

## **Transcription of the Budget and Fiscal Review Subcommittee No. 1 on Education**

*This transcription starts at 1:45:34 and ends at 2:07:45 of the Senate Hearing.*

**Chair Laird:**

We're moving to the University of California Agriculture and Natural Resources item, it is oversight. The first speaker will be the LAO, the second will be Seija from the University of California, the third will be Glenda Humiston, who's the vice president for Agriculture and Natural Resources at the University of California. And then Brian Rutledge from the Department of Finance. And let me just say two things before we go to the panelists in that order. One is that we did a major augmentation last year in the budget to attempt to restore/rehabilitate cooperative agricultural extension across the state. And part of the reason for this oversight hearing is to hear about the progress in implementing that budget item from last year. Then, secondly, there was a report done by the legislative analyst on this general subject, which I know will be part of this, so we will hear that as well. So we'll begin with the representative from the LAO.

**LAO, Jason Constantouros:**

So to start the item, I thought I would start by first providing some basic background about the programs in question and then move to the recommendations that we described in our special report that the chair just mentioned, with the objective of keeping this very brief, recognizing the limited time of the committee. So just to introduce the programs very quickly, UC has two key programs that focus on agricultural and natural resource issues. The first is called the agricultural experiment stations. This provides basic research at three UC campuses on agricultural and natural resource issues. And the second program is called Cooperative Extension. This is more engaged in translational applied research and also direct outreach, and conducts these activities across many community-based sites and on UC campuses throughout California. As you can imagine, the two programs are intended to work together with the agriculture Experiment Stations really focused on doing that foundational research and discovery, and then Cooperative Extension, in turn, translating that and disseminating that information into the broader community across the state. And just another aspect about these programs is to keep in mind, their focus broadly in agricultural natural resources, but engage in many different activities ranging from basic research to developing new inventions to providing workshops to farmers, to providing nutrition education to California and adults and students across the state. So there's a lot of different activities that are encompassed in these programs. The programs are overseen by the UC Division of Agricultural and Natural Resources. You'll hear us refer to it throughout the item as UC ANR. In practice, UC ANR focuses...

**Chair Laird:**

You were obviously listening to our hearing yesterday where we were at war against acronyms not being defined before they were used. So let me congratulate you for doing that without having to be prompted because you clearly don't work for the State Department of Education.

[Pause, no response]

I'm afraid that just froze him [on Zoom]. Let's see if he unfreezes here. I think the mere mention of an acronym has frozen the system. Well, let's do this. Let's let him see if he can rejoin us unfrozen and move to Seija Virtanen from the University of California as our second speaker. We will give him a chance to close if he rejoins.

UCOP, Seija Virtanen:

Thank you Chair Laird. I would like to turn discussion of this item over to Vice President Glenda Humiston.

VP Glenda Humiston:

Thank you, Seija, and thank you Chair Laird and members of the subcommittee. Thanks for inviting me to speak before you today and for the continued support you have shown the University of California. We are extremely grateful for your investment in UC ANR. And I appreciate the opportunity to update you on our progress to recruit and hire UC Cooperative Extension scientists. The last seven months have been remarkably busy as we work swiftly to post and fill positions that will allow us to enhance our reach and deliver science based information curriculum programming, and solutions to all Californians. As part of the land grant partnership that was developed between the states and the federal government with the 1862 Morrill Act, UC Cooperative Extension and the agricultural experiment stations have advanced scientific knowledge for over 130 years. We continue to address current and future needs of Californians through innovative solutions to climate change, wildfire mitigation, pest management, food security, economic development, health equity, and building the next generation of leaders. In addition to our network of research and extension programs, as was just being described, UC ANR also delivers expertise through 13 different institutes and statewide programs. Additionally, we have over 20,000 volunteers that helped deliver programs like 4-H Youth Development and Master Gardeners. A few unique examples of impact delivered by UC ANR researchers include new software and phone apps such as Crop Manage, which helps growers to significantly reduce water and nitrogen fertilizer use while still remaining productive. Youth that participate in our 4-H programs have been shown to be more likely to pursue careers in STEM, twice as likely to graduate college and more likely to engage in community enrichment projects. Program evaluation findings from 2020 indicate that nutrition education participants reported an average monthly food cost savings of over \$58, which collectively saved low income California families over \$1.5 million dollars. To enhance program delivery, we continually seek to better leverage state funding, the 2021 ratio is 2.4 dollars

generated per each state dollar we received. In the last few years we have added multiple co-funded positions and expanded partnerships. For example, by hiring additional climate smart, agriculture educators and creating the new UC Organic Agriculture Institute. Thanks to the ongoing augmentation of the 21/22 budget for UC ANR, we have acted quickly to rebuild the UC Cooperative Extension footprint. While the positions identified in March 2021 are still the focal point of the hiring plan, we also implemented a separate process to ensure identification of the highest priority academic positions across all discipline areas for today and into the future. This involved communicating with community partners and other stakeholders to identify the most pressing needs and prioritize the next round of hiring. Of note, this is the first time we have opened submittals for placement of UC Cooperative Extension specialists to all 10 campuses. To date, 11 Cooperative Extension advisors and specialists have been hired and are in the field while 35 more are currently under recruitment and expected to be hired before June 2022. UC ANR will be announcing over 40 additional new advisor positions and up to 20 specialist positions later this spring. We've expanded recruiting capacity and enhanced hiring practices to meet the evolving demands of the job market and ensure success. UC ANR is committed to hiring a diverse and inclusive workforce that reflects the top talent necessary to solve societal problems. We will provide the committee with a budget and impact report later this spring. In closing, thank you for inviting me to talk about UC ANR. This is a topic that has long been close to my heart. In fact, the 4-H plaque you see behind me was a gift from my father at Christmas this past year. It was attached to our house when I was a child in 4-H and I attribute my 4-H experience largely to where I am today. I firmly believe in the mission of Cooperative Extension and its ability to find solutions to the many challenges facing California as we enhance our programs and ensure that we are best serving all 58 counties. It's an honor to have the opportunity to lead UC ANR. I look forward to your questions. Thank you.

Chair Laird:

Thank you. In a moment, I'm going to go back to Mr. Constantouros to see if he wants to finish his comments. But I can't resist asking a question now. Where was the 4-H plaque? Where did you grow up? Where is that?

VP Glenda Humiston:

That's from my family's cattle ranch in southwest Colorado, which my father is still running.

Chair Laird:

That's great. Well, sorry, we don't have more time or I'd ask you a lot of questions about that. So let's go on to Mr. Constantouros.

LAO, Jason Constantouros:

My apologies to the committee and appreciation for Vice President Humiston for picking up where I dropped out.

**Chair Laird:**

Don't worry, I was Emceeding an event recently, remotely, and it dropped in the middle of the event. So I totally appreciate what happened. Please finish your comments.

**LAO, Jason Constantouros:**

It sounded like a vice president Humiston provided more detail on the program too. So I think we can skip right to our recommendations. And I should say our special report. The reason why we undertook it was we wanted to sort of better assess how the state, moving forward, could budget for UC ANR given the fact that it's only recently started line item budgeting for the division. And so you can find our recommendations on page 24 of your agenda. And I think I'll spend the most time on our first recommendation given that the agenda asks us to elaborate a little more on it. And then I'll leave the other two recommendations just at a high level and be available for Q&A. So our first recommendation is that the legislature incorporate state funding for the Agricultural Experiment Station program into the line item. Currently, the line item provides funding for UC ANR, which effectively provides funding for Cooperative Extension. UC still has flexibility to determine funding for the Experiment Station Program. We have two reasons why we think this approach would make sense moving forward. The first is it would add more transparency and clarify how much state funding is going for the experiment stations. At the moment there is a lot less information available to the legislature on the experiment station's budget, relative to the much more considerable information available on UC ANR's budget. We think moving forward, the legislature would have just better clarity as to how much funding it's providing for the program. Our second reason is we think it would allow for a little bit more consistency and how the programs are budgeted. Currently the programs have been treated somewhat differently in terms of their budgets. Until recently Cooperative Extension and effectively UC ANR's state funding had been somewhat flat and during the pandemic was actually reduced by the state. As the Chair noted, the last year's budget replaced that reduction and provided an additional augmentation to hire more staff. But by comparison, the Experiment Station Program has received cost of living adjustments each year in the last several years and according to the university was largely protected from reductions during the pandemic. And there doesn't seem to be a clear policy rationale for this difference in treatment. It's basically reflecting the kind of current UC budget practices. We think keeping the funds together would allow the legislature to look more holistically at both programs and consider funding for both programs moving forward and sort of weigh the trade-offs of funding more research versus applied research and outreach. So the other two recommendations, they're really around just adding more reporting with the aim of improving the legislature's

ability to budget for these programs moving forward. As your agenda notes, this year's budget doesn't propose a COLA for UC ANR. And really, because the legislature isn't getting sort of regular reporting on its projected cost pressures and available non-state funds to offset some of those cost pressures, the legislature really has very little basis to adjust its budget moving forward. So getting some more reporting upfront on its budget, as well as some additional reporting on its outcomes could help inform legislative decisions moving forward. So with that, happy to answer any questions.

**Chair Laird:**

Thank you very much. Then we're going to move to the Department of Finance.

**Department of Finance, Brian Rutledge:**

Thank you. Brian Rutledge, Department of Finance. The administration doesn't have more to add in terms of updating. But we'll note that we recognize and appreciate the impact of UC ANR, including the fact that it's very broad across the state.

**Chair Laird:**

Thank you very much. Appreciate that. [sound from another phone interfering.] Maybe I can't tell who's commenting. I think their way into the future as an employee of UC ANR. Whoever it is. Let me move through some questions quickly here. And let me ask Mrs. Virtanen a gratuitous question from last year, because last year, we got to a point where I asked that every dollar we appropriated for this was going to go to this purpose. Is that actually happening now that we're a year in?

**UCOP, Seija Virtanen:**

Thank you for the question, Senator Laird. Yes, UC ANR is getting all of the money that was appropriated by the legislature for them for the purposes that were previously discussed.

**Chair Laird:**

Thank you. Really appreciate you bearing with me on that question. And let me ask Vice President Humiston one question. You actually presumed a question of mine to line out how many positions have been filled, how many recruitment, how many are going to recruitment, that's really helpful. And it is those numbers that over time we will be very interested in. And I know this from one of the local ones in my district. Do the numbers that you outlined cover filling in for retirements? So we're not just filling the needs that were met but we're filling behind people that might be retiring in the middle of all this.

**VP Glenda Humiston:**

So as we move forward, and there are retirements, the salary savings from those retirements, go into our academic reversion pool, and to the degree we can, we will hire. We do utilize our position call, however to make sure that as we hire we are staying with what are the current and future needs. One of the challenges of an organization where you have folks that work with us 20, 30, even 40 years, we have some folks that long, is that in a changing situation, such as California, somebody who's been working on a crop in one county for 40 years, it's possible that crop isn't even grown in that county anymore. So that's why we do our position call process and make sure that we're serving today's and tomorrow's needs.

**Chair Laird:**

And let me say, I totally appreciate that. That makes total sense. I support that. I just know that in one of the counties in my district, they have a number of employees and all but two are at retirement age. And so they were freaking out that those positions weren't being filled. And if it turns out that a crop isn't growing anymore, and somebody rotated out for that, totally understandable. I think it's just making sure that there's filling behind in the midst of this. And then let me ask a question of finance [Department of Finance]. One of the reasons that we did this restoration last year was, as the LAO just said, there were a number of years in which funding for this program was flat. And then lo and behold, this year, finance did not propose a COLA. And I can imagine that it's an expectation that the money wouldn't be fully spent. But it seems to me like it's a real precedent, like could we just not fall behind again. And so now that I've stated a very firm opinion and pushed you into the corner, would you like to make a comment?

**Department of Finance, Brian Rutledge:**

We'd love to, Chair. Thank you. So the governor's budget does not include a COLA for UC ANR. That's where we stand right now.

**Chair Laird:**

Okay, well, then I will say I stand differently. So I hope by the time we get to the May Revise, you can figure out a COLA so we just don't fall behind once again. And even if it turns out they're not going to spend all of this year's money because it takes so long to recruit and get completely up, I would not want to lose the gain and purchasing power, particularly since we have inflation again. So I just hope that a COLA will be reflected in the May Revise. And now let me go to the one issue of the hour that came out of the LAO report and that's that there's the issue of the agricultural stations and as I understand, they report directly to the president in the Office of the President and then we have cooperative ag extension which we've just been discussing, that is within UC ANR. And let me ask the LAO why you have recommended moving the agricultural state stations to ANR?

LAO, Jason Constantouros:

So our recommendation isn't necessarily to change the administrative structure of ANR or the experiment stations or to change the leadership of it. It's to categorically provide funding for the experiment stations, like it does for ANR. So, you know, that could look like a specific line item in the budget with a schedule one denoting funds for Cooperative Extension, or UC ANR, and another denoting funds for the experiment stations. And so again, our recommendation here is more around sort of clarifying the amount of state funding that's going to the experiment stations, kind of addressing some of the limited information that the state has on the experiment stations relative to UC ANR. And then also allowing for some more consistent budgeting moving forward ensuring that if one program is getting a COLA, the other program is, or if they're not getting the same augmentation there sort of rationale behind it. Just sort of reflecting, UC budget practices that don't appear to have a clear policy basis.

Chair Laird:

Thank you. Now, let me ask the University of California to comment on that. And frankly, I hate to do this to you, Seija, but I think this is at a slightly higher pay grade than the vice president of ANR, because it's a decision that's probably organizational that would be made within UC. Do you have a comment in response to the LAO's recommendation?

UCOP, Seija Virtanen:

I think I will turn this one over to Vice President Humiston please.

Chair Laird:

Okay. But she can't say it's above her pay grade. Okay, Madam Vice President over to you.

VP Glenda Humiston:

Yes, um, we appreciate the LAO's time and attention to looking at our programs and the report. The UC system is not in support of moving the AES budget into the ANR line item. And this is largely because we have found that each campus itself is best positioned to understand its basic to applied research continuum, based upon that campus's specific infrastructure and personnel strengths. Really, for the continuum to work well, the Ag Experiment station scientists collaborate very closely with other scientists on that campus. And the campus can best organize that. But we are very open to working with the LAO and the committee on other solutions.

Chair Laird:

Thank you very much. And just before we move off of that topic, is there anybody else that wishes to comment on that? Didn't comment yet? Or wish to comment? Seeing no one, let me

ask Senator Ochoa Bogh. She has no comments or questions. And so let me say, before we leave this item, that I really appreciate everybody's participation today. I really appreciate the progress that is being made on this. And I think it is really well regarded across the state. In this business you don't always get thanked for things. And when I returned from the summer recess last year, there was a huge stack of thank you cards on my desk for what we did with UC ANR last year. And so I hope that the COLA issue is addressed. We don't want to lose pace, I hope we continue to move at pace on filling those positions. And I look forward to getting the continued reports on the progress. And I thank everybody for participating today.