



# Report

Division of Agriculture and Natural Resources

April 30, 2003 ■ SPECIAL EDITION

## State budget update: Now is the time for action!

Dear Colleagues:

I'm writing to update you on the state budget situation and thank you for your continued efforts to mobilize our clientele and supporters to make their voices heard in Sacramento. I know for a fact that decision-makers in Sacramento are starting to hear about the severe impact that the proposed cuts to UC Cooperative Extension and agricultural research will have in their districts (see article on p. 3).

For those of you who have not reached out to our stakeholders, now is the time for action. It will take a concerted effort by our clientele, tremendous teamwork and cooperation in the Division, and action by the Legislature to achieve our goal of having the proposed spending cuts for UCCE and research reduced.

The next three to four weeks are critical because the revenue picture for 2003-04 will come into sharp focus as personal income taxes and other receipts are tallied and made public with the release of the Governor's May Budget Revise on **May 14**. Once this happens, we can expect the Senate and Assembly budget committees to begin the process to make decisions on the UC budget relatively quickly.

So the next month provides a window of opportunity for our stakeholders to contact their legislators, the legislators in key committee and leadership posts, and members of the budget committees before they get really busy.

We hope our friends will send this message to Sacramento:

- UC Cooperative Extension and agricultural research are important to them
- ANR programs provide significant benefits and value to constituents in every legislative district
- Cuts to UCCE and agricultural research **MUST BE REDUCED**

To assist in answering questions from stakeholders about the budget, we're providing you with several new documents online.

First, we've posted a new set of frequently asked questions ("State Budget Update-April 2003") on the ANR state budget update webpage (<http://ucanr.org/budgetnews.shtml>). The Q&A also has links and contact information for legislators in key committee and leadership positions and for the members of the Senate and Assembly budget committees.

Second, to demystify the budget process, and what happens before the budget bill reaches the Governor's desk, we've provided a link to a state budget flow chart: [http://www.dof.ca.gov/HTML/BUD\\_DOCS/budenact.pdf](http://www.dof.ca.gov/HTML/BUD_DOCS/budenact.pdf).

My thanks also to all of you who have contributed to UC Delivers. These success stories are an important part of our budget strategy. More stories are being added to the online database weekly, and we are distributing them widely. If you have submitted a story that has not yet been posted, please be patient as Assistant Vice President *Lanny Lund* and his overburdened staff are working to edit these.

Because we must be prepared for any eventuality, we have a number of activities under way to begin to plan for spending cuts.

We continue to work, for example, with the Office of the President on providing some type of voluntary work force reduction incentive program for ANR employees, to avoid or significantly reduce the need for layoffs. Obtaining approval for such a program is a very high priority for me, and I will continue to actively pursue this at UCOP.

I have also appointed two new committees to examine options for dealing with spending reductions, including the possibility of 30 percent cut for Cooperative Extension (see article on p. 2). One committee is examining fee-for-service (cost recovery) opportunities. The other is evaluating UCCE reorganization options should we be forced to downsize.

Thank you again for your support as we face this unprecedented budgetary challenge. I remain optimistic that we will be able to mobilize our stakeholders and friends to deliver the message to Sacramento that proposed cuts for UC Cooperative Extension and agricultural research **MUST BE REDUCED**. But to make this a reality, each of us needs to make this effort a priority!

As always, if you have questions, suggestions or want to pass along information on advocacy efforts, please don't hesitate to email me at [wr.gomes@ucop.edu](mailto:wr.gomes@ucop.edu). In addition, I hope that you will join me at our next town-hall meeting on Wednesday, May 21 at 10 a.m. (see sidebar on p. 3).

Sincerely,

W. R. "Reg" Gomes  
Vice President



## Gomes appoints two committees to explore options for organizing UCCE for the future, including fee-for-service opportunities

Since the outlook for the state's fiscal situation remains tenuous, Vice President *Gomes* has appointed two ad hoc committees to begin exploring options for accommodating major budget cuts to Cooperative Extension.

The governor's proposed state budget plan for 2003-04 calls for a 30 percent reduction in state funding for UCCE. Various budget committees of the Legislature are now holding hearings on the budget plan. Release of the Governor's May Budget Revise, which is based on current information on anticipated state revenues, is slated for May 14—most observers believe it will show the budget outlook is not improving.

"No matter how state funding for the fiscal year 2003-04 finally turns out, the consequences for UCCE are likely to be significant," *Gomes* said. Many experts expect the state to be grappling with severe budget shortfalls for at least several years. "Accordingly, we need to think proactively about the possibilities for a UCCE organized around the new fiscal realities," *Gomes* noted.

He appointed UC Davis-based CE specialist *Jim Hill* to

chair a seven-member committee to develop several alternative models for structuring UC county-based Cooperative Extension in the future.

In addition, *Gomes* named UCCE San Diego County Director *Terry Salmon* to chair a six-member panel to investigate the feasibility of charging fees to recover some CE expenses.

*Gomes's* decision to appoint the committees followed consultations with campus deans and regional directors.

Each chair will call on key members of the Division to provide resource information for the committee's work.

The panel charged with exploring a reorganization of UC Cooperative Extension has been asked to develop "no less than two and no more than four alternative models for field-based CE and to indicate how the field-based professionals would articulate with the specialists on the campuses," according to the charge letter. The panel will estimate the possible savings of each model and make recommendations for adoption and implementation. It will forward a preliminary report with recommendations to *Gomes* by June 15.

Committee members held their first meeting April 28 and plan to meet again May 20 and June 3-4. They expect to draw heavily on the work of previous ANR and CE groups that explored possible organizational structures. They are setting up an interactive website (<http://groups.ucanr.org/rcbe/>) so that CE advisors, specialists and other ANR stakeholders can review their work as it progresses, provide "real-time" suggestions and ask questions about the overall process. They welcome and encourage suggestions and feedback, says *Jim Brenner*, who is staffing the committee.

In addition to *Hill*, the committee members are Associate Vice President *Henry Vaux Jr.*, Assistant Vice Presidents *Lanny Lund* and *Susan Laughlin*, Regional Director *Linda Marie Manton* and County Directors *Shirley Peterson* and *Ellen Rilla*.

The committee exploring fees for CE services will begin by determining what regulations and other legal restrictions might apply before developing "a clear statement" of what is and is not permitted. If fees can be charged, the panel is asked to identify what activities might fall into this category, estimate revenues and assess the extent to which fees can offset losses in county support of UCCE.

*Salmon* is familiar with many of these issues already, having studied the fee-for-service concept several years ago. The other committee members are *Julian Alston*, UC Davis professor in agricultural and resource economics and associate director of the Agricultural Issues Center, *Dan Sumner*, Frank H. Buck, Jr. Professor and director of the Agricultural Issues Center, UCCE Regional Director *Kim Rodrigues*, *Lund* (ex-officio member) and Controller and Business Services Director *Jake McGuire* (ex-officio member). The panel's preliminary report is due by June 15.

### ***Gomes' message to stakeholders:***

### **Severe impact on extension, research if cuts not reduced**

Vice President *Gomes* has been meeting with influential stakeholders and friends of the Division since early February to discuss the budget. He has used these meetings to inform our clientele about the devastating impact of the permanent budget reductions proposed for UC Cooperative Extension and agricultural research and to ask for their help in having the cuts reduced.

Here is a sampling of groups he met with recently:

- UC President's Advisory Commission on Agriculture and Natural Resources
- California Farm Bureau Board of Directors
- California Commodity Committee
- California Women for Agriculture, Stanislaus Chapter
- State Board of Food and Agriculture
- Agribusiness Presidents Council
- KICU TV, San Jose

## UC stakeholders object to state budget cuts

Despite the severe budget cuts the Division is facing, ANR employees can take heart in the passionate support we are receiving from our friends and clientele. 4-H members and volunteers, growers, commodity groups, environmental organizations, master gardeners and more have sent dozens of letters urging the governor and legislators to lower the proposed 30 percent cut to Cooperative Extension and 20 percent cut to research.

For example, one stakeholder implored legislators, "Please consider the valuable, irreplaceable role that UCCE plays in our technical, educational, scientific, and conservation partnerships to help conserve and maintain both California's wild and working landscapes."

The California 4-H Foundation has notified 4-H volunteers that the proposed state budget cuts to UCCE put all 4-H youth development programs at risk for elimination and that they should express their concern to the governor, legislators and county boards of supervisors. Letters from 4-H volunteers and youth are being sent to Sacramento and county seats as a result of this call to arms.

In a letter to the governor and legislators, members of the President's Advisory Commission on Agriculture and Natural Resources (PAC) wrote, "We are stunned at the magnitude of the proposed reductions in state funding for Cooperative Extension and agricultural research programs at UC. While you may view these expenditures as annual operating expenses, in reality they are investments in full economic growth, improved quality of life, and sustained health and welfare for all Californians." The letter concluded, "We, the under-

signed, urge you to take appropriate action to reduce the proposed cuts to these vital programs when finalizing the 2003-04 budget."

President *Atkinson* has corresponded on the budget with members of the PAC. In one letter, he noted: "I want to let you know of my deep concern about the proposed cuts to Cooperative Extension and agricultural research... I know Vice President *Reg Gomes* is in touch with you about specific issues and I encourage you to work closely with him to address how damaging these cuts will be to the long-term viability of California's agricultural, natural, and human resources sectors."

In responding to a letter from a concerned stakeholder on the proposed cuts, *Atkinson* wrote, "Many others as well, including Regents, members of my Advisory Commission on Agriculture and Natural Resources, and Vice President *Reg Gomes*, have reminded me of the important service these programs provide for California."

The California Department of Food and Agriculture, responding to a stakeholder's letter to the governor on the cuts to UCCE, wrote, "Please keep in mind that the proposed cuts are **not** final until both the Governor and Legislature approve a state budget this summer. Between now and then, I encourage you to inform more state officials of your concerns."

This is the message that we need to continue to deliver to our stakeholders and friends—that there is still time for them to write, call or meet with their state legislators and the governor to personalize the importance of UCCE and agricultural research to their livelihoods, families and communities.—*P. Kan-Rice*

### Next ANR town-hall conference call is set for May 21 at 10 a.m.

Vice President *Gomes* will host another town-hall conference call on Wednesday, May 21, at 10 a.m., to discuss state budget developments with members of the Division. A key agenda item: Is there anything in the Governor's May Budget Revise, to be issued May 14, that changes the outlook for the Division's 2003-04 budget?

Dial-in number: 1-888-464-1371  
Leader's name: Vice President Reg Gomes  
Passcode: ANR

Participants are urged to mute background noise from their phone by pressing \*6. To join in the discussion, remember to unmute your phone by pressing \*6 again.

## ANR REPORT

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