

Dear Colleagues,

The state's fiscal year 2019-20 budget will remain the same as FY18/19 for UC Office of the President (UCOP), of which UC ANR is a key component. Because we are required to compensate for \$5 million in unfunded obligations (staff and academic salary and benefit increases), a flat budget is essentially a \$5 million cut for UC ANR. That is on top of similar cuts for the past several years.

At this point, we no longer have money in reserve to minimize the impact. That is why we were recently forced to reduce funding for 4-H by \$900,000. It's also why we had to announce last December that we could not recruit additional UC Cooperative Extension advisors.

The good news is you are doing amazing work to help Californians improve their lives, and people recognize and value your efforts.

For example, In Riverside County, more than 100 4-H members, Master Gardener volunteers, farmers, nutrition course participants and other UCCE stakeholders attended a meeting in early June to tell the Riverside County Board of Supervisors how they have personally benefited from UC ANR research and outreach and urged them not to cut UC Cooperative Extension funds. Despite their own tight budget, the Board of Supervisors agreed to maintain their contribution to UCCE and talked of expanding support later as an investment in the people of Riverside County.

I am hopeful that others will increase their support for UC ANR to address water, wildfire, nutrition, invasive pests and many other pressing issues facing the state. I admire your commitment to your work. Accept credit for your accomplishments and let Californians know the return they are getting for their investment in UC ANR.

Feel free to use the attached overview along with the facts below to help answer questions from stakeholders.

- UC ANR learned recently that the FY19/20 state appropriations will remain the same as FY18/19 for UC Office of the President (UCOP), of which UC ANR is a key component. The budget remains in flux, but we are working to project scenarios and associated responses.
- UC ANR FY18/19 funding was the same as FY17/18 funding. Level funding represents approximately \$5M in unfunded obligations for UC ANR (staff and academic salary and benefit increases).
- Impacts of a second consecutive year of flat funding to UC ANR will be very apparent. After years of state and federal appropriations that don't keep up with costs, we have exhausted the less disruptive options for covering costs and are faced with hard reality. UC ANR leadership is in the process of determining how the funding shortfall will be

managed, but we know that we can't avoid cuts that will affect us and the important work we do.

While nothing has been finalized, we are considering the following options, likely some combination thereof:

- Suspension of the Opportunity Grants Program (effective May 15, 2019)
- Filling open staff and academic positions only after careful consideration by senior leadership coupled with a very slow hiring process
- Reducing support for meetings (travel funds for program teams, strategic initiatives, CE Specialist and AES funding)
- Reducing other program support (Program Support Funds)
- Reduced support for Statewide Programs/Institutes
- Reduced central funding to support community educator positions
- Further reduction of Research and Extension Center subsidies for future projects

None of the options above are appealing as each has consequences that may affect our ability to help Californians. We will use proceeds of the surplus land sale of 3031 Second Street in Davis to pay down debt and invest to generate income to address urgent needs that arise, rather than alleviate our budget constraints for only one year. We will continue to leverage our resources and look for more opportunities to increase funds.

If you have questions about outreach to elected officials, please contact Anne Megaro, government and community relations director, at ammegaro@ucanr.edu or (530) 750-1218.

As always, I appreciate the fantastic work you are doing.

Glenda Humiston
Vice President