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Final Testimony on LR 141: Status of Nebraska Forest Service

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FINAL
Testimony on LR 141
Status of Nebraska Forest Service
Appropriations Committee
October 17, 2003

Good morning, Chairman Wehrbein and members of the Appropriations Committee. I am John Owens, and I serve as Vice President and Vice Chancellor of the Institute of Agriculture and Natural Resources at the University of Nebraska. Thank you for allowing me "the opportunity" to speak with you regarding Legislative Resolution 141 on the Nebraska Forest Service.

Last March, in response to the "fourth-round" of budget cuts in 16 months, I had the difficult task of recommending to Chancellor Harvey Perlman the elimination of state funding for the Nebraska Forest Service. This announcement was made while the Legislature was in session so there could be a state-wide discussion. In a sense, "this resolution" is a continuation of that discussion.

Let me assure you that it frustrated those of us at the University of Nebraska beyond measure to find ourselves[^] required[^] to propose cuts we never would have made if they were not forced upon us by our state's continuing downturn in cash receipts. Without this shortfall in state funding, I think it[^] unlikely[^] that we would be discussing the Nebraska Forest Service here this morning.

There are no good cuts we can make. Because the Institute is our state's only comprehensive program in agriculture and natural resources, any proposed cut seriously reduces or eliminates programs important to our constituents and to Nebraska. No matter what we cut within IANR, it affects all of Nebraska and particularly it affects those people and communities[^] outside[^] of Lincoln and Omaha, by virtue of the Institute's statewide mission focusing on agriculture and natural resources. As evidence, there was considerable concern by individuals, families, and communities regarding[^] cuts[^] to the statewide veterinary diagnostic laboratories, the South Central Research and Extension Center, the Farm Business Association, the

Veterinary Student Contract program, and all other programs¹⁾ lost due to budget cuts. None of these were good cuts, but they were all forced upon us by our state's economic conditions.

Public reaction to the Nebraska Forest Service budget cut underscores the importance of the Nebraska Forest Service and the disastrous impacts the current budget situation has had on our state. Through three rounds of budget cutting, we²⁾ protected³⁾ the Nebraska Forest Service as much as we possibly could because of the unique services it provides Nebraska. In those first three rounds, we cut nearly \$4 million from IANR's budget and with round four the total grew to \$6.5 million.

Nebraska statute and University of Nebraska Board of Regents policy both state that undergraduate teaching is the first priority, research and graduate education is the second priority, and public service is the third priority of the University of Nebraska. After three rounds of cuts, the options to avoid undergraduate program reductions were

extremely limited. Because the Nebraska Forest Service, as ^{an} IANR public service entity, has minimal integration into the undergraduate academic program and the research and extension education functions of IANR this fact, along with the difficult decision to make vertical cuts, made the Nebraska Forest Service a candidate for a cut.

IANR is proud of and takes very seriously its public service mission.

The Nebraska Forest Service has excellent programs and is especially responsive to its constituents. The day we announced the cut to the

Nebraska Forest Service, we also said that we are extremely

concerned about how that cut might affect rural fire districts, and

that we would work with state government, our constituents, and

others to determine how the fire prevention and control services and

perhaps other services offered by the Nebraska Forest Service, could

be maintained at a reduced funding level. Through a variety of

funding sources that include: (1) the \$200,000 of new money

provided by the Legislature (and we certainly thank you for your

support), (2) \$250,000 of State Funds retained in the Nebraska Forest Service budget for two tenured faculty, (3) federal funding, (4) special project funds from the NRD's, and (5) some "one-time" funds from equipment sales and revolving funds, not only the fire prevention and control program, but most programs of the Nebraska Forest Service are continuing. However, the current state appropriation cannot support beyond this biennium ^{" "} all Nebraska Forest Service programs currently in existence.

To maintain the current level of core programs of the Nebraska Forest Service would require, at a minimum, an influx of an additional *amount ranging* *from* \$592,000 to \$812,000 ^{" "} above the current \$450,000 appropriation. We wish there were adequate funding available, but there is not. With the current budget situation, the University is not in a position to come up with the additional \$592,000 to \$812,000 of permanent funding required to maintain the core programs of the Nebraska Forest Service. I imagine it would be just as difficult for any other entity of state or local government to come up with that amount of funding

during these especially difficult financial times. In fact for another entity to assume operations of the Nebraska Forest Service, it likely would take more than that funding amount because of the office space, infrastructure, and administrative support the University now provides the Nebraska Forest Service. Therefore without additional funding in the next biennium, adjustments will need to be made in program scope, while protecting the rural fire prevention and control program.

Having the Nebraska Forest Service within the University has enhanced its programs. We hope that the best and most cost effective administrative home for the Nebraska Forest Service continues to be at the University of Nebraska. However, the current statutory and Board of Regents priorities, along with extremely limited budgets, prevent the University from solely protecting any University program against future cuts. Absolute protection against future cuts, or absolute assurance of only across-the-board cuts, would represent a position that every institution, agency, and program funded by

state government would cherish.

Valuable programs have been eliminated in previous cuts. More will go if further cuts are required. The \$21.2 million shortfall for the first quarter of this fiscal year suggests we are not yet out of the woods, although some indicators provide hope that the economy may be slowly improving. However, when this improvement will show-up in actual state receipts remains unclear.

Therefore, if our state's priority is to maintain the core-programs of the Nebraska Forest Service, the challenge is where to find an additional amount of funding ranging from \$592,000 to \$812,000. Given our state's current economic status, we recognize that it will be as difficult for the Legislature to make and to maintain that level of financial commitment as it would be for the University. We recognize that this is a vexing issue for all and we pledge to you to continue to work with you to seek a solution.

Again, thank you for the opportunity to address the committee. I would be pleased to respond to questions.