

The Land Grant Mission and State Funding Issues

- Is It Obsolete?
- Do we still meet 21st Century Needs?
- Is there still a partnership with CSREES?
- How will the proposed changes in Federal Funding impact the SAES's?

Higher Education prior to 1862

- Elitist - Education was “State’s Right” - not a Federal matter
- Morrill Act of 1862 – Created in the belief that American social and economic development was best served if higher education was made broadly available.
- Established a public, federally-assisted system of higher education

Morrill Act of 1862

- A bold new experiment – a Profound innovation
- The result was a “*quiet revolution*” that changed the landscape of the Nation
- The first social contract between this nation and her citizens – Think about it!
- Creation of “Peoples Colleges” – Unheard of!

Hatch Act of 1887

- Congress created a research and experimentation effort focused in the public interest. Divested and shared the research and discovery efforts with the states and their newly formed colleges. The beginning of the partnership.
- Congress understood the vast regional differences that impacted American agricultural production
- First effort toward establishing the role of government in stimulating local or regional economic growth and development

Smith Lever Acts of 1914

- Created out of a need to disseminate information for the “Public Good”
- Congress created a new and truly unique funding mechanism that established a three-way partnership

The Central Theme

- LGU's have always broken with tradition and pursued the non-traditional
- Accessibility, research and discovery and information dissemination in the public interest, along with engagement of stakeholder's is our *Hallmark*
- It's what makes us different!

Challenges of the 21st Century

- Will the LGU's (SAES's and CES) and their historical partner (USDA-CSREES) remain a critical part of the educational landscape?
- Will the next generation of leadership any longer recognize and understand the history and evolution of the LGU and its relationship with its Federal partner?
- What are the challenges we face?

What are the Challenges?

- Funding
- Mission creep
- Inaccessibility
- Insufficient flexibility to respond rapidly to timely issues of the day
- Growing elitism
- Public good vs. private benefits
- Can the LGU's be reshaped to meet 21st needs

It's Not a System!

- We do not make unified decisions
- Our Chancellors and Presidents really do not work together
- We've become stratified – We all want to look alike, and do the same things
- We focus too much on rankings.
- YES, ***RANKINGS!***

Nor is it a Partnership!

- Partner
 - One of a pair or team
 - Associated with one another in a common activity
 - Implies equality of activity. A relationship in which each person (association) has equal status and yet a certain independence
 - An ally in a common cause
- How do you define the state/federal relationship and is it really a partnership?
- Does CSREES really want a partnership?

Have we Lost Sight of our Fundamental Societal Responsibilities?

- Are we still interested (committed to) in measuring the impacts of meaningful social change?
- Are institutional rankings more important than social change?
- Have we lost sight of the needs of the learner?

“Public Good” vs. “Private Benefits”

- This is the heart of the issue
- Contributions of the LGU are no longer viewed by policy makers / decision makers as impacting the public good

Rediscovering our Comparative Advantage

- What can we do best in light of 21st Century realities?
- How do we create partnerships and collaborative arrangements to maximize efficiency? And that are real partnerships?
- How do we persuade the general public that investments in higher education will result in payoffs that are worth accruing? That benefit society?
- It's bigger than formula funding!

The Bottom Line

- Are we addressing important stakeholder identified needs? Could we and would we continue to do so with new funding arrangements.
- Are we successful in development programs for new and / or nontraditional audiences?
- Are the SAES and CES programs on our campuses central to the mission of the University? A really important question!
- Are we still accountable to our stakeholders?

-- Switching Gears --

The President's '06 Budget Proposal

- No need to reiterate the numbers in the President's Budget Proposal
- What would be the impacts from the LGU / SAES / CES point of view?
- Short and Long-Term
- Fiscal, Programmatically and on Personnel

Financial Impacts of the President's '06 Budget Proposal

(millions)

Region	Hatch	McIntire -Stennis	Animal Health- Disease	Total Federal	State Funding Leveraged*
Northeast	29.4	2.7	0.368	32.5	83.36
North Central	50.2	3.2	0.981	54.5	310.8
Southern	53.7	6.8	1.09	61.7	363.8
Western	30.2	4.3	1.02	35.6	275.6

* estimated

Impacts on Personnel

Region	Faculty	Staff	Others	Total	Graduate Students
Northeast	201	335	141	667	406
North Central	203	363	175	741	606
Southern	591	354	245	1190	546
Western	213	152	145	510	450
Total	1208	1204	706	3108	2008

* estimated

Potential Impacts on LGU/SAES Programs

- Potential loss of several *hundred* research programs/projects
- Potential loss of multidisciplinary teams and efforts
- Elimination or downsizing of the Multistate Research Program
- Reduced capacity of respond to emerging issues
- Loss of infrastructure, e.g., farms and field stations
- Loss of long-range field sites
- Reduction in operation funds, resulting in institutional inflexibility

Impact on State Leverage

- Overlooked in the current discussion
- Formula funds would no longer be available to leverage state and private funds
- Elimination of many in-house SAES competitive grant programs
- Fewer funds would be available to meet future cost share requirements
- *State required matches would be at risk*

Long-term Impacts not Replaced with Competitive Grants

- Significant losses in current human capital
- Significant losses in the training of future scientists, resulting in critical shortages in several scientific disciplines
- Loss in the capacity to acquire and maintain expensive research equipment would be significantly impacted
- Facility closures – once closed the loss is permanent

Long-term Impacts not Replaced with Competitive Grants

- Teams that have been successful in leveraging funds from grants and producer groups may be curtailed, if the full compliment of members is no longer available
- Without federal formal funds that require the state match, the state and/or university may no longer feel obligated to provide current levels of support to the SAES and may choose to reallocate funds

Indirect Impacts on Educational Programs

- Potential program eliminations
- Recent gains in minority faculty recruitment would be lost
- Robust undergraduate and graduate programs will be significantly curtailed
- Inability to recruit top flight graduate students
- Losses in graduate student support would significantly impact the research mission of our colleges

Impacts on Extension Programs

- Severe impacts to extension programs through loss of faculty who hold joint research-extension appointments
- Reduced ability to move research out of laboratories and test plots into the hands of producers and stakeholders
- Current efforts to increase integrated programs would likely be curtailed significantly
- Can CES function without an effective SAES system?

Competitive vs. Formula Funds

- SAES directors support the increase in competitive funding, via the NRI
- What makes this system so efficient is the “blended” or “mixed” portfolio
- Formula funds are part of the “Foundation” or “Base” funds, without which many SAES’s would cease to exist. Do we need to redefine Formula funding?
 - Is it important to have a full compliment of SAES’s?

Lets Talk about Science Quality

Grants vs. Formula

- If we compare the value and return from science in two large sectors of society – Agriculture and Medicine, what can we learn
 - Americans pay a *higher* percentage of their GDP for health care products and services than any other developed nation
 - Americans pay a *lower percentage* of their GDP for food and fiber products and services than any other developed nation
- Why is this?

Why?

- It (may?) relate to the decision-making process that impacts funding
 - Medical sciences are *highly evolved, scientific-merit focused, curiosity-driven*, largely federally financed competitive grants to universities
 - Conversely, Agricultural research is largely *formula funded, curiosity and relevancy-driven*, with highly consultative processes involving state, county, federal , university and agribusiness interests

What are the differences?

- Medical research has focused on understanding disease in humans and using this knowledge *to help individuals recover*
- Agricultural research has focused on understanding how crops grow and using this knowledge *to feed a growing population*

Comparative Analysis of Agriculture and Medicine

AGRICULTURE

- 9% of US Domestic economy
- Formula based, curiosity and relevancy-driven but administratively focused with state, county, federal, university, agribusiness partnerships for making funding decisions
- Large regional differences

MEDICINE

- 14% of the US Domestic economy
- Competitive, merit review, curiosity driven, largely federal financed and operated, competitive system for making funding decisions
- Substantial diversity in ethnic, racial, social, economic and lifestyles of patients

Comparative Analysis of Agriculture and Medicine - Focus

AGRICULTURE

- Outreach and extension activities to producers and consumers
- Maximizing production of marketable products
- Optimizing economic benefits and minimizing costs
- Education a well-qualified but largely non-licensed population of professionals

MEDICINE

- Maximizing quality in the biomedical sciences
- Sustaining human life through prevention, diagnosis and treatment of disease
- Education a well-qualified corps of licensed physicians and certified health professionals

Comparative Analysis of Agriculture and Medicine - Outcomes

AGRICULTURE

- Very good (High) quality agricultural research
- Feeding, clothing, and sheltering a large, diverse and growing population
- Lower per capita cost than in any developed nation

MEDICINE

- High quality biomedical research
- Highest quality of disease-diagnostic services in the world
- Higher per capita cost
- Less than desirable general availability of medical services compared with many other developed nations

Lessons Learned

- Competitive merit-review mechanisms for decisions about scientific research contributes to quality in both agricultural and biomedical sciences
- *Comparative merit review mechanisms for funding scientific research provide little assurance that an optimal value-return will be derived by society from that investment*

Lessons Learned

- *Returns are reaped only when discoveries are transformed into useful, robust, cost-effective, and readily available practices, products and services*
- Agriculture can learn from the medical sciences and invest a greater proportion of its research funds in competitive grants that are open to all creative minds

Lessons Learned

- Medicine can learn from agriculture by giving increased attention to educating citizens about the consequences of healthy lifestyle choices and by minimizing costs and optimizing social and economic benefits to individuals and society as a whole

Formula vs. Competitive Grant Systems of Decision-Making

“The productivity of agricultural research judging from historical rates of return has been high. This places a heavy burden on those who would argue for the shift of resources from institutional to project support to demonstrate that such a shift would either enhance the productivity or the existing level of research support or draw substantial new resources into the agricultural research system”

Bredahl, Brant and Ruttan. 1980. Amer. J. Ag.Econ. 62:371-383

Another Point of View!

“A mixture of both formula funding to provide reasonable stability, especially to long-term experimentation, must be coupled with the flexibility to pursue imaginative ideas (that) require a renewed investment. Greater firmness in administering formula funds and longer time frames for competitive grants would do much to increase the value of both systems”

... Krugman and Cowling, 1983

What's the Bottom Line?

- Increased funding for competitive programs is required
- Simply recasting the current formula funds into another competitive grants program is not the answer
- Our strength and the quality of agricultural research, outreach, academic programs and the resulting quality of life is the result of a blended portfolio of funding

One more Power Point!

- NPL's need to experience the SAES and understand the constraints.
- How are research priorities set? Where does the input come from? Use the SAES directors in a more formal manner.
- Role of NPL's in multi-state activities?
- NPL's and ED's need to meet annually.

Thank You

and

*Let's work to redefine the
Partnership and make it a real
Partnership!*