

**NDSU Extension Service
Budget No. 630
Senate Bill No. 2020**

	FTE Positions	General Fund	Other Funds	Total
2017-19 legislative appropriation	252.98	\$25,648,320 ¹	\$26,646,689	\$52,295,009
2015-17 legislative appropriation	<u>263.91</u>	<u>27,837,062</u>	<u>25,826,708</u>	<u>53,663,770</u>
2017-19 appropriation increase (decrease) to 2015-17 appropriation	(10.93)	(\$2,188,742)	\$819,981	(\$1,368,761)

¹This amount includes \$15,000 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$25,633,320.

Item Description

FTE position reduction - In Section 1 of 2017 Senate Bill No. 2020, the Legislative Assembly removed 10.93 FTE positions for the Extension Service. Section 10 allows the State Board of Higher Education to adjust or increase FTE positions as needed.

One-time funding - In Section 3 of Senate Bill No. 2020, the Legislative Assembly identified \$15,000 of one-time funding for the Junior Master Gardener Program.

Transfer authority - In Section 9 of Senate Bill No. 2020, the Legislative Assembly authorized the Director of the Main Research Center, with approval from the State Board of Agricultural Research and Education and appropriate branch research center directors, to transfer appropriation authority within the Extension Service, Northern Crops Institute, branch research centers, and Main Research Center. Any amounts transferred must be reported to the Office of Management and Budget.

State soil conservation committee study authority - In Section 14 of Senate Bill No. 2020, the Legislative Assembly provided for the Legislative Management to study the state soil conservation committee. The study must include a review of the duties, responsibilities, and related costs and efficiencies of the committee and related Extension Service staff, the needs of the soil conservation districts, and the necessity to continue the state soil conservation committee.

State Board of Agricultural Research and Education study - In Section 15 of Senate Bill No. 2020, the Legislative Assembly directed the State Board of Agricultural Research and Education to study the duties and responsibilities of the Extension Service and report its findings to the Budget Section by March 31, 2018.

Status/Result

The State Board of Agricultural Research and Education approved staff reductions of 12.47 FTE positions at its November 2017 meeting. The Extension Service has implemented the staff reductions through buyouts, retirements, and resignations.

The Extension Service is developing plans for the summer 2018 Junior Master Gardener Program. The Extension Service will also continue the program in the summer of 2019. The Extension Service anticipates using the entire \$15,000 appropriation by the end of the biennium.

To date there have been no transfers of appropriation authority within the Extension Service, Northern Crops Institute, branch research centers, and Main Research Center, and the agency does not anticipate making any transfers during the remainder of the 2017-19 biennium.

The Legislative Management assigned the study regarding the state soil conservation committee to the interim Agriculture Committee. Potential outcomes from the study are unknown.

The State Board of Agricultural Research and Education convened a committee to conduct a comprehensive review of the Extension Service during fiscal year 2017. The committee reviewed and made recommendations in six broad core areas of the Extension Service, including organized citizen input; educational programs; organizational structure; funding; changing needs of customer; and branding, public relations, and marketing. The committee also identified areas requiring further review during Phase 2 of the study.

For Phase 2 of the study, the committee is reviewing the Extension Service administration structure; the state, area, and county staffing, and programmatic structure; and the sustainability of the current funding model, which currently includes funding from counties, state and federal governments, grants, and contracts. The committee has identified several recommendations relating to efforts to streamline the administrative structure, efforts to improve efficiency and effectiveness of delivery methods through restructuring Extension Service agents and area specialist roles, opportunities to engage younger age demographics with increased emphasis on technology; and efforts to develop a more sustainable funding model by restructuring county partnerships.

The State Board of Agricultural Research and Education reported its findings to the Budget Section on March 21, 2018.

The Extension Service and the North Dakota County Commissioners Association collaborated on a new cost-share agreement to fund county-based Extension Service agents starting in January 2019. The new cost-share agreement provides for the counties to pay 40 percent of the salaries and fringe benefits, and for the state to pay the other 60 percent of the salaries and fringe benefits. The new structure will increase the amount of funds counties provide by approximately \$820,000 for the 2019-21 biennium.

Extension Service operational support - Funding for county-based Extension Service agents is provided by a county-state funding structure. The current structure provides for counties to pay 50 percent of the salaries, and for the state to pay 50 percent of the salaries and 100 percent of the fringe benefits.