Update on Budget and Staffing for UC ANR

December 2018
Our Mission:

Engage UC with the people of California to achieve innovation in fundamental and applied research and education that supports:

✓ sustainable, safe, and nutritious food production and delivery
✓ economic success in a global economy
✓ a sustainable, healthy, and productive environment
✓ science literacy and youth development programs
UC Cooperative Extension

- 170 Advisors who live and work in local communities
- 109 Campus-based UCCE Specialists
- 350+ local Community Educators

Agricultural Experiment Station

- Over 1,300 research projects annually
- 650+ researchers

Research & Extension Centers (RECs)

- Full range of support for research
- 9 locations statewide
- Over 12,000 acres
Statewide Programs & Institutes
- Nutrition Policy Institute
- Water Research Institute
- Agricultural Issues Center
- Informatics and GIS
- Integrated Pest Management
- Expanded Food & Nutrition Education
- Sustainable Ag Research & Education

Statewide Programs & Volunteers
- Youth Development and 4-H
- Master Gardeners
- Master Food Preservers
- California Naturalists

Over 26,500 volunteers contribute 822 FTE
- the equivalent of $41 million in donated public service
Shrinking federal investment in U.S. agricultural research harms productivity and resilience.

SoAR Foundation, 2016. “Retaking the field: The case for a surge in agricultural research”. Available at: bit.ly/1S47aKX

1Valued at constant, global-average prices from 2004-2006, expressed in 2005 international dollars and measured in millions.
Federal funds are increasingly available only through competitive grants. While this supports research, it does not provide for the Cooperative Extension academics that are necessary to conduct and apply that research.

“An increase in public agricultural research investment from Congress will provide outsized dividends — $20 for every $1 of federal funds invested, according to the USDA’s Economic Research Service.”

[Link: http://supportagresearch.org/retakingthefield/]

UC ANR Vice President Testifies Before House Ag Committee | AgNet West - California Agriculture News

As Congress considers the next Farm Bill, Glenda Humiston, University of California Vice President for Agriculture and Natural Resources...

AGNETWEST.COM
TOTAL FUND SOURCES = $207.1M

Other Sources includes: Private Gifts, Sales & Services, Crop Income, 4-H Foundation, STIP & Other Program Income.

State Wide Programs & Institutes include: 4-H & Youth Development, Agricultural Issues Center, CalNaturalist; Expanded Food Nutrition Education Program, Informatics & GIS; Integrated Pest Management; Master Gardeners; Master Food Preservers; Nutrition Policy Institute; Sustainable Ag Research Education Program, Water Resources Institute.

State Wide Programs $21.6 M 10.4%
Research Extension Centers $15.6 M 7.5%
Administration $16.6 M 8.0%
Campus-Based Research & Extension $64.1 M 31.0%
County-Based Research & Extension $83.9 M 40.5%

TOTAL FUND USES = $207.1M

Institutional Support $5.3 M 2.6%

Endowment Income $8.7 M 4.2%
Indirect Cost Recovery $3.7 M 1.8%

State AES funds flow directly to campuses – not through UC ANR.
Most endowment income obligated to specific programs.
State general funds for UC have decreased in real dollars. Tuition helps campuses but cannot keep up with enrollment. UC ANR has no access to tuition revenue.

Source of UC funding, tuition and student numbers: UCOP Budget Planning & Analysis Office, Budget for Current Operations, Various Appendices.

California Price Index: www.dir.ca.gov/oprl/CAPriceIndex.htm
UC ANR’s Actions to Deal With Budget Cuts

In recent years, many actions have taken place to deal with budget cuts while protecting county-based programs as much as possible:

• Closed Shafter REC & several program administrative offices to save ~ $1 Million
• Centralized background checks of volunteers to significantly free up UCCE Advisors time in county offices; savings ~ 2.5 FTE
• Moved publications to digital print-on-demand; eliminated need for warehouse and several FTE; minimize cost of maintaining inventory while improving service.
• Consolidated support units to leverage existing resources: Savings ~ $1.8 Million
• Re-engineering administrative workflows and business process to optimize workforce productivity; Reorganized Human Resources, IT and Communications
• Transferred Analytical Lab and Water Center’s Archive Library to other institutions
• Reduced ANR administration: saving ~ $1.2 Million
• 20% reduction to internal competitive grants funding
• 10-20% reductions to ANR statewide programs
• 20% reduction to UCCE Specialist support on campuses

Implementing UCPath and Consolidated Financial Reporting in 2019 will provide additional savings.
Administrative Efficiencies & Savings Have Been Re-invested in Programmatic Support

**Investment Strategies**
- Invest in advisor & staff compensation
- Enable technology modernization
- Increased support to UCCE research proposals

**Cost Strategies**
- Reorganized units
- Reengineered business processes
- Consolidated functions
- Reduced # of facilities

The above does not include the challenge of dealing with 30-40 years of deferred maintenance at all our facilities.
UC’s Cooperative Extension Footprint

UCCE Academics in 1990
202 Specialists, 326 Advisors

The 1914 Smith-Lever Act creates Cooperative Extension

UCCE in 2018
109 Specialists
170 Advisors

Shrinking State Support for UC ANR:
2002-2004: $14 Million Cuts
2008-2012: $8.9 Million Cuts
2013-2019: $12.5 Million Unfunded Obligations

Advisor and Specialist counts are rounded
FY2018-19 Challenge

• UCOP budget held flat in FY2018-19 state appropriations; this causes ANR state funds to also be held flat.

• Almost all of our academics and some of our staff salaries and benefits are paid with state funds.

• UCOP approved academic and staff merit increases; we also have range adjustment and union wage increases mandated by policy and agreements.

• No new funding is available to cover these costs.

• For ANR, total cost of implementing these adjustments for academics and staff is approximately $5 million – this must be taken from other existing budgets.
ANR General Funds: Utilization of Reserves Must be Slowed

In addition to covering some unfunded obligations, recent investments include:

- UC Path $4.4M YTD
- Project Board $1.4M
- Network Upgrades $2.6M
- Start-up Costs $4.2M
- Advisor equity program $2.1M
- Staff Salary Program $1.7M

If current trends continue, reserves projected to decrease 75% from FY 2014-15.
Next Steps for Budget Cuts in FY 2018-19

- Decrease hiring of UCCE Advisors & Specialists
- Statewide programs have reduced budgets
- RECS reducing subsidy of research projects
- ANR competitive grants program cancelled for 2019

President Napolitano named an Advisory Committee to review ANR structure and funding models; they offer recommendations in December 2018 for the President to consider.

ANR will continue to develop new sources of funding and expand partnerships to leverage resources:

- Fee-for-Service
- Endowments
- Contracts
- Shared Positions
- New Events
- Philanthropy
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