

The Implications of Increased Alternative Revenue in the Cooperative Extension System:

Present and Future Strategies for Success

Revised 10/2001

ECOP Personnel and Organizational Development Committee

The Implications of Increased Alternative Revenue in the Cooperative Extension System: Present and Future Strategies for Success

I. INTRODUCTION

A. BACKGROUND

Funding Cooperative Extension through alternative sources has been a key issue for over a decade. In 1987, the Futures Task Force recommended to ECOP and the System that "Both federal and state leaders should review alternative funding sources such as grants, subcontracting with other agencies and users' fees." It was noted that various problems are associated with each alternative funding source. For example, a grant source might control the program content for the system, rather than basic issues and needs driving program responses. Subcontracting posed the question of who works for whom. User fees may prevent those with the greatest need from participation. Seven years later, in 1994-95, ***Framing the Future: Strategic Framework for a System of Partnerships***, a report prepared for ECOP and CSREES, included "broadening resource acquisition" as one of the five major issues for the System. Specifically, the report called for the System to "Continue to build partnerships with state and local agencies and private (including nonprofit) organizations that result in allocation of funds to Extension for educational components of collaborative programs," and "Develop strategies for contracting and collecting appropriate user fees as additional revenue sources."

Two years later, in 1997, NASULGC facilitated responses to a series of 30 questions posed by Senator Richard Lugar, on behalf of the land-grant system. Among the questions was number 26: "Who are the primary users and beneficiaries of the Extension Service? Should consideration be given for user fees to be charged for these services?"

Additionally in 1997, a Program Resource Ad Hoc Committee, established by ECOP, identified reasons why Cooperative Extension may seek additional funding. This committee suggested:

"As we approach the 21st century, funding external to the Cooperative State Research, Education, and Extension Service will increasingly contribute to a diversified portfolio.

- The federal appropriations funding base within USDA for Cooperative

Extension is diminishing as the Congressional discretionary funding category is reduced.

- The mission of the Cooperative Extension System has always been broad, "*... to aid in diffusing among the people of the United States useful and practical information on subjects relating to agriculture and home economics, and to encourage application of the same ...*"
- The Cooperative Extension System programming is community-based and extends beyond the CSREES/USDA core mission areas. This occurs because of local involvement in establishing program priorities that are based on need. This broader programming can result in an expanded political base.
- Citizens and communities seek solutions to issues broader than agriculture and the land-grant system has scholarship to use as a basis for preventing or addressing issues.
- Other agencies recognize the importance of working in local communities and reach out to Cooperative Extension to determine interest and capacity to focus on issues of mutual concern.
- The complexity of today's issues require multiple partners to bring about lasting measurable results that accomplish common goals and objectives.
- One way of expanding the funding base is through collaborators that can potentially contribute to solving agreed upon societal issues."

Currently, the CES 21st Century Project Committee is addressing the need to expand the number and types of significant funding sources for Cooperative Extension. This committee has noted the fact that in the future there will be changes in funding sources with an increased emphasis on competitive funding and a broader funding base.

Thus the issue of alternative revenue is on internal and external agendas. Several states have queried the system on the use of non-governmental funds. Policy statements about user fees are frequently adapted from one state to another. (See Appendix A for Statement of Funding Regulations and Definitions relating to USDA legal rulings and administrative guidelines.) And, recent years, the increase in internal competitive funding from USDA/CSREES has increased the number of projects and programs that have time limits, specific budgets, and other requirements.

Value of volunteer efforts: At the same time that we are seeking supplemental revenue sources, one must not forget the tremendous value of our volunteers. This includes individuals who are involved in helping us with programming (such as Master Gardeners), serving on committees, leading 4-H groups, representing us in key leadership positions, and a variety of other activities. Putting the many donated hours of these individuals against an appropriate dollar value per hour gives us tremendous impact. This is an extremely important part of our overall resource base.

Definition: Alternative revenue is defined by ECOP's Personnel and Organizational Development Committee (PODC) as monies that are not appropriated directly to Cooperative Extension or research units by federal, state, and local governments. There is a distinction between *sources* of monies and *methods* to transfer monies. Sources include non-Smith Lever federal dollars, monies from private foundations, individuals, and from state and local governments, etc. Methods include grants, contracts, gifts and donations, royalties, user fees, direct sales, etc.

Focus: This effort does not focus on how to increase alternative revenue or non-appropriated funds or whether additional funds are desirable; rather, it looks at the consequences of an expanding portfolio of funding sources (revenue streams) on individuals, programs, and Extension Systems.

It is important to note as well that decisions relative to alternative funding sources within individual states must proceed within the context of local guidelines. Suggestions and principles contained within this report are not intended to supersede state rules and regulations.

B. ISSUES IDENTIFICATION

Over the past several years, issues surrounding alternative revenue have emerged during PODC's strategic planning process, and related issues were explored by several PODC work groups. Late in 1996, PODC undertook an alternative revenue survey of faculty and staff in selected states. This same survey was conducted with participants in two workshops at the CSREES Administrative Officers Meeting in April 1997. Titled a "Pulse Survey," the effort was designed to take the pulse of the system as it deals with an apparent increase in alternative revenue sources, to determine issues raised, and resulting strategies suggested by those different sources of funds. Another purpose of the survey was to verify PODC's thinking about issues related to increased use of alternative funds. PODC members, while diverse, are not necessarily typical of all members of the Extension System. Members believed that listening to the system was important.

Following a review of the responses from the surveys, PODC concluded that **the apparent increase in alternative revenue had major personnel and organizational development implications for the Extension System that were not being addressed in a cohesive manner.**

Issues that surfaced from the surveys fell within three major categories.

(1) Program and Mission

(2) Human Resources

(3) Accountability

A copy of the survey and complete results are included in Appendix C.

II. GUIDING PRINCIPLES

In addressing the various issues identified in areas of program and mission, human resources, and accountability, PODC identified what we believe are appropriate guiding principles to be used in formulating strategies. These guiding principles are **fundamental values that PODC suggests should guide the Cooperative Extension System as it obtains and manages additional revenue sources:**

1. **Mission drives program:** The resource acquisition should advance the mission. The issue to be supported should have been

identified as a priority for the system/state/county and be research-based.

2. Appropriate sources: Funds should be ethical and legal and not compromise the integrity of the organization. Alternative revenue sources should be identified and assessed as to their appropriateness.

3. Appropriate uses: Alternative revenue should be used to enhance or expand the educational outreach of Cooperative Extension programs.

4. Public good versus individual advancement: Funds should promote the public good (for society) rather than individual advancement.

5. Responsibility of all staff: Resource identification and acquisition to support priority issues is the responsibility of all professionals within the Extension System.

6. Efficiency and effectiveness: Attention must be paid to the cost/benefit ratio of programs. Faculty and staff must recognize the total cost of programming, including System support.

7. Teamwork versus entrepreneurial success: Entrepreneurial success must not override the emphasis on teamwork and interdisciplinary efforts to address issues.

8. Fairness in the performance appraisal: The System should acknowledge that not all efforts to acquire additional resources are successful. Personnel appraisals should be based on solid needs assessment, program planning,

resources identification, implementation, and evaluation; not solely on the success or failure of individual efforts to acquire resources.

9. Flexible employment

arrangements: The System must recognize the need for employment flexibility through the use of non-traditional employment models such as less than 100% time, short term, non-tenured, and contract employees, etc.

10. Comparable/equitable pay:

Assure the System supports comparable/equitable pay for comparable work for all faculty and staff regardless of source of salary and support funds. At the same time, the System may need to realize that market forces also may affect final compensation.

11. Incentives: Incentives to encourage attempts to secure external funding, if any, must be appropriate, equitable, and consistent with state policies.

12. Planning for endings: Projects funded with alternative/additional revenue often have specific beginnings and endings, and do not continue forever. Plans should be in place to make timely decisions regarding the priority of the project and whether to continue it through base (institutional) funding or through volunteer efforts.

13. Access: Cooperative Extension programs are open to all regardless of individual ability to pay. Source of program funding should not change this availability to all.

14. Commitment: Knowledge of, and commitment to, these principles

must permeate the System at all levels (federal, state, county).

III. SUGGESTED STRATEGIES

After reviewing the issues identified from the e-mail and phone survey, and those revealed at the CSREES Administrative Officers Meeting, the PODC working group developed a list of strategies to address identified issues. The suggested strategies may apply to issues in multiple categories. These strategies, while not exhaustive, remain relevant, and are intended to reduce or eliminate potential negative impacts on the Cooperative Extension System from the use of alternative revenue.

A. Purpose and Mission

1. Identify and commit to focus efforts on priority programs.
2. Relate funding sources to priority programs and mission.
3. Develop broader representation on advisory and program committees to provide support for acquiring and managing alternative revenue.
4. Emphasize focused programming - know priorities within the System (county/state/federal); gain local support to cease non-priority programs.
5. Assist local boards with understanding and setting program priorities.
6. Monitor faculty and staff workload to ensure a balance of time and energy to accomplish program mission through existing planning and reporting, frequent assessment by team leaders, and occasional one-to-one discussion initiated by an intermediate supervisor.

B. Human Resources

1. Ensure job descriptions for new hires clearly state responsibilities for acquiring and managing alternative revenue.
2. Ensure terminal contracts for project staff fit time frame and availability of funds, and are clearly communicated beginning with the advertising stage.
3. Revise existing job descriptions to include clearly stated responsibilities for acquiring and managing alternative revenue.
4. Clearly identify roles and responsibilities for all collaborators, internal and external in grant proposals, including time commitment and responsibility for acquiring and managing funds. Grant management should not interfere with faculty's ability to provide program leadership.
5. Provide orientation for new hires on soft money--must be timely, focused, and include organization mission, vision, values, and key policies.

6. Include discussion of alternative revenue acquisition and management in individual annual performance evaluation.
7. Build expectations for acquisition and management of alternative revenue into annual plan of work.
8. Ensure clear, mutual expectations for amount and type of work, as well as program direction by staff and supervisor through written plan of work, performance contract, etc.
9. Encourage a shift in organization culture and attitudes about responsibility for acquiring and managing alternative revenue by leadership modeling the behavior, rewarding performance (including appropriate risk takers and those who learn from mistakes), sharing results in internal and external media, etc.
10. Develop strategies to integrate new short-term staff into System for mutual benefit to the System, project, and individual; such as participation in multi-county and state committees, networking, etc.
11. Build into grants and contracts support for professional development activities for project staff at a level consistent with organizational expectations and policies/guidelines for comparable faculty and staff.
12. Provide training, or access to training, in grantsmanship; information and techniques in proposal development and writing; Extension and University policies, procedures and ethics. Involve successful awardees as trainers and mentors.

C. Accountability

1. Ensure that business office and human resource staff are aware of the organization's goals for acquiring and managing alternative revenue; include them in training and as trainers.
2. Develop collaborative relationships with college and university development offices.
3. Include the business office and human resource staff in problem solving sessions. Seek their input before developing policies and procedures.
4. Update policies and procedures manual (hard copy and on-line) to include alternative revenue.
5. Become familiar with federal, state, and university conflict of interest and ethics policies; build relationships with appropriate offices for interpretation of situations and circumstances.
6. Develop internal review mechanisms for pre-proposal and proposal development.

7. Provide grantsmanship tool kit for staff on policies, procedures, basic information; name of an Extension contact person for grants and contracts information.
8. Review proposals for grants and contracts, user fees and other sources of funds to ensure that the necessary support staff are available to handle funds in an appropriate and timely manner.
9. Require individual sign-off on participation in grant at the proposal stage.
10. Acknowledge all resources (total costs, including hidden costs, time, etc.) needed to accomplish specific tasks and unstated tasks in grant and/or contract.
11. Recognize the resources to accomplish grant requirements, including support staff, etc. If grant funding is less than requested, evaluate organizational ability to support the grant.
12. Provide computerized worksheets to analyze total costs of programs and services, clarify what are recoverable costs and what are subject to limitations, and how to base fees on the analysis.
13. Provide support and training for determining market rate prices and relation to Extension cost recovery.
14. Develop and conduct award briefings for new principal investigators (to include university and Extension policies.)
15. Provide staffing assignments to separate receipt of funds from expenditure of funds and acceptance of goods and services in line with University or state policy.
16. Review procedures to identify where steps can be eliminated without affecting appropriate controls and oversight.
17. Provide "heads-up" notice prior to end of grant to principal investigators, with a check list of how to properly close the grant or contract.

APPENDICES

A. STATEMENT OF FUNDING REGULATIONS AND DEFINITIONS:

USDA (United States Department of Agriculture) legal rulings and administrative guidelines:

1. Clearly preclude charging user fees to offset the salaries of Cooperative Extension faculty and staff who are funded at least in part with county, state or federal general purpose revenues. In compliance with this federal policy, state and county cost recovery efforts may not

extend to the salaries of these personnel.

2. Require that fees not be substituted for state or county appropriated funds.

3. State that fees can cover only the cost incurred, and that clients be informed what the fee includes.

Aside from the exceptions cited below, USDA policy further denies charging user fees for "basic educational services" which are defined as:

1. Identifying county and statewide issues and developing related educational programs conducted by agents, specialists, and trained volunteers.

2. Providing access to the knowledge and research base of the University through the applied research and instructional offerings of university-based specialists.

3. Providing instruction, conducting applied research and evaluating programs following plans of work.

Per USDA guidelines, educational activities and service for which fees may be charged to partly or wholly recover costs include the following: (Note: Some grants--soft \$ may not allow charging)

1. Services that enhance the basic educational program, like mediated instruction transmission and associated costs (e.g., video conference production and transmission expenses), publications and other materials, computer analysis, computer software, and the overhead costs associated with providing these types of enhanced services.

2. Conference-related activities that contribute to agent and specialist teaching, such as expenses for outside instructors, materials,

specialized electronic equipment, audiovisual equipment, and rental costs for meeting rooms.

3. Services provided for Extension-related organizations. Such services include printing and distributing newsletters, rental costs for meeting rooms and providing expendable supplies. The financial contribution of these organizations should be accounted for as an offset to overall county extension office budgets. Example: commodity groups, green industry, and AARP.

4. Supplemental educational services such as soil testing, pressure canner gauge testing, well water testing, and bull testing.

5. Supplemental educational programs funded entirely through county or private sources.

Non-educational costs, such as meals and refreshments, are always subject to full cost recovery.

General Guidelines

- All activities for which fees are charged must be consistent with the mission and current program direction of Cooperative Extension.
- The opportunity or need to collect fees shall not be a determinant in setting program priorities, evaluating program results or in evaluating employee performance.
- Revenue generated from program fees shall be used exclusively for expenses related to the enhancement of Cooperative Extension programs.
- Cooperative Extension programs are open to all regardless of their ability to pay. Provisions must be made to reduce or waive fees when an individual is unable to pay. Brochures and materials which list a program fee must also state the fee will be reduced or waived when an individual makes it known they are unable to pay the fee.

(Statements above are summarized from USDA administrative guidelines, the **USDA Administrative Handbook**, and various documents regarding fees for service.)

B. PULSE SURVEY

The first phase of the survey was conducted by PODC members, who were paired, so that one member would survey respondents in the other member's home state. For example, the PODC

member from Kentucky would interview respondents from Virginia, and vice-versa. A stratified sample was used: five respondents with less than 5 years of Extension experience, and five with more than 10 years experience. Of each five, three were agents: one each from Family and Consumer Sciences, Agriculture and 4-H Youth; and two were specialists: one from Agriculture or Natural Resources, and one from the Social Sciences. Surveys were conducted by phone or by e-mail. A total of 68 usable surveys were completed.

Participants in two workshops on Alternative Revenue at the CSREES Administrative Officers Meeting in April 1997 also completed the survey, resulting in another 68 usable responses. These respondents tended to be accountants, business managers, assistant directors, and human resource managers.

For purposes of discussion, the later respondents will be titled "Administrative Managers," and the agents and specialists surveyed by phone and e-mail will be called "Program Faculty/Staff or Program."

The survey and summary results follow:

A 'PULSE' Survey on Alternative Revenue Issues

Your answers to the following questions will help the National Extension Personnel and Organizational Development Committee, an ECOP subcommittee, take the 'pulse' of the system concerning alternative revenue sources for Cooperative Extension and research. Alternative revenue means monies that are not appropriated directly to Cooperative Extension or research by federal, state and local governments. All responses will be aggregated, and no individual names will be associated with responses. There are no right or wrong answers, and it's OK to indicate that you don't know or aren't sure. This survey will help us address the future

1. In the past three years, has there been a shift in thinking in your System about increasing alternative sources of funds?

YES NO Don't know/not sure

If so what prompted it? If not, why not?

2. Are faculty and staff-on & -off campus applying for more external grants? YES NO

3. Are faculty and staff being encouraged to apply for external grants? YES NO

4. What kind of support is available to faculty and staff when they are applying for, and managing grants?

5. Has, or is, your system being contracted to deliver programs or services to other agencies or organizations?

YES NO Don't know/not sure

6. Are faculty and staff being encouraged to seek funds from private sources, such as foundations, corporations, or agencies?

YES NO Don't know/not sure

7. Does your system charge for:

workshops ALWAYS NEVER SOMETIMES
conferences ALWAYS NEVER SOMETIMES
publications ALWAYS NEVER SOMETIMES
soil testing ALWAYS NEVER SOMETIMES
other forms of testing ALWAYS NEVER SOMETIMES
other: describe

8. In general, how are prices/fees decided? Check all that apply.

Market Driven Basis Total Cost Basis Partial Cost Basis Other

9. Does your system have policies that govern prices/fees?

YES NO DON'T KNOW/NOT SURE

10. If so, under whose authority does policy operate?

11. What issues come to mind regarding acquiring and managing alternative sources of funds?

12. Have you, your unit, or system taken any actions to address these issues?

13. Other comments or thoughts?

14. Years in Extension or Research or Both?

15. Title

SURVEY RESULTS

Over 90% of all respondents said there has been a shift in thinking about alternative funds. Nearly all 136 respondents, specifically 62 program respondents (91.2%) and 61 administrative managers (89.7%) said that there had been a shift in thinking about increasing alternative sources of funds.

Question 1	<i>In the past three years, has there been a shift in thinking in your System about increasing alternative sources of funds?</i>		
	YES	NO	Don't Know/No Ans.
<i>Program Faculty/Staff</i>	91.2%	04.4%	04.4%
<i>Admin. Managers</i>	87.7%	04.4%	05.8%

When asked to indicate the reason for this, responses included decreasing state and federal funds, or projected decreases/threats of decreases, general decline in appropriated funds at both federal and state levels; threats of cuts in appropriated funds; need to meet matching requirements; costs increasing at a rate faster than appropriated funding; desire to expand programming; increased program demand; increasing salary/benefit costs; changes in leadership; need to stay competitive in departments/colleges, as well as administrative pressures from University administration, and experience with alternative funds.

Over 90% indicate more applications for external grants. The same number of administrative managers and program respondents 62 (91.2%) indicated that individuals in their system were applying for more grants. And nearly 95% of both groups indicated that there was system encouragement to apply for more grants.

<i>Question 2</i>	<i>Are you/faculty and staff on and off campus applying for more external grants?</i>		
	YES	NO	<i>Don't Know/No Ans.</i>
<i>Program Faculty/Staff</i>	91.2%	07.4%	01.4%
<i>Admin. Managers</i>	91.2%	05.8%	02.9%

<i>Question 3</i>	<i>Are you/faculty and staff being encouraged to apply for more external grants?</i>		
-------------------	---	--	--

	YES	NO	<i>Don't Know/No Ans.</i>
<i>Program Faculty/Staff</i>	94.1%	04.4%	01.4%
<i>Admin. Managers</i>	95.5%	01.4%	02.9%

Types of support for applying and managing grants varies. Nearly all award respondents indicated some level of support in the search for funds, application process and post-award management of grants. However, this ranged from general bookkeeping and accounting support to full time, internal-to-Extension, professional grants managers. The typical response tended to indicate that multiple offices within Extension, colleges and the campus provided some support. Many relied on the campus-level grants or sponsored research office. Only a few respondents indicated that there was any on-going training in grantsmanship, while several respondents clearly indicated that there was no help or support.

Increases in contracts to deliver programs or services were reported. At least two-thirds of both groups reported that their unit had been or is contracted to deliver programs or services to other agencies.

Question 5	Has, or is your system/unit been contracted to deliver programs or services to other agencies or organizations?		
	YES	NO	Don't Know/No Ans.
Program Faculty/Staff	66.2%	25.0%	08.8%
Admin. Managers	70.6%	13.2%	16.2%

Funds are being sought from private sources, such as foundations, corporations and agencies. Administrative Managers more often (94.1% or 64) indicated that faculty and staff in their system were being encouraged to seek funds from private sources compared to slightly more than three-quarters (76.4% or 52) of program respondents.

Question 6	Are you/faculty/staff being encouraged to seek funds from private sources, such as foundations, corporations or agencies?		
	YES	NO	Don't Know/No Ans.
Program Faculty/Staff	76.4%	16.2%	07.4%
Admin. Managers	94.1%	02.9%	02.9%

Systems have varying procedures for user fees. Whether a unit or system charged for workshops, conferences, publications, soil testing or other forms of testing, most respondents indicated a range of options, which are presented in the following chart, based on total responses per items. Soil testing was most consistently reported as "always charged for," while the majority of other activities elicited a response of "sometimes." It should be noted that there may have been confusion about workshops and conferences, with several respondents indicating a difference between those offered to faculty and staff and those offered to the public.

DOES YOUR SYSTEM CHARGE FOR			
	Always	Sometimes	Never

	Responses	Number	Percent	Number	Percent	Number	Percent
Workshops	133	17	12.8%	108	81.2%	8	6.0%
Conferences	127	43	33.8%	72	56.7%	12	9.5%
Publications	131	30	22.9%	87	66.4%	14	10.6%

Soil Testing	102	77	75.5%	16	15.7%	9	8.8%
Other Testing	74	30	54.0%	21	28.3%	13	17.5%

Program staff less sure of how prices or fees are determined. Respondents were asked to indicate how prices were determined, given the following list of options: market-drive basis; total cost basis; partial cost basis or other. Respondents could check one or more of the options. Several respondents noted that the decision to charge or not was based on "public good or benefit."

<i>Question 8</i>	<i>In general, how are prices/fees decided? Check all that apply.</i>			
	<i>Market Driven</i>	<i>Total Cost</i>	<i>Partial Cost</i>	<i>Other</i>
<i>Program Faculty/Staff</i>	15	44	4	4
<i>Admin. Managers</i>	12	35	7	02.9%

Program faculty and staff less sure about existence of policies that govern prices or fees. In response to the question "Does your system have policies that govern prices/fees?" just 20.5% (14) program faculty and staff indicated they were aware of such policies, while 39.7% (27) answered no, and nearly a third or 32.4% (22) weren't sure or didn't know. Administrative managers were more likely to indicate that their system had a policy - 47.1% (32), while 20.5% (14) said no, and 32.3% (22), said they weren't sure or didn't know. .

<i>Question 9</i>	<i>Does your system have policies that govern prices/fees?</i>		
	<i>YES</i>	<i>NO</i>	<i>Don't Know/No Ans.</i>
<i>Program Faculty/Staff</i>	20.5%	39.7%	32.4%
<i>Admin. Managers</i>	47.1%	20.6%	32.3%

It should be noted that there are two issues here: **existence** of policies that govern prices and fees, and **knowledge** of those policies

Pricing and fee policies operate under a variety of authorities. Given the fact that many respondents weren't aware of policies or weren't sure, there were a limited number of answers to this question. Among those mentioned as responsible for policies were University trustees, the University controller, the Extension Director, a local Extension board, the county, the college or department, etc.

Range of years with Extension among respondents. Review of the numbers of years in Extension for program faculty and staff shows a wide range from less than a year to over 35

years. Responses from Administrative Managers also shows a similar range of experience. It should be noted that due to the nature of the CSREES Administrative Officers Meeting, some respondents had dual responsibility for Extension and Experiment Station operations, and some only for Extension or Experiment Station.

Question 9	Years in Extension or Research or both.	
	Average	Range
<i>Program Faculty/Staff</i>	11.6 years	<1 year to 35 years
<i>Admin. Managers</i>	13.2 years	<1 year to 30 years

REPRESENTATIVE RESPONSES

Question 11 asked "What issues come to mind regarding acquiring and managing alternative sources of funds?" Representative responses are included below.

Many Extension personnel have a real role and/or attitude problem. Their job is to educate - they have no time to raise money.

Accountability. Are all of our people going to make wise use of the funds they bring in? Is it worth all the extra reporting and paperwork?

Handling monies on the local level. Should they be handled by the county or handled in separate accounts managed by the Extension Office?

Right now there are no parameters and a lot of folks are stepping into uncharted areas. The risk of being unaccountable is great and this type of training needs to be made available. I could receive a grant and no one at the University would have to know if I decided not to tell them.

Educators are not trained to write grants, but more importantly, when they receive grants or user fees they are not trained in how to account and manage public funds.

Who administers? How on county or University level - personnel, reporting, budget keeping, accountability?

Costs of managing grant, how it drives programming, frustration when a grant is not funded.

Internal control cash management/receipting. Compliance. Matching documentation.

Personnel/budget management skills for grantees.

Programs designed for general audiences suffer when most of our efforts are directed toward obtaining and managing special sources of funds.

General knowledge of grant ethics. Need state leadership in obtaining large single grants - then distribute funds to county programs.

... penalty for future government funding because of increased alternative funding.

Keeping fee services/expenditure accounts separate, planning for decreases/increases in revenue for budgeting, planning 2-3 years in advance.

Time - the extra time that it takes to get the money and then manage it. Even if you get enough money to hire extra people, you sometimes have to spend a lot of time supervising them.

Time spent applying for dollars, when time is restricted.

Additional workload to business office without additional staffing. Problem of hiring new staff for projects as opposed to using new dollars to pay for existing payroll.

Overhead. At our institution, not much of the overhead comes back to the unit that brought in the money. You get the feeling that you're a fund raiser for the University rather than for your program.

Indirect costs charged by University.

Increased reduction in government-based funds, perceived competition with private sector.

Perceived (and possibly real) loss of objectivity when you accept private funds.

Danger that your agenda becomes driven by the funders rather than by the public at large.

Competition within system and with other formerly partner agencies/organizations.

The appearance of impartiality. Can Extension remain unbiased if personnel are receiving funds from private organizations (e.g., the fertilizer industry)? I think we can, but our clientele may think we are being "bought."

Distraction from role statement/work plan. Conflict of interest.

Tradition. Fairness in what organizations we accept money from. Objectivity. Time.

Maintaining neutrality with public perception.

Gifts from sources which may ask for something in return.

Public funds once paid for all or most of these "educational services." Sometimes it is very difficult to explain the need to charge fees to long time users.

People asking why you are charging for activities that in the past might have been free. We have done so much in the past for free that people might be shocked by the cost of programs if programs are run at a level that they can sustain themselves. By providing free programs for so long, people undervalue what we provide.

Extension faculty need assistance to find sources of funding. It is one thing to write a grant and another to do the extensive research and monitoring necessary to keep funding coming to keep a non-profit viable for many years.

Extension faculty and staff must use current or new 501(c)(3) affiliated organizations as the administrative entity through which grants are sought. As a result, current volunteer boards must adopt new fiscal policies, be trained in fiscal management and be trained in the responsibilities of non-profit boards. Relationships between Extension faculty and these boards must be carefully defined.

Cooperative Extension must develop an extensive marketing strategy and implement it quickly. We suffer from lack of name recognition. Marketing must be a key element in a business plan. Currently there is no business plan.

Marketing effort necessary and expertise to design and develop and support programs.

If Cooperative Extension must operate like a business then it must learn to think like a business. This will take a significant culture change.

Tenure should either be eliminated or changed to confirm to business thinking.

Reward system.

Recognition for those who attempt to generate funds.

Demands on space, personnel, existing resources, keeping in line with mission statement of University.

Does money relate to mission? Can university afford associations with funder?

Since we're Cooperative Extension, we're educating for the public good. Our fees cannot be pegged at the level of professional improvement programs and are instead in the range of those charged by local government associations.

Programs, as I understand, cannot operate for profit, therefore can only charge cost or partial cost recovery.

Revenue - not to make a profit. How price is determined.

Calculation of costs.

Make sure we are able to conform to what the agreement wants us to do so we are not breaching University policy and procedures.

Federal Smith/Lever policy concerning fees (legal issue).

C. ADDITIONAL HELP OREGON STATE SURVEY

Contact Scott A. Reed, 119 Peavy
Hall, Oregon State University,
Corvallis, OR 97331

CHAPTER III - FEDERAL GUIDELINES SAMPLE USER FEE GUIDELINES

COLORADO - *Cost Recovery and Fee Guidelines*

Contact Milan Rewerts, Director, 1
Administration Bldg., Colorado State
University, Fort Collins, CO 80523-
4040