

Remarks to Education Subcommittee
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President
Iowa State University
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Senator Shanejohn, Representative Winkler, members of the committee - thank you for inviting us to visit with you and thank you for your very strong support of the Regents universities, especially over these past couple of years. I want you to know that we have invested wisely the new resources that you have appropriated to enhance the university and very targeted programs.

We know that these are very difficult economic times here in Iowa and nationwide, and that very difficult decisions are going to have to be made. On our campus, we are preparing for the inevitable reduction in our state appropriations, although we certainly hope you will do what you can to minimize that reduction, and apply federal stimulus funds to help ease that burden.

Until we know what is coming, as Regent Miles indicated, we are preparing for an 11 percent reduction compared with where we started the year. For us that amounts to \$31 million. We have a number of planning committees working on campus to identify areas where we can save resources, cut budgets, evaluate priorities, and identify new sources of revenues.

There is no question that budget cuts of the magnitude we are talking about—\$31 million—will have an impact on the university, and will restrict our ability to fulfill our mission at the level you and the citizens of Iowa expect. We will do everything we can to minimize the impact on students, but there will be an impact. Inevitable are:

- larger class sizes;
- fewer options for students to choose from;
- a reduction in our ability to compete for research grants and contracts that bring money into Iowa;
- a reduction in our many outreach efforts, including Extension and economic development activities;
- and an increase in deferred maintenance.

I know you are aware of all of this, and I don't want to complain, since we do have a significant economic challenge in front of us. What I do want to do is brag a bit, and tell you about a few points of great pride, to illustrate the excellence of Iowa State University and our service to Iowans.

First, as you know, we placed a lot of emphasis on research and education in the bioeconomy, especially in the area of biofuels and other products produced from plants. Thanks to your help in the last legislative session, with \$32 million in appropriations, our

Biorenewables Laboratory is now under construction. We believe that award and commitment by the State of Iowa to biorenewables research were instrumental in our securing an \$18.5 million award from the National Science Foundation to establish an Engineering Research Center in Biorenewable Chemicals—all to be spent here in Iowa. This has huge potential - for spin-off companies here in Iowa, and for products that will increase the value of the plants that we grow here.

The second example is the work of Chemistry Professor Victor Lin, who has developed a new line of catalysts for converting vegetable oils—especially soy oil—into biodiesel. These catalysts are cheaper, faster and less toxic than conventional catalysts, and they produce a cleaner fuel, with cleaner byproducts. Prof. Lin has founded a company based on his work—Catilin—which now has 20 employees, all here in Iowa. The company has received more than \$7 million in venture capital, and it has produced 2 tons of the catalyst, which is being evaluated in biodiesel plants all over Iowa and the nation. It's a great example of a spinoff of our biorenewables research, creating jobs and economic opportunity here in Iowa. I think you're going to see this company grow significantly.

Staying with the energy theme, as a result of an intense competitive process, the U.S. Department of Energy selected Iowa State University as one of 20 teams of students and faculty to compete in the 4th national Solar Decathlon competition. The team is building a uniquely designed solar house, using a sustainable design with high energy efficiency to enable this house to produce more energy than it consumes.

The house is being built in a warehouse in Ames by our students under the supervision of faculty, and it will be transported to Washington DC next summer where it will spend two months on the mall in our nation's Capital as it is evaluated along with the other competitors for the grand prize in this Solar Decathlon. It is wonderful to be part of this competition, but it is also important that this project will stimulate research and education on our campus into new applications of solar energy and in green, sustainable building design.

In other parts of the university our professors have developed a convenient and fast test for salmonella contamination of food. The current tests take up to seven days, while this one takes just two hours. It is portable, inexpensive, and can be quickly deployed to investigate salmonella outbreaks and also for routine surveillance of food products. This will be good for the food industry in Iowa and also for the nation and the world.

And finally, we are very proud that our undergraduate entrepreneurship program was one of three university programs selected to receive recognition as a National Model Program by the U.S. Association of Small Business and Entrepreneurship. We know we have a great program, and it was especially gratifying to receive this national award. Of course, entrepreneurship education is important for Iowa's economic development, and we are pleased that we can contribute in this important way.

In closing, I am very proud that ISU is truly one of our nation's great universities and a treasure for Iowa. We provide a terrific education for our students; we conduct very high impact research; and we constantly work to serve Iowa and Iowans. We intend to do everything we can to keep Iowa State at that high level of achievement even in the face of these budget reductions, and I am convinced we will succeed because of the very hard work of our faculty and staff, our students, and the terrific family of alumni and friends who care so much about our future success.

Thank you.