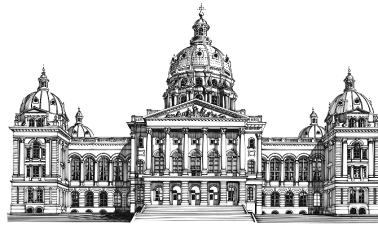

Iowa Legislative Fiscal Bureau

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State Capitol
Des Moines, IA 50319
September 23, 1998

Iowa State University Cooperative Extension Program

ISSUE

This *Issue Review* provides a history and background of the Iowa State University Cooperative Extension Program and identifies ongoing changes and plans for the future.

AFFECTED AGENCIES

Iowa State University, 99 counties

CODE AUTHORITY

Chapter 266, Code of Iowa

BACKGROUND

Creation: While the federal legislation in 1862 creating the Land Grant College system prepared Iowa State University for its agricultural emphasis, in 1906 the Iowa General Assembly approved the Iowa Agricultural Extension Act, which was the first state legislation in the nation establishing state extension work, providing assistance to local rural areas. The Act provided funds for demonstration projects. Soon to follow was the Iowa Farm Aid Association Act in 1913, which permitted each county to appropriate funds for county extension efforts. The federal Smith-Lever Act was approved in 1914, which further developed the local efforts. Federal funds were provided, dependent upon a state providing matching funds.

In 1955, the Iowa County Agricultural Extension Law created county extension councils as the local governing boards and established local taxes for certain costs. In 1990, legislation specified uniform council membership and county at-large elections were initiated.

The Iowa State University (ISU) Cooperative Extension Program continues to cooperate with the United States Department of Agriculture, Cooperative State Research, Education, and Extension Service. Four of the six program areas operated by the ISU Cooperative Extension Service receive federal support. These four areas, agricultural and natural resources, families, communities, and youth/4-H are common amongst most of the extension programs in the country.

History: By 1918, each Iowa county had a Cooperative Extension position for agricultural assistance. Soon following, positions for home economics and 4-H programs were added at the local level. The ISU Cooperative Extension Program indicates that the following principles have provided guidance for the Program:

- Make the knowledge base of the Land Grant University available to the citizens of Iowa.
- Improve the lives of people through education.
- Share responsibility for local programs with the local elected council.
- Nurture the partnership concept.

The number of persons served by the Cooperative Extension Program has increased the past five years, as well as the funding from various sources. Although federal funding has remained constant, local, state, and private funding have increased. See **Attachment I**.

Area or County Offices: There are seven area offices and outreach centers and an office in each county, with two office locations in Pottawattamie County. There is at least an Extension Education Director and an Office Assistant in each county, and counties with larger or more diverse populations have additional staff. These additional staff are typically Field Specialists and Program Assistants. Thirty-five percent of the Extension personnel are located on the campus of ISU and 65.0% are located in area or county offices.

Local funding includes a property tax levy which varies depending on the population of the county. The range is from 20 ¼ cents per thousand of valuation to 5 cents per thousand. The local extension council has the authority to approve this levy. A referendum allows an additional levy authorized in Section 176A.10 of the Code of Iowa and specifies the levy amount which is based on population. **Attachment II** shows the area office locations and the 59 counties which have approved the additional levy.

Other States: Each state has a cooperative extension service. Funding ratios from federal, state, and local sources vary, as well as organizational methods. Iowa ranked 38 of 57 states and territories in the percent of direct funding to extension provided by state government in FY 1996. This does not include funding from the general university line-item which ISU utilizes for Extension purposes. **Attachment III** shows the national comparison of funding.

CURRENT SITUATION

Mission: The current mission for the ISU Cooperative Extension Program specifies that “the Extension Program is a client-centered organization that provides research-based, unbiased information and education to help people make better decisions in their personal, community, and professional lives.”

Current budget: The FY 1997 budget indicates that of the \$58.4 million expended, 17.5% was from the federal government, 40.0% from State resources, 16.7% from counties, 14.2% from grants, and 11.6% from user fees. **Attachment I** provides a historical perspective of funding since FY 1965, when the budget was \$6.4 million, with 30.6% from the federal government, 30.0% from state resources, 26.5% from counties, 6.2% from grants, and 6.8% from user fees. **Attachment IV** shows the FY 1995 and FY 1997 budgets for the six program areas and administration costs for the Cooperative Extension Program.

Current numbers served: Various measures of service can be made regarding the ISU Cooperative Extension Program, such as for FY 1997:

- 879,600 clients attended Extension-sponsored educational events.
- 499,200 individuals contacted Extension staff via the telephone.
- 349,200 people received one-on-one consultation with Extension staff.
- 229,200 individuals visited their local Extension office.
- 260,000 enrolled in non-credit conferences, courses, or special programs.
- 128,000 producers and agribusiness personnel attended 3,200 Extension education sessions.
- 180,000 young people were enrolled in the 4-H Youth Development Program.

In addition to the four program areas previously delineated, the ISU Cooperative Extension Program also has staff for an Extended and Continuing Education Program and a Business and Industry Program. Most staff for these two programs are located on campus and both Programs are unique to Iowa compared to most other states.

Current relations with federal government/private entities: The relationship with the federal government remains one of partnership and cooperation. The ISU Cooperative Extension Program is part of a national network including the United States Department of Agriculture, 105 land-grant institutions, and 3,000 county programs. Expansion efforts of working with private entities has taken place with the development of the Business and Industry program area. After working with the Iowa Manufacturing Technology Center in 1997, 20 companies reported a total increase in sales of nearly \$4.5 million, 14 companies reported labor costs savings of more than \$500,000, and 35 companies made capital investments of nearly \$3.8 million as a result of working with Extension personnel.

Extension 21 uses of money: For FY 1999, the Iowa General Assembly appropriated an additional \$150,000 for a food, fiber, and environmental science program and \$766,000 for value-added agricultural products as a part of the Extension 21 Program, compared to the appropriation for FY 1998. The ISU Cooperative Extension Program indicates that the money is budgeted for FY 1999 for the following projects:

- \$150,000: Beef Center and related Animal Science projects.
- \$200,000: Iowa Grain Quality Initiative.
- \$100,000: Pork Industry Center, which replaces a FY 1998 Extension allocation to fund federal salary increases in FY 1999.
- \$100,000: Extension Field Specialists:
 - Value-added production enterprises.
 - Developing the dairy industry in western Iowa.
- \$216,000: Value-added projects by field staff, based upon a competitive internal grant process.
- \$150,000: Food, Fiber, and Environmental Science Educational Initiative.

Use of Faculty/Staff: Attachment V shows the planned use of \$8.6 million of the FY 1999 Extension budget within the eight colleges of ISU. The data for the FY 1998 budget was similar.

These faculty and staff are used for various Extension programs within the six program areas and related research.

Future plans: The ISU Cooperative Extension Program indicates that it plans to:

- Increase the share of the budget from contracts, grants, tuition, and user fees, a current trend. See **Attachment VI**.
- Restructure projects, to increase financial accountability and yet allow local flexibility.
- Increase the use of advanced communications technology.
- Continue to have close contact with the Iowa citizenry.

ALTERNATIVES

1. Review the program areas. Study the need for six program areas and the current split of funding between the six. See **Attachment IV**, with percentages ranging from 38.1% for agriculture to 3.5% for Extended and Continuing Education.
2. Encourage ISU to not use new specific funding by the General Assembly for value-added products to supplement salaries from federal funding.
3. Continue to encourage the Cooperative Extension Program to increase its budget share for contracts, grants, and user fees.

BUDGET IMPACT

1. For example of Alternative #1, reducing the "Communities" Program area by one-half would allow for \$2.7 million to utilize for another purpose by the Cooperative Extension Program. Allowing flexibility regarding reallocation of these funds internally within the Extension Program may enhance the restructure of existing internal efforts, as is indicated in future plans for the Program.
2. Encourage ISU to not use new specific funding by the General Assembly for value-added products to supplement salaries from federal funding. The General Assembly and the Board of Regents have agreed not to appropriate state dollars for federal program salaries. With the reallocation of \$100,000 from the Pork Center FY 1998 budget to fund FY 1999 federal salary increases in other areas of the Cooperative Extension Program, the new FY 1999 \$100,000 for the Pork Center from the value-added allocation from the General Assembly, the Pork Center's FY 1999 budget equals the FY 1998 budget.
3. Continuing to increase the portion of the budget funded by outside grants and user fees should be commended. Since FY 1994, user fees have increased by 24.9% and grants have increased by 72.0%.

NOTE: The staff of the ISU Cooperative Extension Program provided the information for the purposes of this **Issue Review** in addition to what is available at the ISU Extension website at www.exnet.iastate.edu.

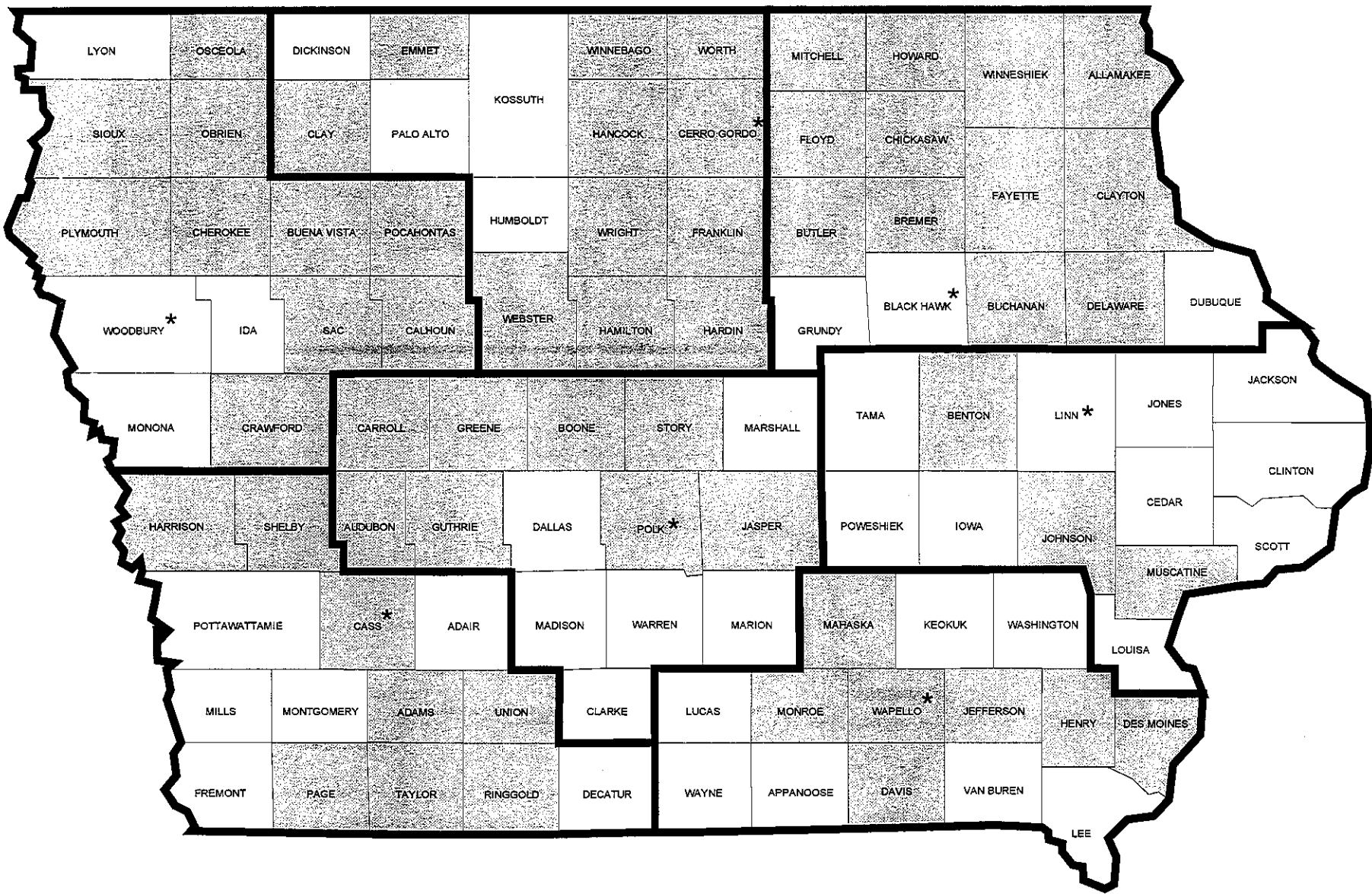
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Iowa State University Cooperative
Extension Program

Cooperative Extension Budgets

Revenue Sources	FY 1965	FY 1975	FY 1985	FY 1995	FY 1996	FY 1997
Federal Formula						
General	\$1,944,605	\$3,226,448	\$6,177,288	\$8,293,925	\$8,182,900	\$8,135,405
Specified	19,655	1,400,148	1,584,893	2,018,716	2,085,896	2,072,133
	30.6%	32.4%	23.8%	19.0%	18.3%	17.5%
State						
Cooperative Extension	1,914,664	4,402,435	11,006,313	18,272,813	19,070,498	19,991,452
University Transfer		1,387,278	2,228,460	2,743,872	2,865,640	3,173,277
Special Appropriation	11,573	0	0	140,713	146,181	227,555
	30.0%	40.6%	40.5%	39.0%	39.3%	40.0%
County	1,698,752	2,733,960	6,322,450	8,910,364	9,272,377	9,741,078
	26.5%	19.2%	19.4%	16.4%	16.5%	16.7%
Grants	395,071	593,728	2,151,145	7,860,322	7,800,418	8,280,824
	6.2%	4.2%	6.6%	14.5%	13.9%	14.2%
User Fees	436,976	529,468	3,192,188	5,976,044	6,733,908	6,791,144
	6.8%	3.7%	9.8%	11.0%	12.0%	11.6%
Grand Total	<u>\$6,421,296</u>	<u>\$14,273,465</u>	<u>\$32,662,737</u>	<u>\$54,216,769</u>	<u>\$56,157,818</u>	<u>\$58,412,868</u>

County Extension Area and Levy Map



Approved additional levy

* Area offices

**SOURCES OF FUNDS ALLOCATED FOR COOPERATIVE EXTENSION WORK
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1996**

STATES	GRAND TOTAL	TOTAL FUNDS			FUNDS FROM NON FEDERAL SOURCES		
		FEDERAL FUNDS	TOTAL WITHIN STATES		STATE (ESTIMATED)	COUNTY (ESTIMATED)	NON-TAX (ESTIMATED)
Alabama	\$39,562,377	\$12,426,278	\$27,136,099	\$23,747,821	\$2,187,757	\$1,200,521	
Alaska	4,502,639	1,358,893	3,143,746	3,045,346	0	98,400	
American Samoa	1,174,310	909,310	265,000	265,000	0	0	
Arizona	10,830,465	2,657,465	8,173,000	6,888,000	664,000	621,000	
Arkansas	29,890,510	8,822,192	21,068,318	18,243,696	1,555,507	1,269,115	
California	66,306,939	10,536,939	55,770,000	38,808,000	10,427,000	6,535,000	
Colorado	20,077,657	3,577,266	16,500,391	8,595,109	7,518,182	387,100	
Connecticut	5,419,433	2,569,562	2,849,871	2,849,871	0	0	
Delaware	5,089,419	2,304,527	2,784,892	2,458,548	126,344	200,000	
Florida	51,605,032	8,288,160	43,316,872	21,985,859	20,051,347	1,279,666	
Georgia	59,470,146	12,310,275	47,159,871	30,115,599	9,245,624	7,798,648	
Guam	2,978,963	957,789	2,021,174	2,021,174	0	0	
Hawaii	5,351,202	1,628,571	3,722,631	3,722,631	0	0	
Idaho	13,448,037	3,112,046	10,335,991	7,817,600	2,518,391	0	
Illinois	40,941,953	11,440,766	29,501,167	21,813,981	5,367,397	2,319,789	
Indiana	35,194,554	9,560,979	25,633,575	13,086,606	11,882,341	654,628	
Iowa	44,858,769	10,019,519	34,839,250	19,414,250	9,175,000	6,250,000	
Kansas	38,327,327	6,270,103	32,057,224	14,837,784	13,488,500	3,730,940	
Kentucky	48,099,924	12,958,446	35,141,478	21,962,822	13,178,656	0	
Louisiana	30,852,903	8,827,904	22,024,999	20,655,708	647,367	721,924	
Maine	6,889,324	2,679,931	4,209,393	3,609,393	450,000	150,000	
Maryland	23,291,013	5,435,867	17,855,146	13,814,153	2,156,380	1,884,613	
Massachusetts	7,235,196	3,610,196	3,625,000	2,400,000	700,000	525,000	
Michigan	46,289,854	10,322,665	35,967,189	23,630,736	10,882,963	1,453,490	
Micronesia	1,609,836	990,950	618,886	75,000	450,000	93,886	
Minnesota	46,103,946	9,652,192	36,451,754	19,291,182	11,658,260	5,502,312	
Mississippi	32,331,716	10,714,580	21,617,136	18,347,492	2,161,644	1,108,000	
Missouri	35,418,033	12,163,288	23,254,745	15,911,406	3,893,136	3,450,203	
Montana	10,124,185	2,883,031	7,241,154	3,088,392	3,137,617	1,015,145	
Nebraska	31,353,562	5,576,914	25,776,648	15,367,084	6,989,240	3,420,324	
Nevada	9,642,609	1,450,158	8,192,451	4,300,967	3,891,484	0	
New Hampshire	7,547,130	1,931,539	5,615,591	3,240,540	2,042,029	333,022	
New Jersey	16,301,675	3,796,799	12,504,876	7,782,863	4,095,075	626,938	
New Mexico	12,103,988	2,694,914	9,409,074	6,929,495	1,877,579	602,000	
New York	66,412,945	11,654,073	54,758,872	10,044,616	22,556,762	22,157,494	
North Carolina	66,991,559	16,930,023	50,061,536	32,095,383	17,453,002	513,151	
North Dakota	13,003,864	3,913,864	9,090,000	5,240,000	2,950,000	900,000	
Northern Marianas	1,139,539	889,539	250,000	191,998	58,002	0	
Ohio	46,780,655	11,963,671	34,816,984	19,142,304	12,705,813	2,969,067	
Oklahoma	29,078,088	8,045,407	21,032,681	15,072,580	3,852,301	2,107,800	
Oregon	22,507,223	4,445,207	18,062,016	13,984,660	4,053,356	24,000	
Pennsylvania	32,550,392	12,360,392	20,190,000	13,289,000	6,901,000	0	
Puerto Rico	17,028,129	7,915,253	9,112,876	5,884,436	3,228,440	0	
Rhode Island	2,409,167	1,428,481	980,686	915,421	37,265	28,000	
South Carolina	31,754,558	8,878,854	22,875,704	20,566,804	1,502,000	806,900	
South Dakota	11,419,995	3,821,436	7,598,559	5,048,559	2,200,000	350,000	
Tennessee	40,449,431	12,923,917	27,525,514	20,911,000	6,433,014	181,500	
Texas	65,525,945	19,958,455	45,567,490	39,640,689	5,826,801	100,000	
Utah	11,753,447	2,102,605	9,650,842	7,442,000	1,935,766	273,076	
Vermont	5,635,282	2,016,512	3,618,770	3,318,770	0	300,000	
Virgin Islands	1,463,825	906,178	557,647	557,647	0	0	
Virginia	42,030,243	10,808,412	31,221,831	21,841,793	9,185,038	195,000	
Washington	24,641,615	4,855,514	19,786,101	11,306,545	6,642,839	1,836,717	
West Virginia	8,473,033	4,973,033	3,500,000	3,000,000	500,000	0	
Wisconsin	48,446,190	9,276,998	39,169,192	22,429,971	15,089,174	1,650,047	
Wyoming	7,311,896	1,776,128	5,535,768	3,608,225	1,927,543	0	
Other Distributions	43,708,072	43,708,072	0	0	0	0	
Grand Total	\$1,480,739,719	\$409,992,058	\$1,070,747,661	\$695,666,509	\$287,456,736	\$87,624,416	
District of Columbia	\$2,088,175	\$989,600	\$1,098,575			\$50,000	

**Iowa State University Extension
Expenses by Program Area**

Program Area	FY 1995		FY 1997	
Agriculture	\$21,090,323	38.90%	\$22,255,303	38.10%
Families	8,945,767	16.50%	9,346,059	16.00%
Youth	5,909,628	10.90%	5,958,113	10.20%
Communities	4,608,425	8.50%	5,315,571	9.10%
Business and Industry	5,096,376	9.40%	6,367,003	10.90%
Extended and Continuing Education	1,409,636	2.60%	2,044,450	3.50%
County Administration	1,138,552	2.10%	1,226,670	2.10%
General Administration	2,006,020	3.70%	2,219,689	3.80%
Communications	2,981,922	5.50%	2,628,579	4.50%
Human Resources and Finance	921,685	1.70%	993,019	1.70%
Other	108,434	0.20%	58,413	0.10%
	\$54,216,768	100.00%	\$58,412,869	100.00%

FY 1999 DISTRIBUTION OF EXTENSION PROGRAM BUDGET BY ACADEMIC COLLEGES

College	Faculty Salaries	Faculty FTEs	Professional & Scientific Salaries	Professional & Scientific FTEs	Merit Salaries	Merit FTEs	Graduate Asst Salaries	Hourly Wages	Total Salary & Wages	Supplies & Services	Benefits	Total
Agriculture	\$3,905,087	50.64	\$428,701	10.55	\$425,517	15.10	\$0	\$11,520	\$4,770,825	\$369,911	\$1,102,734	\$6,243,470
Family & Consumer Sciences	530,956	7.49	106,984	2.25	62,894	2.30	16,947	0	717,781	60,500	176,865	955,146
Veterinary Medicine	295,595	3.46	0	0.00	29,712	1.00	0	2,000	327,307	17,727	72,397	417,431
Engineering	203,679	3.26	76,472	1.62	19,271	0.64	0	0	299,422	2,348	77,052	378,822
Design	225,847	3.52	0	0.00	34,014	1.00	0	1,400	261,261	35,004	58,919	355,184
Business	0	0.00	43,550	1.00	0	0.00	14,202	0	57,752	47,401	26,206	131,359
Liberal Arts & Sciences	62,733	1.00	0	0.00	7,428	0.25	0	0	70,161	10,946	27,149	108,256
Education	26,000	0.50	0	0.00	0	0.00	0	0	26,000	0	5,512	31,512
TOTAL	\$5,249,897	69.87	\$655,707	15.42	\$578,836	20.29	\$31,149	\$14,920	\$6,530,509	\$543,837	\$1,546,834	\$8,621,180

Specific New Grant Awards for the Cooperative Extension Program

Extension Program Area	FY 1987	FY 1989	FY 1992	FY 1995	FY 1998
Administration	\$0	\$0	\$281,346	\$465,867	\$0
Ag. Enterprises	711,805	1,685,663	2,460,812	2,071,858	3,569,507
Business and Industry	0	735,327	211,017	2,511,958	2,073,765
Communications	0	0	0	92,961	165,798
Communities	24,677	521,062	570,973	1,679,511	409,257
Continuing Education	0	0	85,025	35,000	25,000
Families	497,865	526,391	765,212	1,259,446	1,850,304
Youth	45,500	5,671	372,184	503,775	92,086
Total	\$1,279,847	\$3,474,114	\$4,746,569	\$8,620,376	\$8,185,717