



Report

Division of Agriculture and Natural Resources

October 3, 2003 SPECIAL EDITION

ANR Future Directions: Proposals being revised, listening sessions slated

By Steve Nation

Today Vice President *Gomes* announced a series of next steps to deal with unprecedented cuts in state funding for the University's Cooperative Extension (UCCE) and agricultural research programs.

This action follows extensive public comment and feedback on three reports requested by the vice president and posted on the ANR Future Directions Web page in early September (see <http://groups.ucanr.org/directions/index.cfm>). The studies examine a range of alternatives for achieving significant reductions in administrative and operating costs across the Division, while maintaining core programs that respond to high priority issues facing Californians.

"We sincerely appreciate everyone who took the time and effort to review the reports and write or respond to our on-line surveys," said *Gomes*. "I'm gratified to know that so many Californians feel that our programs are relevant and valuable, and that most respondents recognize the challenge we face in making the deep cuts needed to balance our Cooperative Extension and agricultural research budgets."

The California State Legislature cut the University of California by more than \$400 million in the budget passed in late July, and no program, including classroom instruction, was exempt. In the Division, state funding for Cooperative Extension was reduced by 25 percent (\$12 million) and the Agricultural Experiment Station (AES) took a 10 percent cut (\$9 million) for the second straight year. These cuts became effective July 1, 2003, and prudent fiscal management dictates that they be allocated as soon as possible.

"I am painfully aware that the decisions we make today, and over the next few months, will have long-term ramifications for our organization and those who rely on Cooperative Extension, the Agri-

cultural Experiment Station and our statewide operations," said *Gomes*. "That's why I am committed to seeking broad input from our stakeholders, our employees and the public before we make the long-term structural changes that will be required to ensure adequate support for our core programs and people."

Gomes announced that he has endorsed the majority of the recommendations contained in two of the reports "[Organizing Cooperative Extension for the Future](#)," chaired by UCCE specialist *Jim Hill* and "[Potential Cost Recovery Programs to Augment Funding for Cooperative Extension](#)," chaired by UCCE director for San Diego County *Terry Salmon*.

Some recommendations are being implemented immediately. Others are being sent to the appropriate manager or office for further action, especially those items that require a clarification of federal or state policies and laws, or where further analysis is required to determine if a recommendation will result in increased revenues or cost savings. See "Future Directions" article on [page 2](#) for details.

Gomes withheld endorsement of the third study — "[ANR — An Improved Statewide Organization](#)" — asking Assistant [continued on p. 2](#)

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Next town-hall conference call scheduled for Friday, Oct. 10, at 1 p.m.

Vice President *Gomes* will host a town-hall conference call on Friday, Oct. 10, at 1 p.m. PDT, to discuss the issues raised in this special report.

Anyone can call in to the 30-minute town-hall meeting. The Vice President invites you to join in with questions and comments, or simply to listen to the discussion.

Here's what you need to know to participate in the call:

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

To minimize conference call fees, if possible, please join others in an office with a speaker phone.

Once you are connected, please mute the background noise from your phone (especially cell phones) by pressing *6. To join in the discussion, unmute your phone by pressing *6 again.

ANR Future Directions (from p. 1)

Vice President-Programs *Lanny Lund* to convene a working group to further develop the proposal. The working group will be broad-based. Members will be drawn from ANR campus, county and statewide programs. In addition, stakeholders will be asked to participate in order to represent agricultural, environmental, youth and other concerns.

The group will look in more detail at statewide operations and the potential cost savings and programmatic impacts of consolidating, streamlining and, where appropriate, eliminating programs and administrative functions. Their revised report is to be submitted later this year, and will be posted on the ANR Web site for public review and comment.

In addition, Gomes announced that the University will hold listening sessions on the ANR budget at several locations around the state. Tentatively scheduled for January and February 2004, these public meetings will provide stakeholders and other interested parties with an opportunity to comment on the revised version of “ANR — An Improved Statewide Organization” (see above), as well as the recom-

mendations and alternatives presented in “Organizing Cooperative Extension for the Future.”

During the listening sessions, stakeholders also will receive an update on actions taken by the Division since July to reduce administration, streamline transaction costs, consolidate or close programs and facilities, and improve efficiency.

In the meantime, the ANR Future Directions Web page will continue to be available for the public to send comments on any of the reports and recommendations posted on the site. “While we originally asked for input on the reports by Sept. 28,” said Lund, “I would encourage anyone who has something additional to contribute to send us their comments so that we can consider them as we move forward with planning.”

Gomes also announced that additional budget reductions have been assigned to ANR units, although specific details on how the cuts will be taken by individual programs are still being determined. These are in addition to the first round of budget cuts announced in August (see <http://news.ucanr.org/newsstorymain.cfm?story=499>).

Under the new guidelines, state funding for county-based Cooperative Extension programs will be reduced by an average of 15 percent in 2003-04.

Campus-based Cooperative Extension will be cut by an average of 25 percent, and statewide operations, including Statewide Special Programs and Projects, the Analytical Laboratory and Communication Services, will take a reduction averaging 27 percent. Statewide administration has already received an average cut of 35 percent in state funding.

“Our top priority is to maintain programs that directly serve local communities and local needs,” said Gomes. “The budget allocations that we’ve made in the Division for 2003-04 reflect this priority, but given the magnitude of the budget cuts handed down from Sacramento, every program and unit is feeling the pain.”

Other spending cuts in the Division include a 10 percent reduction in state funding for agricultural research on the Berkeley, Davis and Riverside campuses, and an average 15 percent reduction for ANR Research and Extension Centers.

VP Gomes outlines next steps for “Future Directions”

By *Pam Kan-Rice*

Vice President *Gomes* extends his thanks to everyone who took the time to read the reports posted on the ANR Future Directions Web site and who provided thoughtful feedback on the recommendations for the Division to accommodate the recent reductions in state funding.

The three reports — prompted by the 25 percent cut in state funding for Cooperative Extension and 10 percent for the Agricultural Experiment Station this year (in addition to last year’s AES cut of 10 percent) — offer options for the Division to raise and save money.

As of Oct. 1, “ANR—An Improved

Statewide Organization” had evoked the most responses, 173, via the Web site, followed by 48 comments on “Organizing Cooperative Extension for the Future.” Thirty-three people responded to “Potential Cost Recovery Programs to Augment Funding for Cooperative Extension.”

Feedback on the reports can be read at <http://groups.ucanr.org/directions>. Summaries of the feedback will be posted later this month.

“These comments will be helpful as we weigh our options for carrying out our programs on a reduced state budget,” said Gomes.

Input received before Sept. 22 was presented to the ANR Executive Council at their meeting on Sept. 25. Executive Council, which is composed of the associate vice president, campus deans and the assistant vice president-programs, reviewed the feedback and made recommendations to the vice president.

Gomes will be scheduling regional listening sessions in January and February about CE, statewide programs and functions, and the ANR budget.

“We will be seeking feedback on specific components before making structural changes,” he said.

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Next steps (from p. 2)

Organizing CE for the Future

“Organizing Cooperative Extension for the Future” evaluated CE’s field-based structure and practice. The committee, chaired by Specialist *Jim Hill*, strongly advocated the concept of maintaining a local presence and suggested ways CE can accomplish this on a reduced budget. Recommendations include a variety of structural models to maintain a presence in counties if funding levels fall. The committee also suggested strengthening CE advisor and specialist linkages.

“We endorse these principles and will be working with internal and external stakeholders to evaluate ways to move toward achieving those goals,” Gomes said.

Augmenting CE funding

The reaction to “Potential Cost-Recovery Programs to Augment Funding

for Cooperative Extension” was generally positive. The committee that Gomes appointed to explore augmentation of CE funding was chaired by San Diego County Director *Terry Salmon*. Gomes will ask staff to examine the legal issues before developing processes and he will assign budget officers, academic personnel and stakeholders to work on specific details of policies and procedures.

“While these ideas will likely have little impact on our funding situation this year, the suggestions for cost-recovery offer ideas that could enhance our efforts in the future,” Gomes said.

Statewide organization

“ANR—An Improved Statewide Organization” was the most controversial. The proposal, which resulted from discussions initiated by the members of the Division’s Executive Council and

Program Council in response to our severe budget cuts, made recommendations for consolidating statewide programs and functions.

Gomes will assign Assistant Vice President *Lanny Lund* to assemble a team to consider the hundreds of suggestions received in feedback and letters, then revise the proposal incorporating some of that input. A revised version of the proposal will be made available for public comment and discussion later this year prior to final decisions.

“We will be refining the plan as we gather input, suggestions and comments from commodity groups, environmental organizations and other stakeholders at listening sessions,” Gomes said.

“We encourage anyone who has constructive ideas for improving the way we operate to submit them.”

ANR allocates cuts for FY 2003-04

Decisions have been made that will assign the remainder of the 25 percent cut in state funding for Cooperative Extension and this year’s 10 percent cut to the statewide Agricultural Experiment Station budget.

The overall distribution of cuts is as follows:

- 15 percent CE to regions and counties
- 25 percent CE and 10 percent AES to campuses
- 15 percent AES to research and extension centers
- 27 percent CE/AES (average) to statewide special programs and projects (SSPP)
- 35 percent CE/AES to administration

Within the next two weeks, SSPP directors will receive letters specifying their budget reductions. The cuts were not assigned uniformly and directors will be asked to submit plans for addressing their respective cuts. Ways to address these budget reductions may include layoffs.

Layoffs in statewide administration in Oakland began in April, reflecting the Division’s priority of reducing administration first.

ANR REPORT

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