do to chart our course for that future.

In April 2001, my first year here, your land-grant university received its best budget in at least 10 years. The future was so promising as we made financial commitments based on that budget to enhance the excellence of Nebraska's university. Then things changed drastically. Budget cut followed budget cut followed budget cut. Nearly $4 million was permanently cut from the Institute's budget.

Basic arithmetic tells us we can't do all we've done before with nearly $4 million less in funding. This is a cold, hard fact, not whining.

In the second round of budget cuts, we made the very painful decision to cut vertically, knowing that if we continued to make cuts of this magnitude across-the-board" we would weaken programs to the point from which they might never recover. Vertical cuts were recommended by an IANR Ad Hoc Budget Task Force which I appointed before the first round of cuts. It was composed of Nebraska

citizens, Institute faculty, staff, and students. Vertical cuts also were recommended by the UNL chancellor, the university president, and endorsed by the Board of Regents.

In all instances where vertical cuts have occurred in the Institute, we have done our level best to continue to meet as many of our state's needs as possible. We cannot meet them all, and we must meet some of those needs differently than we have done before, but we are doing our best to do all we can with our recently diminished resources.

The last round of budget cuts forced us to convert the South Central Research and Extension Center at Clay Center to a research and demonstration farm because, in the current economic reality, we no longer can support as many research and extension centers as we have operated in the past. That Ad Hoc Budget Task Force I spoke of earlier also had recommended that, in budget cutting scenarios, we evaluate the need and function for research and extension centers, and reduce the number of centers. This is something we tried to avoid and never would have contemplated had we endured no more than two budget cuts, and had we not experienced such significant permanent losses in our budget.

While we seriously discussed a scenario to completely close the South Central Research and Extension Center, including the research farm, we worked

hard to find a way to position the research farm in a way to continue as much research and extension-education work in south central Nebraska as possible. That includes much of the ongoing research of the South Central faculty who are moving to their academic departments on East Campus in Lincoln. It also includes research conducted at the Clay Center farm by others within the Institute who were not located in Clay Center. The research and demonstration farm remains open, and irrigation-research continues at Clay Center as it continues elsewhere in Nebraska. All our faculty working in water research at the research and extension centers, as well as in Lincoln, are conducting work valuable to Nebraska. We currently are advertising a water resources engineer position with statewide responsibilities and an emphasis on water-management needs in south central Nebraska. The actual hiring of someone to fill that position depends in large part upon the size of additional budget cuts coming out of this legislative session.

As you know, the governor has recommended a 10 percent permanent budget cut for the university – $82 million over the next two years. The actual base budget reduction of $41 million would occur in the first year, and the governor has recommended a flat budget for the second year. Nearly half of that $41 million cut would fall to the University of Nebraska-Lincoln, with a little over $5 million levied to the Institute. Additional cuts will be needed to reallocate funds to cover rising

+ Health INSURANCE

fixed costs, such as property and casualty insurance, over which we have no control.

Folks, we have agonized and bled over the nearly $4 million cut in IANR in the first three rounds of cutting. What will be permanently eliminated from the Institute in the next round is almost impossible to comprehend, but one thing I can assure you – if the cuts being proposed are fully implemented, we will see radical, far-reaching changes that will deeply curtail how we can benefit the people of our state.

On January 8th, the *Lincoln Journal Star* carried an Associated Press story on its Web page that quoted Nebraska Senator Roger Wehrbein, Chair of the Appropriations Committee, as saying, "In many ways we are probably going to be in defining times for the future of Nebraska. There are no easy answers."

We in the Institute and at the university think he is right. We believe what is done now very well could define Nebraska's future. We hope Nebraskans will give a great deal of thought as to what they want that future to be, and what they will support to get it there. We hope you will make your own ideas known to us, to your legislators, and to the Governor.

I noted earlier that we never would have made the cuts we did had they not been forced upon us. I also must tell you that in the end we made the cuts we made because, in the best judgment of the Institute's administrative team, all other SCENARIOS

scenarios – and we looked at over 30 of them – ***all other scenarios*** available to us looked even worse. We chose the ones we think will do the *least long-term* damage to this state, our constituents, the Institute, and the university. Notice I say the ***least*** long-term damage.

To make any additional cuts, we will have to return to those scenarios we already have decided are worse than what has occurred, and choose from that list and beyond that list to meet our budget reduction obligations. In making our cut decisions we have, to this point, managed to protect some programs in the Institute that are unique to Nebraska. It is in grave doubt that we can continue that with even more significant cuts looming on our horizon. Because we are the only comprehensive institution in Nebraska providing teaching, research, extension-education, and public service programs in agriculture and natural resources, whatever the Institute cuts most likely entirely eliminates that program from our state. These programs simply do not exist elsewhere in Nebraska.

In talking about "IANR 2003 and Beyond," I must share this somber information with you, but I must be clear in my thinking that what occurs now will have long-lasting impact on the work we can do in the Institute, and on the future of Nebraska.

I think it highly important, in these hard times, that we not all develop a

bunker mentality in which we do no more than hunker down and wait for incoming fire. I can tell you with absolute certainty that we will *not* do that in the Institute. While the State's current budgetary problems are very much with us, we cannot and will not focus only on the question "how do we pay the bill?" We also will focus on finding answers to these questions: "What does Nebraska want its Institute of Agriculture and Natural Resources to be, and what does Nebraska need to do to get there? What must we absolutely preserve to make that happen?"

We are seeking those answers by launching our strategic planning process to update the Institute's strategic plan. We will hold listening sessions across Nebraska to hear what our constituents see as their chief needs in our expertise areas of food, agriculture and agriculture systems, natural resources, and human resources. We will build on those key components of Nebraska's future in our strategic planning process. We invite you to join us.

We will remember that we are privileged to be about the land-grant university mission of educating Nebraska's young people and taking the resources of the university to the citizens of Nebraska, a vision laid out so brilliantly during the darkest days of the Civil War by two of my heroes, Abraham Lincoln and Justin Morrill.

At the time Congress passed and Abraham Lincoln signed Justin Morrill's

Morrill Act of 1862 that brought land-grant universities into being, the country was at war with itself. The Confederacy was winning many battles, and things looked especially bad for the Union.

It would have been so very easy for Morrill and Lincoln and all the members of that Congress to focus only on the war, and to forsake the hope of the future for the problems of the present. They did not. Instead, they put in place a land-grant university system that transformed higher education by making it available to the common man and woman. For 141 years, that land-grant university system has played a tremendous role in the success of the United States of America.

James Michener
Morrill Act
G.I. Bill

If Lincoln, Morrill, and their colleagues back in that 1862 Congress exhibited such tremendous courage and vision, in the midst of a war tearing the country apart, can we not also find within ourselves a vision that Nebraska can establish for the future of our State and its land-grant university?

If the late Nebraska U.S. Senator George Norris, with the integrity and vision he was famous for, could, in the midst of the Great Depression, dream and shepherd through Congress the Tennessee Valley Authority and the Rural Electrification Act, can we not do our best to light Nebraska's future? I think we can. I think we will.

In the Institute, we will do our level best with the resources available to us. While we will not be able to do all those things that everyone wants us to do, I can

assure you we will listen to our constituents' priority needs and we will work to meet those needs. We welcome your support, and we welcome the opportunity to work with you for our state, its people, and its economy. I thank you for your time, and I welcome your comments and questions.