

MINUTES OF THE MEETING
LEGISLATIVE SUBCOMMITTEE ON APPROPRIATIONS FOR EDUCATION

February 6, 1979
8:15 a.m.
Room 104
State Capitol Building
Subject: Cooperative Extension
Service

The meeting was called to order by Chairman Carroll South, with the following members being present:

Senator Larry Fasbender
Senator Harold Nelson
Representative Oscar Kvaalen
Representative Jack Moore
Representative Esther Bengtson

Also in attendance were the following persons: Judy Rippingale, Legislative Fiscal Analyst; George Bandy, Commissioner of Higher Education; Glen Leavitt, Executive Budget Office; Carl Hoffman, Vice Chairman of the Montana Cooperative Extension Service, Montana State University; William Tietz, President, Montana State University; Pat Iman, Montana Grange Representative; Emma M. Ellison, Legislative Chairman for the Park County Extension Homemakers Council; Lois Cox, Lyla Green and Mrs. Inez Sinett, representatives from Powder River County; Dr. Leroy D. Luft, Cooperative Extension Service; Bob Reiquam, President of First National Bank, Miles City, Montana; Bob Biggerstaff, Montana Association of Conservation Districts and Montana Association of State Grazing Districts; Ray Woodward, Chairman of the Livestock Growers Private Development Committee; Dr. R. J. Brophy; Bob Gilbert, Secretary of the Montana Wool Growers Association; John Paugh, Jr., Director of the Montana Wool Growers Association; Jennie Andriolo; Bob LeProwse, Montana Woodland Council; Robert Smith, Hamilton, Montana; Mr. Foss, Chairman of the State Rural Areas Development Committee; George Skarda, representative of the Montana Wheat Research and Marketing Committee; Gary Langley, representative of the Montana Stock Growers Association.

Carl Hoffman, Vice Chairman of the Montana Cooperative Extension Service, introduced William Tietz, President of the Montana State University. Dr. Tietz gave a brief overview of the agency, stating that it is derived from county, state and federal government. The state's interest would be served by dissemination of information from the unit at Montana State University, as well as from representatives throughout the state. He asked the Committee to consider the projects which are serving the state and support those which seem appropriate for the needs of the state's economic and social development. The Extension Service has a problem as the agency relates to the Board of Regents and the Commissioner of Higher Education; because the Extension Service is at MSU, it is considered to be a part of the educational research program, but it is forced to compete with academic programs when it is a separate entity and its own problems cannot be served by this structure.

Carl Hoffman identified the programs for which general fund support is being requested by the Cooperative Extension Service, referring to the bulletin on "Program Modifications" distributed to each committee member. Mr. Hoffman stated that Montana ranks 46th in state support of extension service programs.

Pat Inman of the Montana Grange gave testimony on agriculture's needs in the state. She supported the benefits to the agriculture program from AGNET. If taxes are to be cut at the expense of providing services to the largest income-producing industry of the state, the long-term result will be that Montana will receive even less in taxes to fund its necessary services.

Emma M. Ellison, Legislative Chairman for the Park County Extension Homemakers Council, gave written and oral testimony on behalf of the programs in that county; she stated that the Park County Commissioners have committed the county to funding a share towards the hiring of a full-time home economist and requested that the state provide a portion of this position.

Lois Cox, representing Powder River County, distributed letters from the County Commissioners of that county stating their support for continued services; she supported the state's appointment of a 60% time home economics agent. Lyla Green and Mrs. Inez Sinett were introduced as representatives from Powder River County.

Mr. Hoffman presented the facts that there are a number of the smaller counties with a small economic base which are unable to fund their entire portion of a home economist; contracted services have been requested by these counties.

In answer to Representative Bengtson's inquiry, Mr. Hoffman stated that Wibaux, Musselshell, Fraser, Treasure, and Garfield Counties were among those requesting contracted services.

Dr. Leroy D. Luft from the Cooperative Extension Service discussed the AGNET program, which is a computerized agricultural network developed at the University of Nebraska; producers, homemakers and consumers have access to a computer and have immediate feedback to problem areas. The benefits to the Service were outlined in detail. He described a "Use Report" to indicate the number of times and methods in which the computer has been used. Sample computer print-outs were given to committee members and discussed. The reason there is a budget request for AGNET is that the present funding by the Old West Commission expires on February 14, 1980.

Mr. Hoffman stated that when the AGNET program first came into being under the grant, there were 20 computer terminals distributed throughout the state. Additional computers were provided to additional counties by not filling personnel vacancies and using salary savings. In response to Chairman South's inquiry, Mr. Hoffman stated that an agriculture economist position and a plant

pathologist position were delayed being filled because of the purchase of the terminals. The Service presently has 49 terminals, one in each of the county offices.

Mr. Joe T. Hamm supported the AGNET programing by describing an up-to-date run out from the computer on a particular system and stating the benefits received.

Mr. Bob Reiquam, President of the First National Bank in Miles City and former rancher in the state, stated that the AGNET and other agricultural programs of the Service are not truly costs in that they return greater dollar amounts to producers, thus resulting in greater tax revenues. He feels that AGNET is one program with the potential of being self-supporting, and its development should be supported.

Mr. Bob Biggerstaff, representing the Montana Association of Conservation Districts and the Montana Association of State Grazing Districts, stated his support of the Cooperative Extension budget. He further supported an Extension Cropping Systems Specialist position.

Ray Woodward, Chairman of the Livestock Growers Private Development Committee, testified that his organization supported the funding of an additional beef specialist position. This person would be located at the Miles City station. Mr. Reiquam also registered his support for the beef specialist position to help disseminate research information to the producers.

Dr. R. J. Brophy, a practicing veterinarian from Hamilton, Montana, testified in the area of Animal Health. He supported the Veterinary Field Specialist position. This person would act as a liaison between the Marsh Laboratory in Bozeman, practicing veterinarians in the field and producers; he would provide in-depth investigation of disease. A preventative medicine program would also be developed by this professional.

Bob Gilbert, Secretary of the Montana Wool Growers Association, feels that a Sheep Specialist position at MSU is justified because of the increased value of the sheep industry and the necessity of having someone coordinate with the extension agents.

Jim Drummond, Superintendant of the Wool Laboratory, testified in support of the Sheep Specialist position; this specialist would replace various vacancies and coordinate the sheep industry with AGNET. He feels the sheep industry will increase in numbers and value in the near future.

John Paugh, Jr., Director of the Montana Wool Growers, gave further testimony for the sheep specialist position.

Mr. Hoffman pointed out the Service's failure to receive support for funding from the Board of Regents for two positions--

one in the area of Agricultural Economics and one in Herbarium Services. An overview of the functions of the KEEP Leadership Development Program was given by Mr. Hoffman and of the Kellogg Extension Education Project was given also.

Knud Grossen gave written and oral testimony in support of the Extension Service Program in general and KEEP in particular. He stated it would be ill-advised to cut the proposed \$252,000 from KEEP which is endorsed by Dr. Tietz; Jennie Andriolo and Marcia Stagnap testified in support of the KEEP program.

Representative Moore inquired how much was spent on the KEEP program over the \$30,000 appropriation. Mr. Hoffman stated he would get this amount; at the end of fiscal year 1979 the Kellogg Foundation will have completed its funding of the program. With regard to the Extension Forester position, Mr. Hoffman stated that the request had been in the Extension's budget for the last two bienniums, and he explained that the position was not a duplication of the School of Forestry at the University of Montana. It's purpose is to help the School of Forestry by making the School's research findings available to timber producers.

Bob LeProwse, a professional forester and member of the Montana Woodland Council, stated that the Forester position was supported by the Montana Woodland Council, the Grange, the Dean of the Forestry School at the University of Montana, the United States Forest Service and the Association of Conservation Districts. The Forester would provide information for the private forest landowners on recreational management, marketing and other subjects, as well as plan and conduct educational programs relating to planning and management of privately-owned forest lands. Mr. LeProwse described other duties which would be performed by an extension forester.

With regard to Representative Moore's previous question on how much money had been spent on the KEEP program the previous year, Mr. Hoffman stated that it had been \$79,400.

Community Development Program - Western Montana

Robert Smith from Hamilton outlined the duties of an Area Extension Community Development Agent and presented two lists of projects the Agent has offered assistance on.

Mr. Foss, Chairman of the State Rural Areas Development Committee, stated that the 250 members of the committee represent a cross-section of Montana persons to study problems. As an organization, they support the leadership positions requested by the Extension Service, including the Extension Forester, the Extension Veterinarian, an Extension Economist in the area of Agricultural Economics. The AGNET program is also endorsed by this committee.

George Skarda, as the delegated representative of the Montana Wheat Research and Marketing Committee, presented oral and written testimony urging maximum support for the budget requests of the Cooperative Extension Service. He specifically requests full funding for the agriculture and Kellogg-Extension Education Project budget requests.

Mr. Gary Langley, representing the Montana Stock Growers Association, stated that the Association supported the budget proposals of the Extension Service.

Mr. Hoffman thanked the various witnesses for testifying.

Representative Moore questioned whether it would be possible for the remainder of the funds needed for the KEEP project to be raised from other sources if the present funding could not be continued by the Legislature; Mr. Grosen stated he is sure there are monies to be gotten but that the Montana people support state funding of the program.

The committee recessed for ten minutes.

Mr. Hoffman responded to the LFA's budget report; the report states that the Extension Service budget is to increase 18.3% due to having all unrestricted and restricted Smith-Lever funds appropriated in the current operating account and the current level of service is recommended to continue with the exception of the KEEP program. It also contained six reasons why general fund support dropped \$339,976 below the amount appropriated for the current fiscal year. Mr. Hoffman feels that general fund support will have to be increased if the Cooperative Extension Service is to continue providing the services demanded and expected of it. Mr. Hoffman stated that, because of a projected federal budget cut in 1978 of \$146,811, he cut his operations in the area of positions. The final result was that there was a \$92,175 deficit in unrestricted funds and a \$42,260 increase in restricted funds. All restricted Smith-Lever funds must be spent according to guidelines, and if the restricted monies are not used for the designated programs, the funds must be returned to the federal government.

When it was learned that the federal funding was to be less than projected, the agency managed to salvage enough salary savings to stay out of the red thus far in FY79; in FY78 they were \$66,000 short and had to save on salaries. In FY76 the agency's projections were \$82,500 less than what was received and those monies were returned back into the state general fund. Mr. Hoffman stated he has a problem on how to manage such a situation. Once the final figure from the federal government was received in 1978, it was then that the Service went back and tried to fill the positions which consumes a considerable amount of time. The salary savings from FY78 were used to buy the additional 29 terminals rather than fill the vacant positions on a temporary basis. The President's recommendations for FY80 show no increase in unrestricted funds and total reduction of 26.6% reduction in restricted.

Mr. Hoffman next addressed the reduction in out-of-state travel recommended by the LFA. He stated that the Extension Service has not only state responsibilities but responsibilities to the United States Department of Agriculture to get new policies out on their programs. It is necessary for many of the specialists to attend regional and national meetings to procure this information from the USDA. The specialists also must constantly update themselves. Out-of-state travel is also necessary for regional projects. Mr. Hoffman stated that the impact of the proposed cut in out-of-state travel will be felt in the area of agriculture service.

With regard to the multilith service, Mr. Hoffman stated that since this service is utilized by the entire University, its budget should be separated from the Extension Service and treated as a separate entity. In analyzing the service rates of the multilith department, there were no provisions for replacing or adding any pieces of equipment for years until the department reached a point where it could no longer adequately service the needs of the University. To alleviate the problem, it was recommended that the budget for the multilith department be set up on a designated account to allow the build-up of funds to replace the worn-out equipment and several new pieces. The result has been that in the last year, academic departments were able to save money by having more of their printing done on campus.

If there hadn't been provision for those pieces of equipment to be provided in the multilith, the various departments would pay considerably more to have the work done by private firms. It is recommended that the multilith rate be decreased 15 to 20 percent and that a long-range equipment replacement program be developed. Mr. Hoffman stated he would have that long-range program in the committee's possession within a week.

In response to Chairman South's inquiry, Mr. Hoffman stated that he had direct supervision of the multilith service.

Mr. Hoffman gave an analysis referring to Table 4 of his Handout on salary comparisons of the Montana Extension Service with those of other Western States. He stated that the training level for the Extension personnel is generally much higher than that of other state agency personnel. Because the Montana salaries are lower than those in other states, the Extension Service is losing people to industries and extension services in other states. The Extension Service is the training ground for other agencies, extension services and businesses.

According to Table 6 of the Handout, Mr. Hoffman compared the salaries of Montana school teachers with those of county extension agents; the agents' salaries are considerably lower for persons having the same education and experience.

Chairman South made the comment that over the last four years the Legislature has seen fit to use the majority of money available for pay increases at the lower end of the scale. He stated that he is not too optimistic about this changing in the near future.

Mr. Hoffman feels that the Extension personnel have academic rank and are considered a part of the university faculty and they should be treated in that fashion.

Chairman South questioned whether local persons have any input into the salary increases since some agents are paid partially with local funds. The counties provide all operating costs for the county agent (secretarial, telephone, travel within the county), and they pay 65% of the average salary of elected officials towards an agent's salary. What that level is depends on the classification of the county, and the state makes up the difference. The turnover rate for county extension agents is 10 to 12 percent.

Chairman South inquired how much out-of-state travel could be reduced and still have a viable program. Mr. Hoffman stated they could live with whatever was appropriated but gave further explanation of the impact of a reduction. The LFA has recommended a reduction to 50 out-of-state trips from the 99 trips in FY79. The Service has 136 total professional staff. Mr. Hoffman stated there are around 90 agents and the remainder are specialists. There are 86 cooperative extension service FTE but that does not include the FTE picked up by the county. The staffing pattern for the Service showed that for FY78-79 there were 123 unrestricted FTE's and 23 restricted FTE's.

The AGNET request for FY80 is \$38,150 and \$144,128 in FY81. Chairman South inquired what future costs for this program would be in 1982 and 1983. The \$144,128 in FY81 is total state funding. Mr. Hoffman explained that the \$21,000 costs under "other costs" were computer costs and possibly telephone charges.

Representative Bengtson inquired whether AGNET operates on a fee basis at all, and Mr. Hoffman stated they do not. The program also does not eliminate any jobs on the county level. It gives the agents and specialists new opportunities and it is used as a tool by them, Dr. Luft explained. Dr. Tietz stated that the program costs each county \$2,000 per year for the finest expertise in the field.

Chairman South asked who is responsible for setting the fee for the computer and whether we have any control over that. Dr. Luft stated there is a committee made up of the states involved that considers this. The actual computer charge is a very minimal amount; it is the communications network that increases the cost. There was further discussion on the operation of the AGNET computer not having a deficit during the past year. Additional terminals had also been purchased with salary savings.

Representative Bengtson inquired why AGNET the users are not charged a fee since it costs \$2.50 per run of the computer, Dr. Luft explained that as the program was set up through the Old West Commission, the grant that was made available to the five states in the amount of \$1.5 million dollars for a 30-month period of time; Montana's share of that grant was \$290,000. The intent of the Old West Commission and the organizing group was to see whether it would be used effectively and they did not wish to charge a fee for its use.

Representative Bengtson inquired where the proposed home economics specialist would be located; Mr. Hoffman stated the person would be located in a county which required the least amount of travel to get to it. The greatest has been shown by eastern Montana.

There was further discussion on the various specialists requested.

The meeting was adjourned.

Carroll South 3/2/79
CARROLL SOUTH, CHAIRMAN

Transcribed by Linda Berg

Yvonne Borgmann
Yvonne Borgmann, Acting Secretary