Funding a county extension program

Cassy Dierking Venters, Continuing Education Specialist

Funding Extension programs is a responsibility shared by the U. S. Department of Agriculture, University of Missouri Extension, Lincoln University and extension councils. The extension council provides funding, for the local office and its operation, program expenses and extension council expenses. The USDA and the universities fund salaries and benefits for Extension specialists, training costs, administrative costs and special program support.

Budget planning

Budget planning for the county-funded portion of the Extension program can follow a procedure as simple as that used for families: Set goals, estimate income, estimate expenses, evaluate and revise. Each step makes an important contribution to the budget process. Like climbing a ladder, the job is easier if the steps are taken one at a time and in order.

Budget committees

Budget committees should consider the programs planned for the county and the support needed for the programs. Resources needed to deliver programs might include printing, office equipment, secretarial support, computer or satellite equipment, and travel money. Short-term goals could include purchasing equipment, increasing a budget category or adding benefits, such as retirement plans or health insurance for county-paid employees. Long-term goals might include building a new office building, enhancing computer systems or funding an additional position in the county.

The extension council and staff should be involved jointly in the goal-setting process. Informal group discussions, joint meetings of the council and staff, or a retreat with the council and staff where visioning exercises are conducted can be used to arrive at county goals. Group processes, such as the nominal group, could be used to determine priority funding areas for the coming year.

Program committees also can give suggestions about budget needs. As they make recommendations for programs held in the county, consideration should be given to the costs, ability to recover costs through fees, and other resources needed to support the programs.

Sources of funding

Traditionally, extension councils have relied most heavily on county commission appropriations as a source of funding. Other sources include city appropriations; program participant fees; investment income; gifts from individual or local charities, such as United Way; grants and contracts; resale fees for publications; and savings accounts. As public financing has changed, county offices have found it increasingly difficult to maintain local financial support and have moved from what was known as "hard" funding sources to "soft"
funding sources. Soft funding sources are those that make a one-time contribution to the local budget, perhaps for a specific program. Program participant fees and grants are examples of soft funds.

Looking at each funding source's history of contribution to the extension council is the first method of estimating income. New sources, however, need to be explored by the Extension staff and council.

Extension staff are involved by estimating the viability of fees, grants and contracts, and by finding local partners to cost-share program expenses. Secretaries, county program directors and the council treasurer have an important role in maintaining council records. All extension council members can contact granting and allocating agencies, such as the county commission, city council, and United Way, or other civic or charitable organizations. Extension council members also can locate partners with similar organizational goals to cost-share program expenses.

Dividing expenses
It’s important to understand the division of expenses between the UM Extension and local extension councils. Expense shifting (asking the other partner to pay a greater share) is one method used by both partners to reduce funding problems. While this method works in the short-term and sporadically, it does not represent a sound funding foundation for the Extension program. Therefore, understanding the financial situation of both partners is important.

USDA and university funds are used to pay the salary and benefits of Extension specialists and most education assistants, training for Extension specialists, travel to state-sponsored training and committee meetings, regional and statewide administration. long-distance phone calls to campus, some teaching aids, a portion of the cost of computer equipment, all computer maintenance costs, and postage for official business mail of Extension specialists.

County funds are used to provide the space for the Extension office, salaries and benefits for secretaries and some education assistants, travel within the region, long-distance phone calls and local phone service, office furniture and equipment, audio-visual equipment, office and program supplies and printing, a portion of computer costs, insurance for office equipment and furnishings, and cost of council maintenance such as elections, bonds, and audits.

Estimating expenses
History is the most often used method of estimating expenses. However, reliance on this as a sole indicator for the future may create budget and operating problems or not allow the council to reach its goals. While it may have been possible to pay a secretary at minimum wage for many years because of the person's loyalty, it may not be possible to hold that wage base in the future. The Extension office requires computer skills, and secretaries handle responsibilities once performed by Extension specialists when specialist staffing was higher. Repeated turnover in secretarial positions seriously hampers productivity of Extension specialists and erodes the local program. Likewise, insurance policies held for a number of years may not cover the present inventory. Bids should be taken for insurance policies and other contracts to ensure the lowest and best service. Rent which has increased slowly over several years may now be above the market in the vicinity. Newer buildings with lower utilities may be available. Suppliers of goods and services should be checked against their competitors periodically to ensure the lowest prices.

Extension council and University of Missouri Extension budgets have a high proportion of fixed expenses to income. This results in a great challenge in implementing the final budget. Flexibility is limited and
underscores the importance of the programs dictating the budget rather than the budget dictating the programs.

Extension staff are involved by estimating program expenses. Secretaries and CPDs should use records to estimate other expenses and take bids as necessary to ensure that the best and lowest cost goods or services are obtained. Extension council members can assist by understanding the impact of the budget on the council program and suggesting vendors or ways to save money.

Evaluate and revise

Comparison of income and expenses will determine the next steps in the budget process. If income exceeds expenses, adjustments are relatively easy to make. In the more likely scenario of expenses exceeding income, the council has the same alternatives families have: increase income, eliminate expenses or reduce expense categories.

One right answer probably won’t surface. A combination of alternatives may help balance the budget. Program expense may be balanced by charging fees and finding local partners to share expenses. Operational expenses may be balanced by finding different vendors. Rather than seeking one answer to the above dilemma, it is important the budget committee look at the impact of reductions, consider short- and long-term implications, as it makes final adjustments.

Budget committee recommendations to the full council should include the current year's budget (proposed and actual), the proposed next year's budget and a discussion of alternatives reviewed by the budget committee. The full council will determine the final budget to send to the county commission.

The goal of the process is to build a strong, program-driven, Extension program. There is a role for extension councils, Extension staff, volunteers and Extension administration.