

Update on the UNL Institute of Agriculture and Natural Resources  
Nebraska Agribusiness Club  
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Today I have the pleasure of beginning my remarks with good news. That's always a treat, and it seems to become even more so in hard times. Certainly the state's budget crisis and its consequences ever-present in our lives make for hard times these days in Nebraska, and good news is something we all can use and celebrate. Our good news in the Institute of Agriculture and Natural Resources at the University of Nebraska is that Dr. James Van Etten, a member of our Department of Plant Pathology, has been elected to membership in the highly prestigious National Academy of Sciences. It is absolutely wonderful to have Dr. Van Etten's significant achievements recognized in this way.

Those of us in the Institute are particularly proud of the fact that all of the University of Nebraska-Lincoln faculty members ever elected to the National Academy of Sciences – and there only have been a select few – are from the Institute. I think that demonstrates the great strengths of IANR, programs which are so important to Nebraska.

Other good news is that the Board of Regents, at their last meeting,

approved the proposed merger of our School of Natural Resource Sciences, our Conservation and Survey Division, and our Water Center into the School of Natural Resources. We are looking forward to the opportunities this merger offers for better coordination in the environmental sciences, which we think can only strengthen already strong programs for our students. We also look forward to all cost efficiencies we might recognize through this merger. I am excited to see the new synergies we think this move will form and foster.

I see still more good news – made even better by the fact that it is ongoing – in the professionalism and dedication of the faculty and staff who comprise the Institute of Agriculture and Natural Resources at your land-grant university. In the midst of the state’s and university’s budget turmoil, when people are dealing with their own fears and concerns for Nebraska, their programs, their jobs and those of their colleagues, our folks continue to focus on and carry out the important work so important to Nebraska and Nebraskans. Certainly one example of that was seen last week in the responsiveness of members of our Nebraska Veterinary Diagnostic Center as they’ve worked to uncover the cause of the large cattle kill near Richland . The work we do in the Institute matters, contributing both to the economics and the quality of life for Nebraskans.

Everyone here today knows the importance of agriculture and natural

resources to Nebraska. Agriculture is our state's top industry. While 22 percent of all Nebraskans are employed in farm or farm-related jobs, I like to point out each opportunity I get that 100 percent *depend* upon agriculture, because we all eat.

In the Institute we say agriculture reaches from the farm gate to the dinner plate. It includes food safety as well as production, nutrition as well as agribusiness, alternative crops, new products, and much, much more. Safe water and a healthy environment, crucial to Nebraska's current and future generations, are priorities for us in your Institute of Agriculture and Natural Resources, as are youth, families and communities.

Food, water, environment, and people are the very basics of life, and these critical basics are our focus in the Institute. Only a short-sighted or misguided nation would take lightly the resources needed to feed its citizens should it one day find its food imports held hostage through war, terrorism, or economic boycott. Until someone comes up with something more life-sustaining than food, we all depend on agriculture. This is a *powerhouse* agricultural state, and the work we do in the Institute is tremendously important to it. If this extremely painful and difficult budget-cutting process of the last year and more has shown anything positive at all, for us that positive is that it has demonstrated how on-

target the Institute is in delivering teaching, research, and extension education of value to Nebraska. If our faculty and staff did not do such a good job of this, we would not hear the swells of protest that have arisen as we are forced to cut programs in response to budget cuts. We have carried out the land-grant university mission of taking the resources of the university to the state. If we did not do that so well, the cuts we are forced to recommend would not generate the high frustrations we encounter over these cuts caused by permanent funding reductions.

The Institute of Agriculture and Natural Resources is the only comprehensive program in agriculture and natural resources in this agricultural state, where 96 percent of the state's total land area is farms and ranches. For that reason, any significant cuts in our budget mean programs important to Nebraska will be seriously reduced or eliminated. There are no good cuts. There is only the difficult, difficult task of choosing the "least bad" from a list of bad choices. The university's first priority, established by both state statute and the Board of Regents, is undergraduate teaching. Each round of budget cuts brings us closer and closer to the very core of our academic programs.

The last time I spoke to the Nebraska Agribusiness Club was in 2001, when I was just starting my fifth month on the job. At that time, the university was

looking at its best budget in years, and we were planning with high hopes to build for Nebraska. Sadly, shortly after we last met, Nebraska's economy began its steep drop. Now, when we meet again in 2003, we in the Institute and, I know, many others across Nebraska, are struggling to preserve as much as we can the seeds for Nebraska's future harvests as we find ourselves in round four of budget cutting.

In the first three budget cutting rounds, nearly \$4 million disappeared from the Institute's budget. That's nearly \$4 million of state-aided funding, permanently gone. There is no way we can continue all our programming with the magnitude of such cuts, and that has created great frustrations, both for our constituents and for ourselves.

Now we are in the midst of round four of budget cutting. In previous rounds, the university waited until the Legislature and Governor handed us our budget bill before announcing any cuts. In round 4, university leaders decided to let Nebraskans know what cuts to the university budget will mean to the state in an ongoing process, while the Legislature is in session.

As we have faced the challenging cuts forced upon us, our goal has been to maintain the strength of the large majority of IANR programs by avoiding across-the-board cuts to the extent possible. That means vertical cuts, to avoid

weakening other programs to the point from which they might never recover.

The cuts the Institute proposed in Phase One of round 4 are: a \$231,959 cut in state funding for the Nebraska Statewide Arboretum; an \$837,333 cut in state funding for the Nebraska Forest Service; and a \$1,799,915 cut in state funding for the Veterinary Student Contract Program.

These are horrific cuts. They are damaging to Nebraska and Nebraskans. All of us who must make the decisions as to what we will propose for cutting find these proposals repugnant. In the end, we propose them for two reasons only: 1) When the Legislature and Governor hand us a budget bill, we must meet it. We don't get to say "pass," no matter how valuable a cut program may be. And 2) We propose the cuts we propose because, after careful consideration, we believe the alternatives to them even worse.

Through three rounds of budget cutting, we protected the Nebraska Statewide Arboretum, the Nebraska Forest Service, and the Veterinary Student Contract Program as much as possible. Had there been no more than three rounds of cuts, we would not have come to this.

Previous cuts made in rounds one through three, including the satellite veterinary diagnostic laboratories in Scottsbluff and North Platte and converting the South Central Research and Extension Center at Clay Center to a research

laboratory, caused great frustration, both for our constituents and for people within the Institute. They caused great frustration for those of us who had to propose the cuts. In the end, we made those recommendations because we can continue to provide Nebraska at least some of the work done at the satellite laboratories and in the South Central Research and Extension Center in other ways, even if we cannot do it all, and we cannot do it as we have done it in the past. The alternative to the cuts of the first three rounds was to cut programs unique to Nebraska, and by unique I mean no one offers them anywhere else in our state.

We have consistently said, through each round of cuts, that there are no good choices. There is only a list of bad choices from which we must do our best to choose the ones that will do the least long-term damage to Nebraska. Through each round we made the choices we made because the alternatives were even worse.

As our state's budget crisis and budget cutting continues, those "even worse" cuts come onto the table. That has occurred in Phase I of round four, and even more will be seen if we are forced to move to Phases II and III in this current budget-cutting round.

The university's first priority is undergraduate teaching. We must protect that as much as we can. The Nebraska Statewide Arboretum and the Nebraska

Forest Service, both of which are valuable programs, are programs, nonetheless, that have minimal integration into the undergraduate academic program and research and extension education functions of the Institute. Yet no one else in Nebraska provides the valuable services offered by both.

In the wake of the proposed cut of their state funding, the Nebraska Statewide Arboretum board and staff are pursuing options to bolster the Arboretum's non-state funding to keep the program going. If any or all of you could provide the Arboretum board and staff members any help and ideas useful for their successful pursuit of non-state dollars, both would be gratefully received.

In proposing cutting state funds for the Nebraska Forest Service we have been particularly concerned about the ways this could affect Nebraska, particularly rural fire areas where volunteer fire districts rely heavily on firefighting equipment, training, and planning secured through the Nebraska Forest Service. We have worked with the Legislature and are seeking other ways to fund some crucial services provided by the Nebraska Forest Service, specifically rural fire assistance, and even more if possible.

As we discussed terminating the Veterinary Student Contract Program – and believe me, we looked at every other scenario we could think of before finally, with reluctance, proposing cutting state funds for round four's Phase I cuts – but

when we looked at cutting the Veterinary Student Contract Program, we found that, ultimately, we had to decide to this question: Is it better to cut funding for a professional program that affects 100 Nebraska residents who still have the potential to attend a college of veterinary medicine, or to cut further into programs affecting undergraduate education in the College of Agricultural Sciences and Natural Resources, and into the very infrastructure of IANR?

In the end, we decided cutting our teaching program and infrastructure would do more long-term damage to current and future students, our constituents, the university, and Nebraska.

I know that often when economic crises like these arise, it's common for people to wonder about cuts in administration – have cuts been made there? In the Institute of Agriculture and Natural Resources they have. Through the first three rounds of budget cutting, nearly one-fifth of our cuts were in administration.

When the Governor put his budget proposal forward for the next biennium, he recommended a 10 percent budget cut for the university. Last week the Legislature adopted the Appropriations Committee's amendment to the Governor's proposed budget that results in an approximately three percent cut to the university. The Appropriations Committee amendment also added new money – \$502,000 in the first year and \$1.4 million the second – into the committee's

proposed budget to support a Veterinary Student Contract program with Kansas State University. They also added funding for some aspects of the Nebraska Forest Service. If the money remains in the budget when that budget is passed by the Legislature and signed by the Governor, we can continue a Veterinary Student Contract Program.

If that occurs, we expect to explore ways to make the Veterinary Student Contract Program more effective for Nebraska. One idea might be to require Nebraska residents who receive funding through the program to return to Nebraska to practice for a certain number of years. We plan to explore this topic this summer, and ideas are welcome.

In the meantime, UNL has committed to continue to support Nebraska residents already enrolled in the veterinary medicine program at K-State so they can finish their schooling under the agreement in place when they started. To do so we must find ways within the Institute to cash flow about \$1.5 million in the next fiscal year. While we have been in a real hiring slowdown since the budget crisis began – we refer to it as not a “hiring freeze”, but definitely a “hiring slush” – that slush will grow “thicker” as we deal with this additional cash flow challenge. It won’t be totally impossible to fill vacant positions, but it definitely will be more difficult, and that affects all units in IANR.

The budget situation in which Nebraska finds itself is grave, but it is not hopeless. I said earlier that we are trying hard to preserve as much of the seed of future Nebraska harvests as we can, and we would very much welcome your help in doing that. In the end, only Nebraskans can decide how much of that future our state will trade away for cuts consuming its seed today.

Thank you.