

# 2014 Testimony Before the Senate Higher Education Budget Subcommittee

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*Narrative*

## **I. Introduction**

Good afternoon. My name is Fred Poston and I am dean of the Michigan State University College of Agriculture and Natural Resources. I am supported in the room by the leadership of many agricultural commodity groups, who will be turning in cards related to this process.

I want to start by thanking Governor Snyder for recommending a 6.1% budget increase for higher education in his 2014–15 budget proposal. This increase will go a long way toward helping us regain some of the expertise and responsiveness we lost to budget cuts over the past several years. Such an increase would allow us to fill a few targeted positions in MSU Extension and MSU AgBioResearch, primarily in agriculture and 4-H.

I was not part of the College of Agriculture and Natural Resources when the 15-percent budgets cuts occurred, but I was the vice president of finance at the university at the time, so I am well aware of the challenges those cuts presented to the leadership of the college.

Please keep in mind that in addition to the 15% state appropriations cut, we have also

been living with flat federal funding for the last 2 years. Michigan counties have had their own revenue challenges during the economic down turn, where they have struggled to maintain their support levels for our programs.

In short, MSUE had to eliminate 72 Extension educator positions across 83 counties, 22 academic and faculty positions on campus, and 15 support staff positions. Administrative positions were reduced nearly 60 percent, from 45 to 19 FTEs. This personnel reduction was accomplished through retirements, resignations, layoffs and reassignments. It doesn't take a mathematical genius to see that changes this drastic don't allow us to deliver services in the same face-to-face format that people had been accustomed to.

The impacts to AgBioResearch came largely in the form of reductions in research infrastructure support. Investments in facility maintenance and equipment were postponed in an effort to avoid eliminating more than 45 research positions (faculty, support staff and graduate assistants). We saved these key positions by shifting state-funded salaries to federal funding. Despite these cost-shifting and cost-cutting measures, AgBioResearch did have to close one of its outlying research centers. Faculty positions that have opened within the last couple of years have not been filled unless they were extremely critical to our mission. There has also been a substantial loss of funds to seed research on emerging issues on state, national and international levels.

We have had to restructure. Many of our constituents were very upset with us when their favorite programs or research areas were changed or eliminated. Many of the trusted relationships people had with their county MSU Extension educators changed or went away.

As a result, some people began questioning our commitment to agriculture, and we began having some major relationship problems with the industries we serve. That's when Dr. Simon, the university president, asked me to go back into my old job as dean of the college and sort things out and to try to regain stakeholder confidence.

I can tell you, the problems I found were problems of perception rather than reality—uninformed rumor mills spinning out of control and feeding on each other. One of the biggest was that CANR at MSU had abandoned the land-grant mission. That notion really hits our people hard when you know it's not a bit true.

I quickly reached out to commodity groups and other partner organizations, listening and allaying fears as best I could. And I think that effort was largely successful. I also felt we needed to get out around the state and talk to more people—to let them share their concerns. We called it the “What's Now? What's Next? Tour”—a set of 13 open-forum meetings all around the state. The CANR leadership team was there to listen to our stakeholders and correct any misperceptions. I also wanted people to meet and talk

with the dedicated leadership we have in the college, which has essentially always been in place doing great work despite deep, deep budget reductions.

At these open forums, we were able to immediately address some of the rumors and misperceptions. Anyone who attended a forum now knows that those rumors and misperceptions are just that. We are NOT moving away from our land-grant mission and support of agriculture. Enrollments in the college are NOT down. Nothing could be further from the truth.

The big takeaway for this committee is that people still have very big expectations of us. Those expectations are what drive their passion, which is a great asset for our teaching, research and Extension programs.

At every forum, people expressed their gratitude for showing them the respect of traveling to meet and listen to them. They acknowledged that this isn't something that they experience from other institutions of higher education in the state, nor do they expect it from those institutions. But they expect it from us. They hold us to a higher standard, and we aim to please.

Across the board, what the college really has to offer is our creativity in teaching, research and Extension programs. We continue to be the R&D department for the agriculture and food industries, and on an amazing number of topics for the people of

the state. The impact of our research often requires decades to clear the pipeline. As an example, after 25 years of leading-edge breeding research, we now have new varieties of potatoes and cherries on the horizon.

From another perspective, in the current bare-bones mode, we risk not having the resources to respond to new problems that arise in the state.

**II. Specific question from higher education appropriations committee, question 8.**

***“Three years ago MSU developed a plan to deal with state funding reductions for AgBioResearch and MSU Extension. Please provide a summary of the specific reductions that were made and the impact on a by-county basis. Include specific information comparing the level of services provided before the implementation of the restructuring, and level of services provided today.”***

In question 8 you asked for a summary of specific reductions and their impacts by county. But that’s just it we had to restructure. The question is asking to compare apples and oranges. We no longer have the resources, nor do we think it is wise, to hire generalist Extension educators for each county.

Instead, we have highly specialized Extension educators (most with master's degrees or doctorates) throughout the state. Yes, they are housed in county offices. Yes, they provide education in the counties. But they don't only deliver education inside one set of county lines. Instead, they are highly specialized and work in teams to ensure that we are delivering quality education to all residents.

Most Extension educators now cover multiple counties, and some cover the entire state. We feel that this network of more than 280 specialized professionals does a better job of providing high-quality information than ever before. And, as it turns out, the problems and challenges we tackle rarely respect county lines anyway.

We recognize that this new approach still presents challenges for our local partners. Our MSU Extension director and his administrative team are working diligently to address those concerns and to adjust the new approach to ensure accountability at the local, state and federal levels.

We've managed through tough conditions, when we've had little flexibility, to ensure that we remain fiscally responsible. At the same time, we've moved to re-establish some flexibility in our financial management so we can be prepared to address emerging and unexpected challenges. Challenges such as the freeze and drought of 2012, the increasing threats to bees and other pollinators that are so important for many of our

farmers, and the recent onset of yet another epizootic infecting swine herds in Michigan.

As for research, we have struggled with a lack of flexibility in financing our projects, many of which are long-term endeavors that can span a decade or more. AgBioResearch continues to delay necessary maintenance to several facilities and has held off on filling vacant positions. In early 2013, we closed the Muck Research Center in Laingsburg. Two other research centers were also reviewed for decommissioning in light of the budget situation. Fortunately we have been able to hold off on closing any other of our research facilities.

Today we operate 13 outlying facilities that generate key findings for nearby growers such as:

- Dry beans and sugar beet studies in the Saginaw Valley
- Vegetable and grape studies down in Benton Harbor
- Cherry findings at our facility up in Traverse City
- Dairy production in Kalamazoo
- Beef cattle and local food systems in the Upper Peninsula--to name just a few.

These research facilities serve as testing grounds for the state's food and agriculture community, now a \$96 billion industry. The research findings equip growers with the tools they need to safely and securely produce and supply food to people in Michigan and around the world.

### **III. What we are accomplishing in spite of the previous budget reduction?**

Now that I've covered what we've been up against, let me speak for a moment about the great things we are accomplishing in spite of the recent appropriations history.

Over the last year we have made significant changes to reinvigorate the research at the Upper Peninsula Research and Extension Center in Chatham. We've aligned it closely with similar research happening downstate at our Lake City Research Center. We are fortunate to have excellent researchers, who by nature tend to be extremely resourceful, working at each of the facilities to help in these challenging times. And challenging times or not, the commodity organizations in the state continue to express a desire for more research, not less. Expectations remain high and we continue to deliver valuable results.

In fiscal year 2012–13, AgBioResearch secured more than \$66 million in external



contracts and grants from such federal agencies as the U.S. Department of Agriculture, the National Science Foundation and the U.S. Agency for International Development.

Some recent accomplishments include:

- Advancements in clean-up methods for Superfund hazardous waste sites – 67 of which are located in Michigan.
- Discoveries that could hold the answer to stopping deadly mosquito-borne diseases such as malaria and dengue fever
- New methods of connecting local agriculture producers with local distribution hubs, an endeavor particularly important to this state, where agriculture is the second leading industry, next only to manufacturing.

We have increased our **electronic footprint** so we can reach your constituents where they are: in their homes, in their offices or on their tractors via their smart phones. Since redesigning the MSU Extension website in April 2012, we have had 1.6 million unique visits to our robust collection of educational content. That far surpasses the number of phone calls to our county offices.

We have helped to bridge the farm-to-fork knowledge gap through the MSU Extension **Breakfast on the Farm** program. Since 2009, we have joined with our industry partners

to welcome more than 54,000 people to farms throughout the state, and helped them learn about modern food production.

We created an **internship program** through MSU Extension that provides the next generation of agriculture and agribusiness professionals with hands-on career experience. In 2013, our educators prepped seven students for the workforce through real-life field experiences. Six of those seven interns did not come from farms. The program was so successful that we will expand to 20 internships in 2014.

Our **4-H and youth development** programs also help prepare students for high-demand careers related to **science, technology, engineering and math** (STEM). In fact, research shows that 4-H'ers throughout the country are 40 percent more likely to pursue careers in science than their peers. And when Michigan 4-H'ers graduate from high school, they attend college at a 77-percent higher rate than their peers.

Our 4-H program declined in the wake of the budget and staff reductions. We went from 186,576 youth enrolled in 2010 to 176,199 in 2012, but began to rebound in 2013, with 200,818 youth reached that year.

### Youth Audience Reached by MSUE Programs

Year	Total Youth (duplicates removed)	Total Volunteers	Adult Volunteers (subset of Total Volunteers)	Youth Volunteers (subset of Total Volunteers)
2013	200,818	26,642	19,313	7,329
2012	176,199	26,700	20,324	6,376
2011	185,259	21,113	17,903	3,210
2010	186,576	24,457	21,382	3,075

The **MSU Product Center** is emblematic of the way MSU Extension and AgBioResearch work one-on-one with entrepreneurs to supply objective, evidence-based methods for starting and growing businesses. In fiscal year 2013, our counselors advised 482 clients—that’s two entrepreneurs every business day—which resulted in 73 new business ventures, more than \$3 million in total capital formation and 258 new or retained jobs.

The Product Center is also working diligently to establish the **Food Processing Innovations Lab**. This lab will help mid-sized companies develop new and improved products by allowing them to establish a commercial production line where they can test new procedures. It will also help us prepare our students for the workforce by giving

them unmatched hands-on experiences in food science.

In addition, we are:

- Developing new pest management practices to help organic and conventional growers.
- Assisting Michigan producers with sustainable disease management techniques.
- Targeting antibiotic use in agriculture to reduce the development of resistant bacteria.
- Finding ways to overcome herbicide-resistant weeds.
- Protecting water resources statewide.
- Restoring fish populations in the Great Lakes.
- Addressing climate change and helping farmers prepare for an uncertain future.
- Providing new preventive and therapeutic targets for foodborne diseases.
- Helping military families cope with the stress of deployment.
- Creating more green space in urban areas.
- Finding ways to persuade children to eat healthier diets.

And just last week Michigan State University proudly welcomed the President of the United States as he signed the 2014 farm bill on our campus. Prior to that event, we were able to show President Obama firsthand some of the outstanding research we have ongoing at MBI (Michigan Biotechnology Institute). He toured the MSU research facility and heard from a few of our leading scientists about advancements they're making in the field of bioenergy production. It's without a doubt an exciting time to be on the forefront of helping our state economy grow and prosper.

#### **IV. Future plans**

We are working on a new livestock initiative that will be modeled after the hugely successful plant science initiative called Project GREEN. That partnership between MSU, the Michigan Department of Agriculture and Rural Development (MDARD), and the plant-based commodity organizations in the state has been an excellent example of what can be done when industry and education work together. We must enhance our investments in livestock and reinvest in the market economy. In fact, through this initiative we're seeding research through two new positions in this particular area.

At this time I'd like (George or Kevin to talk about what he has been a part of in our work here...

Thanks George or Kevin...

The localized approach of MSU AgBioResearch and Extension has been stripped down to the bare bones. Now is the time to reinvigorate our facilities and our faculty. I'm happy to report that we've started to do just that. We are once again funding critical positions, especially those that cut across several disciplines, such as soil quality and disease management.

We hope to soon have a little more flexibility to fill some key needs in Extension. Additional investments will allow us to fill some of the gaps the budget cuts have generated at the local level, particularly in our agriculture and youth programs. We have had to be resourceful. Our nutrition, health, natural resources and community development programs have been successful in generating revenue from other sources to strengthen our programs in those subjects. But as you can imagine, we still have much to do on those topics.

Every dollar the state invests in AgBioResearch and MSU Extension generates additional funding from the federal budget and from external contracts, grants and other revenue sources to serve Michigan residents. In fiscal year 2013, the state invested \$54 million in MSU Extension and AgBioResearch. These organizations were then able to leverage those funds into an additional \$108 million. Our state appropriations are the baseline funds we need to make this leveraging happen for the people of the state.

Over the last 3 years we have been able to leverage every state budget dollar invested into \$2.19 in additional funding, generating a total of \$818 million in leveraged funds, community benefits and economic stimulus for Michigan residents. Overall the total impact of state appropriations in AgBioResearch and Extension was \$15 to every \$1.

From a college and university standpoint we are making investments in academic programs that will complement our efforts to strengthen food-processing enterprises. We are working to lead the state into building more state-of-the-art capabilities to process the food we grow here that is otherwise sent out of state. Building this capacity and expertise will lead to thousands of new well-paying jobs in Michigan.

In closing, the 6.1% increase that Gov. Snyder has proposed will help us to accelerate and further strengthen our improvements at the local level so that we can reach more people more efficiently and with greater impact on their ability to prosper.

On behalf of the college, AgBioResearch and MSU Extension I would like to express our appreciation for the support of the Governor, the legislature county officials and the commodity group leadership represented here today.

We look forward to building a stronger economy in Michigan with a continuation of that support.

Thank you.