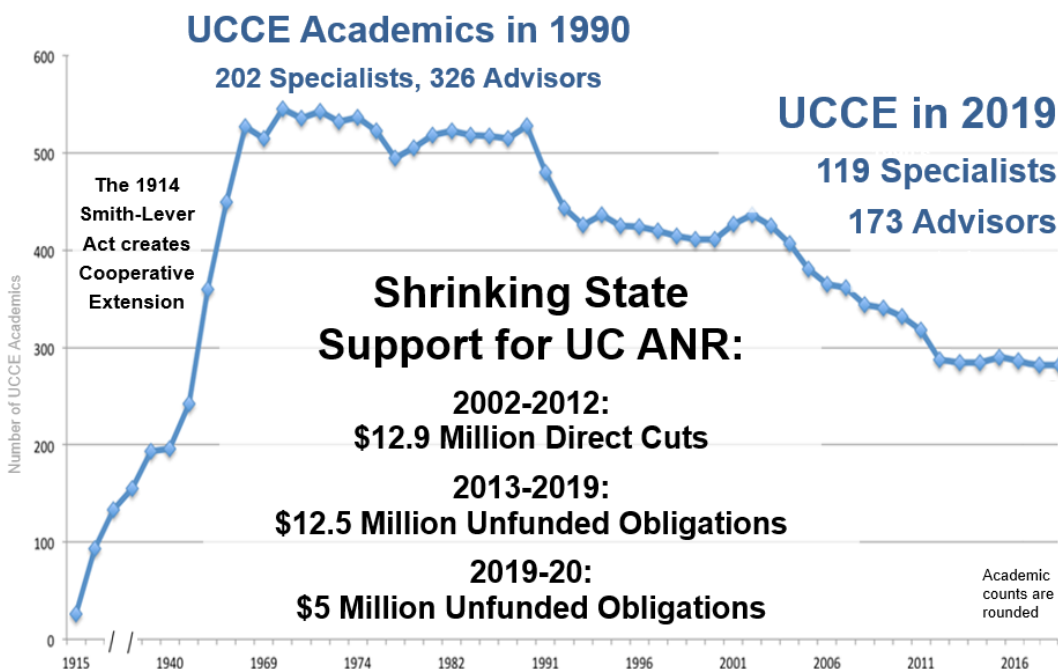


Recent reductions in central funding for many of our activities, coupled with the announcement that we must cease all hiring of new UC Cooperative Extension academics, has created a great deal of concern with stakeholders throughout the state. This overview is a summary of the key points from a recent presentation to the UC President’s Advisory Commission on ANR. Those points include:

- Shrinking public investment in both higher education and agricultural research
- State general funds for UC have decreased in real dollars for two decades; while campuses handle this somewhat through tuition increases, UC ANR has no access to tuition revenue
- The UC ANR budget was flat in FY2018-19 and again in FY 2019-20; however, UC ANR must cover mandatory staff/academic merit increases of about \$5 Million in each of those years – requiring cuts to programs and research



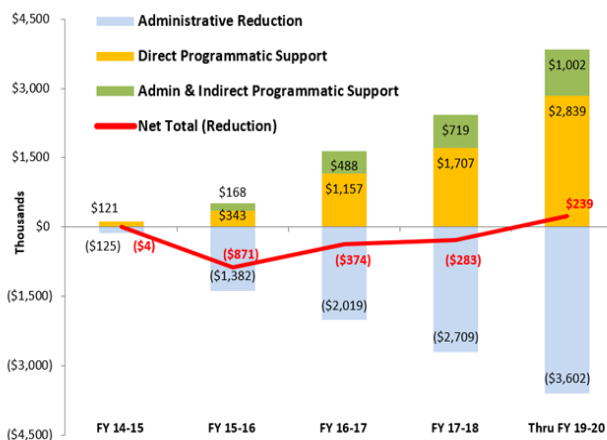
While we have been able to grow the overall budget, it has been through grant awards, endowment income, and contracts – all of which are obligated to specific programs.

It is the general funds from the state budget that support UC Cooperative Extension academics and our facilities.

To deal with budget pressures, UC ANR implemented strategies to reduce administrative costs and improve program delivery. For example, almost \$1 Million and several FTE were saved by shifting publications to print-on-demand.

Utilization of reserves has also helped maintain delivery of programs but is no longer available for this purpose in future years.

## 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.

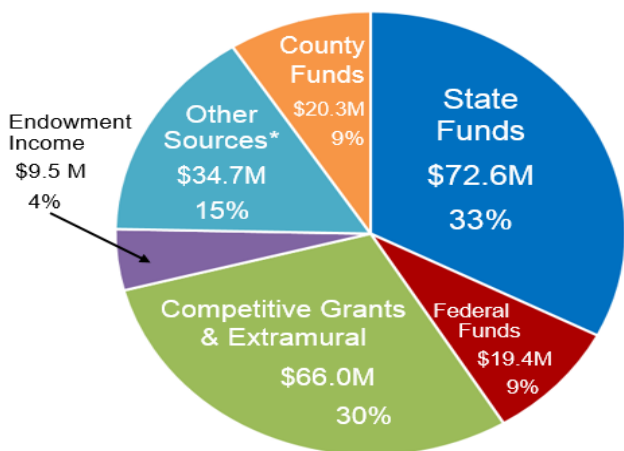
Specific actions during FY 2018-19 that will continue into FY2019-20 include:

- Moratorium on hiring of UCCE Advisors and Specialists
- Moratorium on new administrative positions; consolidate existing positions as able
- Reduced budgets for all statewide programs and subsidy of research at RECs
- ANR competitive grants program cancelled

To combat decreasing state funds, UC ANR is working to develop new funding sources: philanthropy, fee-for-service, shared positions, endowments, contracts, events, etc.

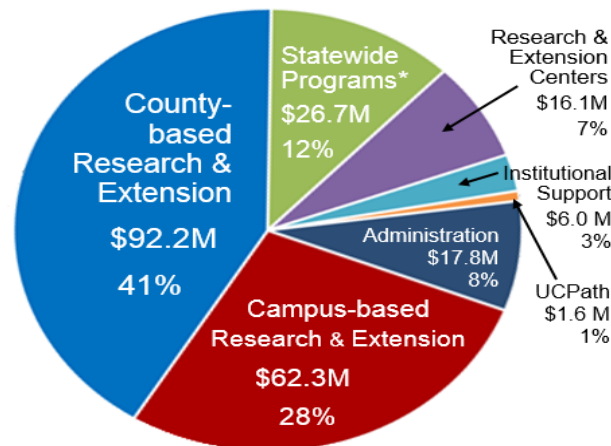
## UC ANR BUDGET FY 2019-20 (in millions)

### FUND SOURCES = \$222.8M



\*Other Sources include: Private Gifts, Sales & Services, Crop Income, Investment & Other Program Income.

### FUND USES = \$222.8M



\*Statewide Programs include: 4-H & Youth Development, Agricultural Issues Center, California Naturalist, Expanded Food Nutrition Education, Integrated Pest Management, Informatics & Geographic Information Systems, Master Gardener, Master Food Preserver, Nutrition Policy Institute, Sustainable Agriculture Research, Water Resources Institute