

LSC Redbook

Analysis of the Executive Budget Proposal

Ohio Board of Regents – Agricultural

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ATTACHMENTS:

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

Ohio Board of Regents – Agricultural

- Entirely supported by GRF
- Funding decrease of 10.0% in FY 2012 and flat funding in FY 2013

OVERVIEW

The Board of Regents' Agricultural Programs

Within the budget for the Board of Regents (BOR) are three appropriation items that support various statewide research and extension activities related to Ohio's agricultural issues. Administered by The Ohio State University (OSU) under its land-grant university mandate, these three appropriation items are the following:

- 235402, Sea Grant;
- 235511, The Cooperative Extension Service; and
- 235535, The Ohio Agricultural Research and Development Center (OARDC).

These three items are entirely supported by the General Revenue Fund (GRF). As Table 1 below shows, for the appropriation items combined, the executive budget of \$51.1 million for FY 2012 is a 10.0% decrease from FY 2011 estimated expenditures of \$56.8 million. For FY 2013, the executive budget provides flat funding. At these appropriation levels, these items constitute 2.2% of the executive's recommended total BOR budget for the FY 2012-FY 2013 biennium.

	FY 2011 (estimated)	FY 2012	% Change FY 2011- FY 2012	FY 2013	% Change FY 2012- FY 2013
Total BOR – Agricultural	\$56,767,678	\$51,090,910	-10.0%	\$51,090,910	0.0%
Total BOR Budget	\$2,568,618,058	\$2,299,390,139	-10.5%	\$2,384,474,194	3.7%
Total as a Percentage of Total BOR	2.2%	2.2%		2.1%	

Sea Grant, OARDC, and the OSU Extension have various funding sources, including state, federal, and local governments, external contracts, and other sources. The state funds provided for these programs in the BOR budget for FY 2010 represented less than 50% of their budgets: 43% for OARDC, 34% for the OSU Extension, and approximately 30% for Sea Grant.

Brief History of OSU's Land-Grant University Mission

The Morrill Land Grant College Act of 1862 provided an amount of federally controlled land to each state for the establishment of an agricultural and mechanical university. The universities established under this Act are today known as land-grant universities. In 1864, the Ohio legislature accepted the provisions of the Morrill Act and a year later authorized the land's sale. Using the proceeds, the General Assembly in 1870 chartered the Ohio Agricultural and Mechanical College, which opened its doors in 1873. In 1878, the College became The Ohio State University, placing its educational emphasis as much on the liberal arts as on the agricultural and mechanical arts. Congress passed the Hatch Act of 1887 to provide separate funds for states to establish agricultural experiment stations where universities could conduct research into agricultural, mechanical, and related problems faced by rural citizens. In 1892, the Ohio Agricultural Experiment Station moved from OSU's Columbus campus to Wooster in Wayne County. Since then the Station has evolved into what is now called the Ohio Agricultural Research and Development Center (OARDC) with 12 locations throughout the state.

The federal Smith Lever Act of 1914 established a system of Cooperative Extension Services in a partnership between the U.S. Department of Agriculture and the land-grant universities. Each service is an informal educational program designed to help people improve their lives, businesses, and communities through the use of research-based practical knowledge related to agriculture, home economics, and rural energy.

In 1966 Congress established the National Sea Grant College Program. The term "Sea Grant" was chosen to emphasize this program's focus on the nation's marine resources in contrast with the emphasis on agricultural resources under the land-grant program. Following a 1974 recommendation by the Governor's Lake Erie Task Force, The Ohio State University, together with the Ohio Department of Natural Resources and a number of Lake Erie businesses, developed the Ohio Sea Grant Program, with a mission to improve the development and management of Lake Erie. The Ohio Sea Grant became part of the OSU Extension in 1978.

Today OSU carries out its land-grant university mission by administering programs that provide agricultural and marine public services throughout the state. OARDC researches issues related to food, agriculture, the family, and the environment to enhance the well-being of Ohioans, the nation, and the world. OSU Extension interprets and disseminates knowledge and research developed by OARDC, OSU, and other land-grant universities to benefit Ohioans. Ohio Sea Grant uses research, education, and outreach efforts to enhance the use and improve the management of Lake Erie.

ANALYSIS OF EXECUTIVE PROPOSAL

The following table shows the line items that are used to fund the Board of Regents agricultural programs, as well as the executive budget's recommended funding levels. The Sea Grant Program, the Cooperative Extension Service, and the Ohio Agricultural Research and Development Center address a variety of agricultural, rural, and marine issues. These programs are administered by OSU under its land-grant university mission and serve the entire state.

Governor's Recommended Amounts for BOR – Agricultural				
Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	235402	Sea Grant	\$270,000	\$270,000
GRF	235511	Cooperative Extension Service	\$20,220,910	\$20,220,910
GRF	235535	Ohio Agricultural Research and Development Center	\$30,600,000	\$30,600,000
General Revenue Fund Subtotal			\$51,090,910	\$51,090,910
Total Funding: BOR – Agricultural			\$51,090,910	\$51,090,910

Sea Grant (235402)

Ohio Sea Grant is one of 32 Sea Grant programs in the National Oceanic and Atmospheric Administration's (NOAA) Sea Grant College Program, which includes every coastal and Great Lakes state. Headquartered at The Ohio State University, Ohio Sea Grant is operated by the OSU Extension Service. The faculty, staff, and students supported by the program conduct education, research, communication, extension, and outreach activities, in multiple disciplines to address environmental and resource issues and to enhance the use, development, and management of Lake Erie and the other Great Lakes and their coastal resources. Located at OSU's Lake Erie research center, Ohio Sea Grant focuses on research and educational issues such as erosion and fishing in the Great Lakes. The Center for Lake Erie Area Research (CLEAR), the Stone Laboratory at Put-in-Bay, and the Great Lakes Aquatic Ecosystem Research Consortium are all affiliated with Ohio Sea Grant. Over the past 32 years, the Sea Grant Program has supported 406 projects, with the help of hundreds of graduate and undergraduate students. Each year, Sea Grant supports approximately ten large research grants (up to \$60,000/year for up to three years) and ten small research grants (up to \$10,000 for up to one year).

The NOAA Sea Grant College Program requires at least 50 cents of nonfederal support for every federal dollar invested in it. Matching funds for Ohio Sea Grant are provided by several sources: GRF appropriation item 235402, Sea Grant, OSU, private

businesses and individuals, and the institutions receiving grants from Ohio Sea Grant. For Ohio Sea Grant, the executive budget recommends a decrease of 10.0% in FY 2012 and flat funding in FY 2013.

Cooperative Extension Service (235511)

The OSU Extension is headquartered in the College of Food, Agricultural, and Environmental Sciences and has had partnerships with the faculties and staffs of many departments across OSU. Located in every one of Ohio's 88 counties, the OSU Extension is an educational entity that creates partnerships with individuals, families, communities, businesses and industries, and organizations to strengthen the lives of Ohioans through research-based educational programs. The four major program areas of the OSU Extension are families and consumer sciences, 4-H youth development, community development, and agricultural and natural resources.

- Family and consumer sciences educators and specialists offer information on childcare, parenting, family life, adult development and aging, nutrition, food safety, and personal finance.
- 4-H (heart, head, hands, and health) is a national youth organization with a goal of helping young people learn about leadership, citizenship, and life skills through mostly experiential programming. While historically focusing on agricultural programs, 4-H today encourages members to learn about many other topics, such as geographic information systems and computer science. Annual participants in Ohio's 4-H programs include more than 336,000 young people and approximately 25,000 adult volunteers.
- Community development educators and specialists work with business communities, current and emerging local community leaders, and appointed and elected local officials to provide information on local development issues in order to increase the knowledge base for individual and community decisions.
- Agricultural and natural resource educators help farmers improve their businesses by adopting new technology to improve efficiency while protecting the environment, help landowners manage woodlands and protect streams and watersheds, and train master gardeners who, in turn, extend research-based yard and garden information to Ohioans.

For the OSU Extension, the executive budget recommends a 10.0% decrease in funding for FY 2012 and flat funding in FY 2013. The Extension is supported by the state through GRF appropriation item 235511, Cooperative Extension Service, making up approximately 33.6% of the Extension's \$66.8 million budget. The majority of the Extension's revenue comes from state, federal, and county sources. However, with decreasing public funding, the Extension has worked to increase private donations and

grants. In FY 2010, the Extension increased sponsored grants and contracts by 24% and collected \$2 million in private contributions. Approximately 83% of the Extension's FY 2010 operating expenditures went toward salaries and benefits.

Ohio Agricultural Research and Development Center (235535)

The Ohio Agricultural Research and Development Center (OARDC) is the research arm of The Ohio State University's College of Food, Agricultural, and Environmental Sciences. Located at 12 Ohio facilities in addition to OSU's main campus, OARDC is active in the following basic and applied research areas:

- agricultural, environmental, and development economics;
- food, agricultural, and biological engineering;
- animal sciences and food-animal health;
- food science and technology;
- horticulture and crop science;
- human and community resource development;
- human ecology, natural resources, and plant pathology; and
- entomology.

OARDC also trains graduate students in these areas and works with researchers at other OSU colleges, including the colleges of Human Ecology, Medicine and Public Health, and Veterinary Medicine. The Center serves such diverse groups as consumers, farmers and other producers, food processors, environmentalists, landfill managers, and researchers. In 2010, OARDC's research portfolio included \$126 million in research funding, including \$14.5 million in Ohio Third Frontier awards. OARDC innovations have generated 123 invention reports and 40 patent applications.

For OARDC, the executive budget recommends a 10.0% decrease in funding for FY 2012 and flat funding for FY 2013. In FY 2010, state and federal funds provided more than half (52.2%) of the revenue for OARDC. Grants, gifts, and service contracts provided 40.9% of FY 2010 revenues and the remaining 6.4% came from sources such as endowment interest, sales of research products, overhead, and fees. The Center spent 72.7% of its operating budget on salaries, wages, and benefits.

Ohio Board of Regents

General Revenue Fund

GRF 235402 Sea Grants

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$300,000	\$269,319	\$300,000	\$300,000	\$270,000	\$270,000
	-10.2%	11.4%	0.0%	-10.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 371.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 291 of the 115th G.A.)

Purpose: This line item provides funds to help support the Ohio Sea Grant College Program, a statewide program based at the Ohio State University's Lake Erie Research Center. The program performs education, research, communication, and outreach work in multiple disciplines to enhance the use, development, and management of Lake Erie and the other Great Lakes and their coastal resources. The Ohio Sea Grant Program is one of 32 Sea Grant programs in the National Oceanic and Atmospheric Administration's Sea Grant College Program, which includes every coastal and Great Lakes state.

GRF 235511 Cooperative Extension Service

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$26,273,260	\$23,586,327	\$23,518,608	\$22,467,678	\$20,220,910	\$20,220,910
	-10.2%	-0.3%	-4.5%	-10.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3333.35; Section 371.10 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item supports the Cooperative Extension Service, which is operated by the Ohio State University Extension under its land-grant university mandate. The Extension Service is intended to help people improve their lives through research-based education including family and consumer sciences, 4-H youth guidance, community development, and agricultural and natural sciences. The service covers every one of Ohio's 88 counties and supports thousands of volunteers. The Extension Service was authorized by the federal Smith-Lever Act in 1914; the state subsidy was originally created in the early 1950's.

Ohio Board of Regents

GRF 235535 Ohio Agricultural Research and Development Center

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$37,174,292	\$35,408,514	\$33,998,918	\$34,000,000	\$30,600,000	\$30,600,000
	-4.7%	-4.0%	0.0%	-10.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3335.56; Section 371.10 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item supports the Ohio Agricultural Research and Development Center (OARDC), which is the research arm of the Ohio State University's College of Food, Agricultural, and Environmental Sciences. To carry out its land-grant university mandate, OSU operates OARDC and various agricultural research and development initiatives to help Ohio's agricultural industries improve their competitiveness and profitability. Located at 12 Ohio facilities in addition to OSU's main campus, OARDC is active in various basic and applied research areas, such as agricultural, environmental, and development economics; food, agricultural and biological engineering; food science and technology; horticulture; and human and community resource development. The Ohio Agricultural Experiment Station was created in 1882; the station was renamed OARDC in 1965 and it became part of OSU in 1982.

FY 2012 - FY 2013 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
BOR Ohio Board of Regents - Agriculture								
GRF	235402	Sea Grants	\$ 300,000	\$ 300,000	\$ 270,000	-10.00%	\$ 270,000	0.00%
GRF	235511	Cooperative Extension Service	\$ 23,518,608	\$ 22,467,678	\$ 20,220,910	-10.00%	\$ 20,220,910	0.00%
GRF	235535	Ohio Agricultural Research and Development Center	\$ 33,998,918	\$ 34,000,000	\$ 30,600,000	-10.00%	\$ 30,600,000	0.00%
General Revenue Fund Total			\$ 57,817,526	\$ 56,767,678	\$ 51,090,910	-10.00%	\$ 51,090,910	0.00%
Ohio Board of Regents Total			\$ 57,817,526	\$ 56,767,678	\$ 51,090,910	-10.00%	\$ 51,090,910	0.00%