

RCAS Panel Discussion: How Budget Reductions Impact Funding of Farm Operations and Agricultural Research Stations at the Ohio Agricultural Research and Development Center (OARDC) , The Ohio State University

David A. Benfield, Ph.D.
Associate Director OARDC

Background on OARDC. OARDC is the research arm of the College of Food, Agricultural and Environmental Sciences and provides funds in collaboration with Cooperation Extension to support faculty research at both the Wooster and Columbus campus locations. OARDC also provides funds for operations of the central farm unit (Research Operations) on the Wooster campus and eight Agricultural Research Stations (AgRS). Funds for OARDC and Extension are line items in the state of Ohio budget and are provided on a biennial basis. These two line items provide 85% of the budget for the College of Food, Agricultural and Environmental Sciences. OARDC distributes approximately 70% of the budget to academic departments and the remaining 30% is used to operate the Wooster campus, including Research Operations and the AgRS. Structurally, OARDC has three systems of research farms: Departmental Research Farms, Research Operations and the AgRS in various locations throughout the state of Ohio.

Departmental Research Farms. The Departments of Horticulture and Crop Science, Plant Pathology, Entomology, School of Environment and Natural Resources, and the organic foods research program operate farms as part of the OARDC campus. Animal Science also maintains a dairy operation and a farm for beef cattle and sheep research.

Departments and corresponding programs are responsible for the costs of personnel, equipment, supplies and other operating expenses for these farms. Central administration provides support through equipment funds and capital dollars for construction and renovation of facilities. Research Operations also provides departments with fuel, oil and repairs of equipment for the costs of parts. This decentralized system has been in operation for several years but due to budget reductions departments are now reducing personnel and operating budgets. As a result departments are now requesting discussions with administration about centralizing farm operations.

Research Operations. This service department is responsible for farm operations related to our animal facilities and land not managed by the academic departments. It also includes operation of a feedmill and maintenance of the grounds and arboretum on the OARDC campus. Since 2001 this group has lost 2.25 FTEs that have not been replaced due to budget recessions. This department is likely to see additional loss of personnel during the next biennial budget 2010-2011. In addition, the department

operating budget has been impacted by increased costs of fuel, fertilizer and other supplies. Costs for production of feeds by the feedmill have been increased to provide salary support for one FTE.

Agricultural Research Stations. There are eight Agricultural Research Stations throughout the state of Ohio. Since 2001 the stations have lost 7.90 FTEs due to reduced budgets. One station was closed in 2003 resulting in the forced retirement of one employee and the layoff of two employees and a sell-off of one of the research beef herds. Changes have been implemented in the operating budgets of some stations to allow use of revenue from the sale of excess research products. Formerly, receipts from these sales were retained centrally but now are deposited into an operating account for the location that generated the revenue. These dollars are used as operating funds to supplement the budgets of these locations. In addition, the research stations are relying more frequently on grant funds from faculty to supplement their operating budgets.

Budget issues at OARDC. Since 2001, OARDC has had six budget reductions as indicated in the list below. The overall impact is a budget that is approximately 20% lower than the budget received in 2001.

- FY 01 - \$387,309 (1%)
- FY 02 - \$2,323,853 (6%)
- FY 03 - \$910,176 (2.5%)
- FY 04 - \$1,433,208 (4.0%)
- FY 05 – FY 08 – level funding, 3.3% increase in FY 08
- FY 09 - \$1,765,779 (4.75%) in October, exempt for additional 5.75%
- FY 10-11 – Governor has indicated in State of State presentation that state line items may expect reductions of 10-20% with certain exemptions in higher education budget.

In addition to the state mandated reductions in annual rate, the budget has been impacted by internal reallocation of funds for salary and benefit increases ranging from 3 to 5%.

Impacts of budget reductions.

- Reduction in personnel and operating budgets at Departmental Research Farms

- Reduction in personnel and operating budgets for Research Operations and Agricultural Research Stations
- Each department attempting to maintain same level of services with fewer personnel and less operating dollars
- One research station closed
- Greater reliance on revenue from excess research products and funds from faculty research
- Faculty and their staff resume larger technical role in maintenance of research plots and data collection
- Increased level of frustration from farm managers of work load, lack of funding and desire to continue to offer quality service for research projects.
- More difficult to replace dated equipment, repair buildings and replace personnel

Future. Seeking a sustainable model to operate research farms to meet our mission and vision.

- Will continue to see either level or declining funding from state of Ohio
- Greater reliance on faculty research grants, indirect costs, private contracts and endowments as sources of operating revenue.
- Will need to develop a business plan that provides for generation of revenue to leverage annual rate
- Reduction in services offered by farm personnel and greater role for technical staff of faculty or department in field research
- Will probably see a centralization of departmental research farms and a reinvention of Research Operations to develop a sustainable model of land management of OARDC land base
- Possible future closures of locations or consolidation of programs to particular location depending on budget
- Greater need to tie research done on these farms to economic development or return on investment in the state. Legislators are looking for these opportunities and asking us to be accountable for appropriated dollars.