

# **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
- Flat funding in FY 2014 and FY 2015
- Sea Grants funding eliminated

## OVERVIEW

### The Board of Regents' Agricultural Programs

Within the budget for the Board of Regents (BOR) are two 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 two appropriation items are the following:

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

These two items are entirely supported by the General Revenue Fund (GRF). As Table 1 below shows, for the appropriation items combined, the executive budget recommends flat funding of \$55.3 million for FY 2014 and FY 2015. At these appropriation levels, these items constitute 2.3% of the executive's recommended total BOR budget for the FY 2014-FY 2015 biennium.

	FY 2013 (estimated)	FY 2014	% Change FY 2014-FY 2015	FY 2015	% Change FY 2014-FY 2015
<b>Total BOR – Agricultural</b>	\$55,320,910	\$55,320,910	0.0%	\$55,320,910	0.0%
<b>Total BOR Budget</b>	\$2,374,444,407	\$2,374,605,244	<0.1%	\$2,421,827,850	2.0%
<b>Total as a Percentage of Total BOR</b>	2.3%	2.3%		2.3%	

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 2012 represented less than 50% of their budgets: 39% for OARDC and 34% for the OSU Extension. OARDC and the OSU Extension Service are not funded by student tuition or State Share of Instruction (SSI) funding.

## **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 11 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.

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.

## **Sea Grants**

The executive budget eliminates GRF appropriation item 235402, Sea Grants, from the BOR budget. The Sea Grants appropriation item supported the Ohio Sea Grant Program, with a mission to improve the development and management of Lake Erie. The Ohio Sea Grant Program is one of 32 Sea Grant programs in the National Oceanic and Atmospheric Administration's (NOAA) Sea Grant College Program, and a part of the OSU land-grant program. In FY 2013, item 235402 has estimated expenditures of \$285,000 and comprised 0.5% of the total appropriations for BOR's agricultural line items.

## 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.

Governor's Recommended Amounts for BOR – Agricultural				
Fund	ALI and Name		FY 2014	FY 2015
<b>General Revenue Fund (GRF)</b>				
GRF	235511	Cooperative Extension Service	\$22,220,910	\$22,220,910
GRF	235535	Ohio Agricultural Research and Development Center	\$33,100,000	\$33,100,000
<b>General Revenue Fund Subtotal</b>			<b>\$55,320,910</b>	<b>\$55,320,910</b>
<b>Total Funding: BOR – Agricultural</b>			<b>\$55,320,910</b>	<b>\$55,320,910</b>

### 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 and workforce 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 250,000 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 flat funding in FY 2014 and FY 2015. The Extension is supported by the state through GRF appropriation item 235511, Cooperative Extension Service, making up approximately 34% of the Extension's \$65.4 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 2012, sponsored grants and contracts made up 13% (\$8.7 million) and private contributions made up 3% (\$2.2 million) of the Extension's budget. Approximately 82% of the Extension's FY 2012 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 11 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 2012, OARDC's research portfolio included more than 400 research

projects, with primary focus in three areas: advanced bioenergy and biobased products; environmental quality and sustainability; and food security, production, and human health. Such research is funded in part by \$161 million in research grants and contracts and nearly \$4 million in industry sponsored projects. OARDC estimates that each dollar of state funding leverages another \$1.60 of investment from other sources.

For OARDC, the executive budget recommends flat funding for FY 2014 and FY 2015. In FY 2012, state and federal funds provided nearly half (48%) of the revenue for OARDC. Grants, gifts, and service contracts provided 42% of FY 2012 revenues and the remaining 10% came from sources such as endowment interest, sales of research products, overhead, and fees. In FY 2012, OARDC spent 77% of its operating budget on salaries, wages, and benefits.

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## Ohio Board of Regents

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### General Revenue Fund

#### **GRF 235402    Sea Grants**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$300,000	\$300,000	\$285,000	\$285,000	\$0	\$0
	0.0%	-5.0%	0.0%	-100%	N/A

**Source:** General Revenue Fund

**Legal Basis:** Discontinued line item (originally established by Am. Sub. H.B. 291 of the 115th G.A.)

**Purpose:** This line item provided funds to help support the Ohio Sea Grant 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$23,518,608	\$22,467,678	\$22,220,910	\$22,220,910	\$22,220,910	\$22,220,910
	-4.5%	-1.1%	0.0%	0.0%	0.0%

**Source:** General Revenue Fund

**Legal Basis:** ORC 3333.35; Section 371.10 of Am. Sub. H.B. 153 of the 129th 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$33,998,918	\$33,998,918	\$33,098,918	\$33,100,000	<b>\$33,100,000</b>	<b>\$33,100,000</b>
	0.0%	-2.6%	0.0%	<b>0.0%</b>	<b>0.0%</b>

**Source:** General Revenue Fund

**Legal Basis:** ORC 3335.56; Section 371.10 of Am. Sub. H.B. 153 of the 129th 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 11 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 2014 - FY 2015 Introduced Appropriation Amounts**

**All Fund Groups**

Line Item Detail by Agency			FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Introduced</b>					
<b>BOR Ohio Board of Regents - Agriculture</b>								
GRF	235402	Sea Grants	\$ 285,000	\$ 285,000	\$ 0	-100.00%	\$ 0	N/A
GRF	235511	Cooperative Extension Service	\$ 22,220,910	\$ 22,220,910	\$ 22,220,910	0.00%	\$ 22,220,910	0.00%
GRF	235535	Ohio Agricultural Research and Development Center	\$ 33,098,918	\$ 33,100,000	\$ 33,100,000	0.00%	\$ 33,100,000	0.00%
<b>General Revenue Fund Total</b>			<b>\$ 55,604,828</b>	<b>\$ 55,605,910</b>	<b>\$ 55,320,910</b>	<b>-0.51%</b>	<b>\$ 55,320,910</b>	<b>0.00%</b>
<b>Ohio Board of Regents Total</b>			<b>\$ 55,604,828</b>	<b>\$ 55,605,910</b>	<b>\$ 55,320,910</b>	<b>-0.51%</b>	<b>\$ 55,320,910</b>	<b>0.00%</b>