



Maine Board of Agriculture



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Budget Summit

August 23, 2024

Meeting Minutes

Attendees:

- Richard Rhodes III - Northeastern Regional Association of State Agricultural Experiment Station Directors
- Leigh Hallett – United State Department of Agriculture
- Zachary Schmesser – District Representative for Congressman Jared Golden
- Edie Smith – Regional Representative for Senator Angus King
- Carol Woodcock – State Office Representative to Senator Susan Collins
- Amanda Beal - Maine Department of Agriculture, Conservation & Forestry (virtual)
- Eric Venturini - Wild Blueberry Commission of Maine
- Kevin Woltemath – Agricultural Council of Maine
- Marge Kilkelly – Livestock Farmer other than dairy, BoA Chair
- Stephanie Burnett - UMaine Faculty Representative
- Philip Fanning - UMaine Faculty Representative
- Sebastian Belle - Maine Aquaculture Representative
- Ryan Dennet – Maine Organic Farmers and Gardeners Association (virtual)
- Jeannie Tapley – Maine Potato Board (virtual)
- Hannah Carter - UMaine Cooperative Extension
- Jim Dill - UMaine Cooperative Extension, Maine State Representation
- Jake Ward – UMaine Vice President for Innovation and Economic Development
- John Volin - UMaine Provost
- Kelly Sparks – UMaine Vice President for Finance and Chief Business Officer
- Joan Ferrini-Mundy - UMaine President
- Samantha Warren - UMS Director of Government & Community Relations (virtual)
- Amber Lambke - UMaine President’s Appointee
- Lee Hecker - Maine Agricultural and Forest Experiment Station, incoming BoA Clerk
- George Criner - Maine Agricultural and Forest Experiment Station, outgoing BoA Clerk
- Diane Rowland – Maine Agricultural and Forest Experiment Station

Introductions - Marge Kilkelly (10:00-10:10)

- Welcome, introductions, handouts dispersed, & agenda review

University of Maine Budget Process Overview - President Joan Ferrini-Mundy and CBO Kelly Sparks (10:10-11:00)

- Incoming undergraduate enrollment is up
 - Orono: F23 = 2,092 first year students; F24 = 2,541 first year students
 - Machias: F24 = 90 first year and transfer students
 - Reminder – UMaine’s budget is primarily dependent on tuition
 - Increased student numbers of a good indicator of increased tuition revenue for UM, but still need to determine actual credit hour enrollment



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- Major capital projects underway include improvements to Blueberry Hill Farm, new sawmill and classroom in DeMerrit Forest, and \$3.5M dairy barn at Witter Farm (\$1.2M of which came from UMaine's E&G reserves)
- Strategic Re-envisioning (SRE)
 - What do we want UMaine to be in five years?
 - Three phases: 1) Reflection & Re-envisioning (April - June 2024), 2) Prioritizing and Assessing (i.e., committees; July – September 2024), 3) Refining and Executing (October 2024 – February 2025)
 - Phase 2 – 13 working groups, Cooperative Extension (CES) has representation on 10
 - Phase 3 – End of September working groups should have 2-page summaries to share with larger groups (e.g., BoA) for their input.
- UMaine budget update
 - UMaine is responsible for balancing its own budget.
 - Expenses outweigh revenues. Thus, UMaine uses reserves to balance annual budget but is reducing how much reserve is used annually.
 - FY25
 - Education and general (E&G) expense budget = \$273.3M
 - Four primary sources of Revenue
 1. State appropriations = \$105.4M
 2. Tuition & fees = \$124.8M (net of financial aid)
 3. Indirect cost returns on research grants = \$22.2M
 4. Other sales/service/auxiliary revenues = \$16.0M
 - E&G match for MAFES and CES
 - MAFES = \$5.1M
 - CES = \$6.4M
 - Total = \$11.5M (4.2% of E&G budget)
 - FY26 – First round of budget discussions are underway but UMaine has not begun to build the FY26 budget.
 - Will be informed by SRE
- Questions & comments
 - President Ferrini-Mundy recommends specific Zoom sessions to cover topics such as external funding and indirect cost revenues
 - *How does BoA get input into budget that goes to governor?*
 - Responses
 - Current requests are very high level
 - Indicate general support for UMaine when governor releases budget
 - Ensure that when presenting budget, as many committees in Augusta can identify with what UMaine is asking
 - The board wants to provide support for UMaine but only with evidence that UMaine supports MAFES & CES

Maine Agricultural and Forest Experiment Station (MAFES) Budget Overview – Dean/Director Diane Rowland (11:00 – 12:00)

- MAFES budget is partially connected to the budget of the College of Earth, Life & Health Sciences (ELH) through E&G and the Maine Economic Improvement Fund (MEIF)



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- Two components of MAFES budget: 1) Federal capacity funding (Animal Health, Hatch, Multi-state, McIntire Stennis); 2) State required match (E&G, MEIF)
 - FY19 – FY23 federal capacity grants covered on average 20% of MAFES expenses annually
 - MAFES expenses in 2023 (example year) by category: 74% faculty & staff salaries, 19% facility operations, 3% PI support & startup, 0.4% capital (infrastructure & equipment), and 5% other operating expenses
 - These data can be found on the publicly available AD-419.
- Questions (in italics) from Board of Agriculture (BoA)
 - *What are the facility needs of the Farms?*
 - Repairs, replacement, and new facilities/equipment
 - *How are those prioritized?*
 - Needs are prioritized within each farm. Annually funding is dispersed to meet highest priority needs at each farm. Facilities & equipment needs are tracked, ranked, and carried over from year to year.
 - Priorities - Safety/code, research, teaching/student recruitment, energy saving, aesthetics.
 - *How are ongoing and capital expenses allocated in Budgets?* - Historically MAFES used carryforward, gift funds and some annual capital funding, approved loans, and a banking model for direct-cost recovery for capital projects. This model has **not** kept up with infrastructure needs and will be more challenging in coming years with use of most carryforward in FY24-25.
 - *Are costs associated with the Farms divided among MAFES and CE? Is there a formula?*
 - A direct cost recovery model is applied to MAAFES and CE for space use on farms. Service fees are set federally and applied to each farm. This revenue is a minor part of farm annual budgets.
 - *How is research grant money attributed across faculty researchers and units?*
 - UMaine allocates “credit” by PI, rather than by unit; that is decided at the time of proposal submission, by the proposal team. When totaling unit grant income, each unit counts contributions by faculty who are wholly or partially appointed in that unit. The Indirect Cost (IDC) for a grant is designed to cover facilities, library, admin, etc. and covers expenses such as university contracting, general counsel, financial reporting, etc. Starting in FY24, a portion will also be distributed to the PI and to the unit
 - MAFES faculty account for ~50% of ELH grants annually (FY20 – FY24)
 - ELH accounts for 28% - 43% (2019 – 2014) of UMaine doctorates conferred, a key component of maintaining R1 status
 - From 2023-2024 base funds, MAFES faculty produce \$23M in grants, funding 119 masters and 101 doctoral students
 - *State, federal, grants, tuition funds are the obvious revenue streams of the MAFES and CE. What are some of the other income sources and how can they be increased?*
 - Current and potential income sources – Industry contracts, produce/timber sales, royalties, fee for service (e.g., analytical lab), direct cost recovery, carbon credits, gifts and fundraising, and timber sales (primarily for scholarships)
 - *Congressionally Directed Spending (CDS) is becoming more important and significant. How are decisions made about CDS spending requests? How can BOA have input into that process? How can the BOA help support ag related CDS requests?*



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- Following a mid-October Call for Ideas, UMaine and UMS have an internal review for prioritization, then, in conversation with a consultant, they select projects to present to the delegation (~January).
 - BOA can engage with the Deans to propose ideas for review. BOA can receive relevant proposals and provide comments after submission.
 - Early conversations with the Deans and other UMaine leadership to develop ideas that will appeal to the delegation. Advocate through support letters for projects sent to the delegation.
- MAFES priority position needs – Soil Scientists (forest soils), Agroforestry Scientist, Horticulture Scientist, Aquaculture Feed Scientist, Biometrician, Small Ruminant Biologist, Blueberry Agronomist, Agricultural Economics, analytical lab staffing, and farm staffing (farm managers, tractor operators, technicians, etc.)
 - Questions & comments
 - *Is MAFES capital (equipment & facilities) budget line in-line with other university experiment stations?*
 - Yes
 - *Does UMaine have the ability to create endowment funds?*
 - Yes, and some are already in place.
 - CDS related comments
 - Legislators suggest reaching out to them so that they are aware when agriculture related.
 - UMaine consults with Cornerstone on CDS proposals
 - Generally suggested that UMaine reaches out to trade associations to help push CDS proposals related to agriculture.

UMaine Cooperative Extension Budget Overview – Dean Hannah Carter (12:45 – 1:15)

- Sources of funding – Example FY24
 - Budget = \$22.5M
 - 13% federal capacity funds, 29% G&E, 4% state, 3% county, 3% philanthropy, 34% grants & contracts, 1% MEIF, 6% operational income, and 7% 4-H camps
 - Funding remaining flat into FY25
- From FY23 to FY25 E&G funding is trending down
- Top awards FY24:
 - PFAS Analytical and Detection Center (\$5.0M)
 - PFAS Research: Informing Farm Management Decisions (\$3.0M)
 - Food Innovation Center (\$5.0M)
 - Tick Surveillance Program Expansion (\$1.5M)
 - Sustainable Wood to Fuel and Fish Feed, US Bioeconomy (\$1.5M)
 - Tick-Borne Disease Prevention (\$1.3M)
 - Note that the slide on major grants needed acknowledgment of participation from other colleges including Earth, Life and Health Sciences, and Engineering.
- Concerns
 - Unstable county funding
 - Inflationary pressures on both Federal Appropriations and match
 - Deferred maintenance on our facilities
 - Recruitment and retention of faculty and staff



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- The decreasing ability to address the needs of the state that we are uniquely positioned to respond to
- Opportunities
 - Targeted grants across several programmatic areas
 - Alignment with University SRE initiatives/ideas
 - Partnerships with other entities across campus, the UMS, federal and state agencies, non-profits, etc. on new positions and new ways to address needs
 - Building on our reputational brand as a trusted source of research, information and education
- Questions & comments
 - Are MAFES and CE allowed to dip into their within program reserves?
 - Yes, but it has to be planned (e.g., 3-years out).

Northeast Regional Association (NERA) of State Agricultural Experiment Station Directors: The Legacy and Future of the State Ag Experiment Station – Executive Director Rick Rhodes (1:45 – 2:15)

- Overview of history and legislation associated with the formation of Experiment Stations and Cooperative Extension programs.
- AgInnovation objectives:
 - “...promote the efficient production, marketing, distribution, and utilization of products of the farm...”
 - “...assure agriculture a position in research equal to that of industry...”
 - “...object and duty of the State agricultural experiment stations...to conduct original researches, investigations, and experiments bearing directly on and contributing to the establishment and maintenance of a permanent and effective agricultural industry...”
- Overview of Experiment Station regions and branches
- Roles of Experiment Stations: 1) research and innovation, 2) maintain closer relationship with CE, 3) education and training, and 4) address local, state, regional, and national needs.
- Impact of Experiment Stations: 1) advancing agricultural practices, 2) policy and regulation (fed by science), 3) collaboration with industry, and 4) economic impact (every \$1 invested in public agricultural research and development has historically generated \$20 in value; [USDA](#)).
- NERA roles - RSA for Hatch Multistate portfolio, information commons, “co-laboratory”, and representation
- Land grant university funding sources and proportions have largely gone unchanged over the past decade
 - The United States has maintained a consistent level of investment into public agricultural research and development over the past 20 years. Other developed countries are increasing their investment.
- Summary of regions’ State to Federal Match
 - North Central = 0.3 – 5x
 - Northeast = 0.2 – 3x
 - South = 3.5 – 17x
 - West = 0.6 – 11x
- Recommendations
 - Educate faculty on Land-grant
 - AES appt: limited duration
 - Relationship building
 - Stakeholders/Policy makers



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- Active advocacy
- Questions & comments
 - Is it normal for Experiment Station faculty to bounce between grants (e.g., Hatch to Multi-state)?
 - Yes
 - Do states with a higher ratio of matched funds have larger ag companies?
 - Yes

To-dos – Marge Kilkelly (2:15 – 2:30)

- Start online seminar series conducting deeper dives into subjects such as indirect-costs, grants, centers/institutions, etc.
- Get BoA input on SRE committee summaries
- Coordinate BoA Zoom meeting (to be recorded) to do a deeper dive into UMS structure (research institutes vs. MAFES vs. CE vs. etc)

New items - Marge Kilkelly (2:30 – 2:45)

- BoA meetings fall under the Public Meeting Statute. Future meetings need to be planned accordingly (e.g., public notices, etc.).
- BoA would like to hear from MAFES and CE staff via a survey.
- January tradeshow - BoA would like to have a booth
- Next meeting October 4 at Highmoor Farm, Monmouth, Maine