



OFFICE OF THE GOVERNOR

**Analysis of the Virginia Cooperative Extension Service (VCE) Structure,
Funding Trends, and Research**

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Secretary of Education
November 2011**

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Executive Summary

Pursuant to a budget amendment adopted by the General Assembly, the Secretary of Education was required to provide an analysis of the Virginia Cooperative Extension Service (VCE) structure and various financial operating and reporting mechanisms. What follows is the detailed analysis of various VCE activities, as well as, several recommendations intended to position VCE more effectively as a resource for its varied and unique stakeholder community.

While programming in the Agricultural and Natural Resources area is the most prominent, VCE also conducts significant activities in the following areas: 4-H Youth Development, Community Viability, and Family and Consumer Sciences. VCE personnel are housed on the campuses of Virginia Tech and Virginia State University, at the agency's eleven (11) Agricultural Research & Extension Centers and in virtually every county (and some cities) in the Commonwealth. Total agency funding from all sources (General Fund, nongeneral fund – primarily federal, localities reimbursement of salaries and fringes paid by Virginia Tech and direct payments by locality) exceeded \$80 million in 2010, a 12% reduction from 2008 levels. As was the case with every other state agency, Virginia Cooperative Extension funding was significantly impacted by the reduced allocation of General Fund appropriations.

A majority of VCE's resources are allocated to off-campus Extension activities which directly serve constituents of Extension programming throughout the Commonwealth. Over the 10-year period of this report, the percentage of VCE resources expended for off-campus Extension activities has increased 3%. The attached appendix shows the direct relationship between on-campus research and specific programming conducted by Extension personnel in the field.

This study specifically examined allocations and expenditures of funding for Agency 229, the Virginia Cooperative Extension Service. This report showed that a number of important internal controls at Virginia Tech provide multiple opportunities to assure that allocated resources were appropriately utilized. In addition, as a normal course of business, the Virginia Department of Budget and Planning ensured that Agency 229 resources were allocated so as to be consistent with legislative intent.

It was acknowledged by both VCE and its stakeholders that financial reporting of Agency 229 activities was, at times, confusing for external stakeholders. To address this problem, it was recommended that the current 229 report be replaced by a simpler, more transparent document. Many participants in the process, both those within the existing Extension structure and those representing external stakeholder groups, believed a more transparent reporting process would directly address some of the issues which were raised in the budget language.

The analysis also revealed that VCE's "revolving door" of leadership was affecting the ability of VCE to function at its highest level. With the hiring of a permanent Extension Director in the spring of 2011, the University now has new leadership in place which can more effectively address the many challenges facing the VCE in these challenging economic times. A new Memorandum of Understanding, for example, between VCE and Virginia localities will rebuild and re-establish that historically significant and positive relationship which has long existed.

Finally, this report examined the role that the Extension Leadership Council (ELC) plays in the administration of Extension programming. The ELC was originally created to assure that external stakeholders have a voice in the VCE decision-making process and are the direct link between VCE and the constituents it serves. It is recommended that the function of this group be revisited to assure that it has the proper composition of stakeholders amongst its membership and can be a more effective

conduit for information both to and from the field. Improved communication is needed between university leadership (229 Council), localities, stakeholder (ELC) needs to develop future programming and research efforts.

Virginia is not alone as it seeks to build a Cooperative Extension Service “of the future” which meets the needs of those it serves during a time of fiscal austerity. Many states are also grappling with fiscal issues which have caused them to also examine the most appropriate way to conduct Extension programming that serves the most people and in the most effective way. This analysis suggests that Virginia is once again ahead of the curve in that respect.

Next year is the sesquicentennial anniversary of the passage of the Morrill Land Grant Act. The Association of Public and Land Grant Universities is making plans for state celebrations, commemorative publications, and a national convocation. The sesquicentennial anniversary of the Morrill Act provides us with the opportunity to enhance our ability to serve pressing societal needs at home and abroad, including our missions of access and affordability, of public service and of innovative research and development as keys to national competitiveness.¹

Virginia Cooperative Extension will lead these conversations for Virginia. While discussions surrounding the implementation of VCE’s Long-term Strategic Plan were acrimonious at times, there appears to be a clear consensus that the people and processes now in place represent a strong step in the right direction. We believe that adoption of the recommendations which are highlighted at the conclusion of this report will add momentum to this positive change. The constituents of the Virginia Cooperative Extension programming deserve no less.

Introduction and Background

Purpose of the Study

In April 2011, the Virginia General Assembly and the Governor adopted a budget amendment requiring the Secretary of Education to provide an analysis of the organizational structure of Virginia Cooperative Extension (VCE) and how funds have been allocated between campus and the field to satisfy its mission. Specifically,

The Secretary of Education shall evaluate the organizational structure of Virginia Cooperative Extension. The analysis shall include a presentation of the advantages and disadvantages of the current organizational structure for Virginia Cooperative Extension as compared to the organization structure prior to the merger of the research and extension divisions. In addition, the Secretary of Education shall conduct a thorough analysis of Cooperative Extension and Agricultural Experiment Station operations. The Secretary shall determine appropriate reporting requirements for the agency so that the source of funds and the activities that the funds support are transparent. This examination will provide a thorough analysis of Cooperative Extension finances including (a) historical spending by fund source (state, local, federal) and type (teaching, research, extension) since 1990; and (b) on-campus extension spending which examines research products produced, the cost of each product, the distribution of the research to the field extension offices and administrative overhead.²

¹Association of Public and Land-Grant Universities, <http://www.aplu.org/page.aspx?pid=2185>.

² Appropriation Act – Item 121 D.1. (Regular Session, 2011).

This study evaluates Virginia Cooperative Extension's organizational structure in addition to reviewing historical funding trends of General Fund support provided to the Virginia Cooperative Extension Division and the allocation of those resources between Virginia Cooperative Extension and the Agriculture Experiment Stations. Another section of the report provides an overview of research conducted through this agency and the research products generated as a result of the faculty and staff supported by VCE. Recommendations to strengthen the organizational structure and provide greater fiscal transparency of resource allocations within Virginia Cooperative Extension are provided in the final section of this report.

The organizational structure of VCE was previously evaluated in 1979, when the Joint Legislative Audit and Review Commission (JLARC) issued a report to the General Assembly on Virginia Tech's Extension Division.³ The report made recommendations to improve the efficiency and effectiveness of the Division. This report, though more than 30 years old, addressed some issues which still impact VCE. For example, the JLARC report discussed the tension between program prioritization and the organization of Cooperative Extension. Additionally in the conclusion section of the report, it highlighted prioritizing spending in an environment of funding reductions and increased costs, similar to the current financial environment VCE is encountering.

The current organizational structure was a result of legislation passed in 1994 consolidating and reorganizing VCE and Agricultural Experiment Station (AES) into a newly created Agency 229.

§ 23-132.1. Virginia Cooperative Extension and Agricultural Experiment Station Division established; Cooperative Extension Service recognized.

There is hereby established within the Virginia Polytechnic Institute and State University a division to be known as the Virginia Cooperative Extension and Agricultural Experiment Station Division, hereinafter referred to as the Division, which shall encompass and administer the Virginia Cooperative Extension Service and the Agricultural Experiment Station with appropriate supporting programs. Further, the Cooperative Extension Service Program within Virginia State University, hereinafter referred to as "the Service Program," is hereby recognized. The Cooperative Extension Service Program shall be operated cooperatively by Virginia Polytechnic Institute and State University and Virginia State University, with agreed upon areas of program and service emphasis as set forth in the unified plan submitted by the two institutions to the U.S. Department of Agriculture.

Background and Evolution of VCE

Land-grant institutions were designated by state legislatures or Congress to receive the benefits of the Morrill Acts of 1862 and 1890. The original mission of these institutions was to teach agriculture, military tactics, and the mechanical arts as well as classical studies so that members of the working classes could obtain a traditional liberal arts education that was also practical.⁴ In 1886, the Virginia General Assembly established the Virginia Agricultural Experiment Station (VAES) in anticipation of the Federal Hatch Act of 1887 which created a nationwide network of state agricultural experiment

³ The Virginia General Assembly's Joint Legislative Audit and Review Commission's report, titled Virginia Polytechnic Institute and State University Extension Division, was issued September 10, 1979.

⁴ Virginia Cooperative Extension, <http://www.ext.vt.edu/about/history.html>.

stations.⁵ Experiment stations are part of the land-grant higher education system in every state. This system links experiment station research to Cooperative Extension programs and college academic programs.⁶ The Smith-Lever Act of 1914 is a U.S. federal law that established the Cooperative Extension system which in effect broadened the mission of land-grant institutions and marked the beginning of a partnership among federal government, state government and higher education in working cooperatively toward the solution of social and economic problems. After the passage of the Smith-Lever Act, Virginia Tech became the Virginia headquarters for Cooperative Education Work in Agriculture and Home Economics.⁷ Virginia State University is Virginia's other land-grant college and it participates in Cooperative Extension programs and has a cooperative arrangement with Virginia Tech.⁸

The Cooperative Extension Service was founded to deliver research-based information to the residents of the Commonwealth who could apply it. The stated mission of the Virginia Cooperative Extension is to enable people to improve their lives through an educational process that uses scientific knowledge focused on issues and needs.⁹ Virginia Cooperative Extension is an educational outreach program of Virginia Tech and Virginia State University and is a cooperative effort between the local, state, and federal governments.¹⁰ VCE helps bring resources of the state's land-grant universities to residents of Virginia. Extension programs are delivered through a network of faculty and staff at Virginia Tech and Virginia State University, 107 county and city offices, 11 agricultural research and Extension centers,¹¹ and six 4-H educational centers.¹² Virginia State University, while also participating in cooperative extension programs in the Commonwealth, is not a part of this study as Virginia State University's financial activities are accounted for separately.

More specifically, the relevant Code of Virginia language with respect to Virginia Cooperative Extension and the Agricultural Experiment Stations is provided below.

§ 23-132.3. Duties of Division; how work to be performed.

A. The Virginia Cooperative Extension Service shall provide the people of the Commonwealth with information and knowledge on subjects related to agriculture, including horticulture and silviculture, agribusiness, home economics, community resource development, 4-H Clubs, and subjects relating thereto, through instruction and the dissemination of useful and practical information through demonstrations, conferences, courses, workshops, publications, meetings, and mass media. The necessary printing and distribution of information in connection with the foregoing and this work shall be carried on in such manner as may be mutually agreed upon by Virginia Polytechnic Institute and State University for the work of the Division, the Virginia State University for the work of the Service Program, the Governor or his designated representative,

⁵ Memorandum titled, "Overview of Virginia Tech's Financial and Budgetary Controls As of October 10, 2011."

⁶ Virginia Agricultural Experiment Station, <http://www.vaes.vt.edu/about/index.html>.

⁷ Virginia Cooperative Extension, <http://www.ext.vt.edu/about/history.html>.

⁸ The Virginia General Assembly's Joint Legislative Audit and Review Commission's report, titled Virginia Polytechnic Institute and State University Extension Division, issued September 10, 1979.

⁹ Virginia Cooperative Extension, <http://www.ext.vt.edu/about/mission.html>.

¹⁰ Virginia Cooperative Extension, <http://www.ext.vt.edu/about/>.

¹¹ Recently the Northern Piedmont Agricultural Research & Extension Center was placed under the supervision of the Department of Crop and Soil Environmental Sciences as the bulk of the research there is conducted by faculty from that department. This reduces the number of ARECs from 12 to 11.

¹² Memorandum titled, "Overview of Virginia Tech's Financial and Budgetary Controls As of October 10, 2011."

the United States Secretary of Agriculture, the United States Secretary of Commerce, and other participating bodies.

B. The Cooperative Extension Service Program shall also conduct educational programs and disseminate useful and practical information to the people of the Commonwealth.

C. The Agricultural Experiment Station shall conduct research and investigations and establish, publish and distribute results in such forms as will tend to increase the economy, efficiency, and safety of the various enterprises and activities of interest to the Commonwealth and the nation, and promote the conservation and economic utilization of its natural and human resources.

Mission and Vision¹³

Mission Statement

Virginia Cooperative Extension enables people to improve their lives through an educational process that uses scientific knowledge focused on issues and needs.

Vision

Building on the strength of our agriculture, natural resource, family and community heritage, we enable people to shape their futures through research based educational programs. Recognizing that knowledge is power, we serve people where they live and work. Audiences are involved in designing, implementing and evaluating needs-driven programs. We are a dynamic organization which stimulates positive personal and societal change leading to more productive lives, families, farms, and forests, as well as a better environment in urban and rural communities.

Our vision is:

To help clientele improve their lives.

To use a systems approach to programming, with task-oriented work teams that respond to the needs of individuals, groups and organizations.

To provide residents prompt access to information and programs through an innovative human and technological system.

To work with the disenfranchised and underserved who need special attention by targeting certain of our resources to programs for low-income groups, those outside the dominant culture, dysfunctional families, limited-resource farmers, at-risk youth and others.

To fully integrate a culturally diverse paid and volunteer staff in planning, implementing and evaluating programs

To collaborate with public and private partners to better utilize our resources, heighten our impact and reach a more diverse audience.

To capitalize on the respective strengths of Virginia State and Virginia Tech as partners in supporting the extension mission.

To recruit, manage and reward faculty, support, and volunteer staff to reflect each person's uniqueness and value.

To have an open and positive administrative environment, based on shared leadership that maintains organizational integrity while providing opportunities for all staff members to fully realize their potential.

To minimize administrative costs and direct our resources to educational programming.

¹³ Virginia Cooperative Extension, <http://www.ext.vt.edu/about/mission.html>.

Virginia Cooperative Extension Program Areas

Activities associated with Virginia Cooperative Extension fall into the four areas described below and are supported through three colleges at Virginia Tech.

Agriculture and Natural Resources

Agriculture and forestry are key industries in Virginia and vital to the state's well-being. Based on a 2008 Weldon Cooper Center study, agriculture and forestry had a direct economic impact of \$42 billion in 2006, providing 196,000 jobs in the Commonwealth and a total economic impact of \$55 billion when the indirect and induced impacts are considered.¹⁴ VCE and VAES are the statewide research- and education-based drivers behind agriculture and forestry that sustain agricultural and forestry profitability; ensure food safety; improve the quality of lives for families and communities; prevent infectious diseases in humans, animals, and plants; create economic opportunities; and increase environmental quality.¹⁵

A network of Extension specialists and educators is collaborating with the agriculture industry to carry out the following activities which illustrate Extension's benefits to the industry:¹⁶

- Extension specialists are seeking to create, refine, and encourage industry adoption of grape and wine production practices that integrate research-based recommendations with key market drivers to achieve a robust and sustainable grape and wine industry in the region.
- In a five-year study of the biology of pathogens that affect the horticulture and floriculture industry, Extension specialists are developing protocols for best management practices to recycle irrigation water in a way that protects water quality and improves water use efficiency.
- Extension specialists and researchers are working together to give beginning farmers in Virginia access to education, training, and networking support in a new project that aims to enhance food security, community viability, and agricultural profitability in the Commonwealth.

Because agriculture is a particularly important industry in rural Virginia as farms and related businesses make up a large portion of many local economies, Cooperative Extension has an outsize impact in rural areas. The USDA Census of Agriculture reports that more than one in every five people in rural areas of Virginia are employed by a farm-related business.¹⁷

Family and Consumer Sciences¹⁸

Outside of the Agricultural and Natural Resources program area, VCE's mission also includes services delivered to Virginia families. Family and Consumer Sciences (FCS) educators help Virginians learn to make good choices for themselves and their families which in turn strengthens communities and the state. FCS programs are consistent with VCE's mission to improve the well-being of Virginia families through programs that help put research-based knowledge to work in people's lives. Though FCS

¹⁴ Terance J. Rephann, "The Importance of Agriculture and Forestry to Virginia's Economy," *The Virginia News Letter*, September 2008.

¹⁵ Virginia Tech, http://www.alumni.vt.edu/legislative/2010hokiedaypdfs/Legislativehandoutv3_FINAL_900-333.pdf.

¹⁶ Virginia Cooperative Extension, <http://www.ext.vt.edu/restructuring/files/extension-benefits.pdf>.

¹⁷ Piedmont Environmental Council, <http://www.pecva.org/anx/index.cfm/1,114,363,-1,html>.

¹⁸ Virginia Cooperative Extension, <http://www.fcs.ext.vt.edu/index.html>.

programs are based on traditional “home economics” programs, they have evolved to address the needs of today’s rural and urban families. FCS programs reach tens of thousands of families and youth across the Commonwealth each year and are delivered through partnerships with other state and local agencies. Programs are based on research conducted at Virginia Tech and Virginia State University and are designed to build individual, family and community wellness in three program areas: food, nutrition, and health; family financial management; and family and human development. These programs impact health care costs, consumer responsibility, and core workforce readiness attributes.

4-H Youth Development¹⁹

4-H Youth Development is an education program for young people who are encouraged to participate in a variety of activities that emphasize 4-H’s “learning by doing” philosophy of youth development. Young people in the 4-H community learn leadership, citizenship, and life skills that benefit them for the rest of their lives. Through school-based, after-school, community clubs and camp programs, 4-H members develop life-long skills. With direct access to research and resources at Virginia Tech and Virginia State University, 4-H can bring educational opportunities and teacher training in to communities and is often the first experience many young people have with higher education. Like Agriculture and Natural Resources and Family and Consumer Sciences programs, 4-H programs are particularly important in rural Virginia where other similar educational experiences are not as readily available as they are in Virginia’s urban and suburban areas. Through these program areas, Cooperative Extension plays a key role in strengthening rural communities.

Community Viability²⁰

Community Viability programs are dedicated to strengthening communities and their economic viability by creating innovative programs that allow citizens and local governments to respond to local issues. Extension specialists in Community Viability work with Extension agents, Virginia Tech campus-based faculty, organizational partners, communities, and individuals to further opportunity and build capacity in five program areas:

- Civic Leadership and Engagement,
- Community Enterprise and Resiliency,
- Community Food System and Enterprises,
- Community Planning, and
- Emerging Community Issues.

Examples of the work of Community Viability programs include training county elected officials, educating entrepreneurs, facilitating collaborative projects, supporting the growth of community food systems and local economies, enhancing agent skills and community capacity in facilitation and leadership, conducting problem-driven research, and creating publications and tools that address critical community needs.

Extension specialists in Community Viability function as a state-wide team in developing research-based programming that responds to local needs while drawing from the knowledge and resources of Virginia Tech, Virginia State University, and other institutions and organizations.

¹⁹ Virginia Cooperative Extension, <http://www.4-h.ext.vt.edu/index.html>.

²⁰ Virginia Cooperative Extension, <http://www.cv.ext.vt.edu/index.html>.

Collaborations with Other State Agencies

VCE partners with numerous local and state agencies to deliver their programs. For example, VCE administrates several federal programs in Virginia. The Expanded Food and Nutrition Education Program (EFNEP); Supplemental Nutrition Assistance Program Education (SNAP-Ed); and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) are funded through the U.S. Department of Agriculture (USDA) and provide services to limited resource individuals who are pregnant or breast-feeding, or who are mothers of infants and children up to five years of age. The EFNEP and SNAP-Ed programs are administered by Virginia Cooperative Extension and Consumer Sciences programs while WIC is administered by the Division of WIC and Community Nutrition Services of the Virginia Department of Health. In a June 2009 Memorandum of Agreement between EFNEP/SNAP-Ed and WIC was signed to promote collaboration between the EFNEP/SNAP-Ed Staff of Virginia Tech, Virginia Cooperative Extension, and WIC Staff of the Virginia Department of Health at both state and local levels.²¹ The MOA defined in general terms the basis on which these programs will cooperate in activities of mutual concern and for the benefit of mutually targeted clientele. The federal grant fully funds VCE to provide evidence based nutrition education programs developed by VCE faculty at Virginia Tech to local social services clients throughout the state.

The VCE also frequently collaborates with the Virginia Department of Agriculture and Consumer Services (VDACS). Annual pesticide disposal programs,²² fire ant suppression and eradication programs,²³ and agritourism support are examples of programs which involve partnerships between VCE and VDACS.²⁴

Evolution of Organizational Structures

Prior to July 1994, Virginia Cooperative Extension and the Agricultural Experiment Station were independent state agencies that were a part of Virginia Tech. Virginia Cooperative Extension was part of the “Extension Division” which included off-campus credit instruction, continuing education, grants, contracts, in addition to VCE. The Agriculture Experiment Station was in the Research Division, which was responsible for all sponsored research. In order to streamline processes and facilitate cooperation between the two agencies with land-grant responsibilities, through an act of the General Assembly the Cooperative Extension and Agricultural Experiment Station was established as a single state agency on July 1, 1994.²⁵

Since then, Virginia Tech operates as a combination of two separate state agencies: the University Division (Agency 208), which holds the instructional (both credit and non-credit) and external research

²¹ Memorandum of Agreement Between Family and Consumer Sciences Expanded Food and Nutrition Education Program (EFNEP) and Supplemental Nutrition Assistance Program Education (SNAP-Ed) of Virginia Cooperative Extension (VCE), Virginia Polytechnic Institute and State University and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) of the Virginia Department of Health, originally written August 30, 2001 and revised April 14, 2009.

²² Virginia Department of Agriculture and Consumer Services, <http://www.vdacs.virginia.gov/pesticides/disposal.shtml>.

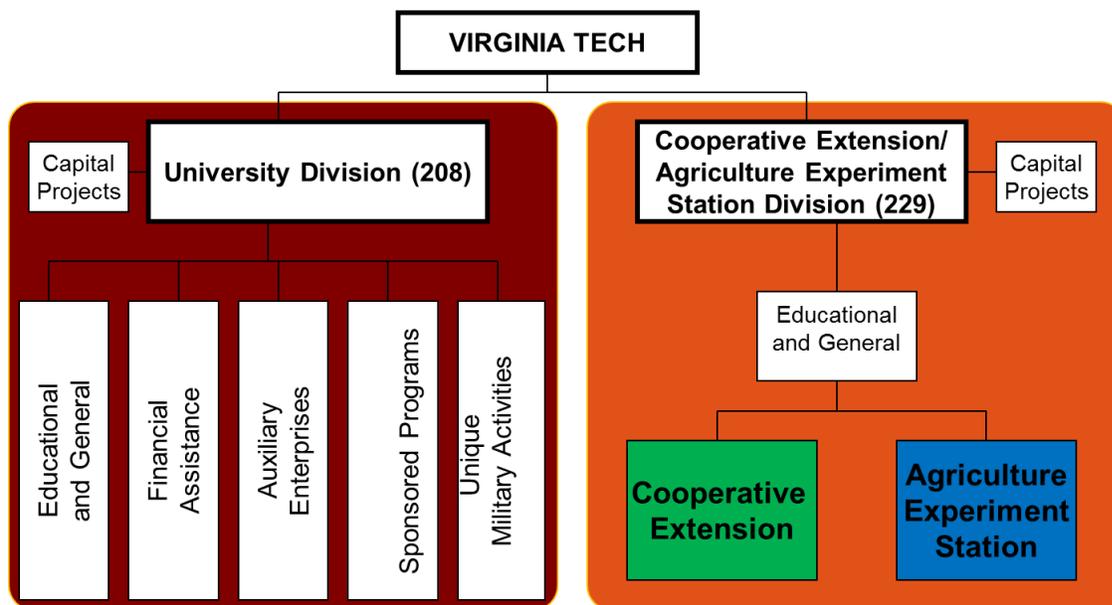
²³ Virginia Department of Agriculture and Consumer Services, <http://www.vdacs.virginia.gov/plant&pest/fireant.shtml>.

²⁴ Virginia Cooperative Extension, <http://pubs.ext.vt.edu/310/310-004/310-004.html>.

²⁵ Memorandum titled, “Overview of Virginia Tech’s Financial and Budgetary Controls As of October 10, 2011.”

programs, and the Cooperative Extension/Agricultural Experiment Station Division (Agency 229), which operates the university’s land-grant programs. Each of these agencies is separately appropriated resources by the Commonwealth. These appropriated resources cannot be reallocated to other agencies for program activities without approval by the Department of Planning and Budget. After the merger of VCE and AES in 1994, Virginia Tech decided to fully maintain the traditional separation and independence of the financial transactions for the two programs within the new agency. Agency 229’s resources are therefore divided into two separate and independent sets of accounts. Virginia Tech allocates all resources to VCE and AES based on the designated proportion of the state funds received for each program.²⁶

University Financial Structure



Virginia Tech allocates and utilizes resources at two distinct levels. At the top level of these organizational units, resource allocation decisions are made by executive leadership. Once those decisions are made, the allocation of resources to programs throughout the university is made by the University Budget Office, under the specific approval of the Chief Financial Officer (CFO). Further, resources cannot be subsequently reallocated among divisions or major programs without approval by the CFO. This internal control structure provides assurance that resources are allocated and utilized by programs as intended.²⁷

Once resources are allocated to academic programs at Virginia Tech, the deans and department heads have the authority to direct resources to carry out their activities as they determine is appropriate. This process recognizes a well-accepted business practice that, whenever possible, individuals closest to the operations are in the best position to make resource allocations at the operational level. As a result, deans and department heads make allocations of resources in accordance with the strategic guidance they receive from Virginia Tech’s executive leadership and the Board of Visitors; this process significantly

²⁶ Virginia Tech’s Board of Visitors Finance and Audit Committee, http://www.bov.vt.edu/minutes/11-03-28minutes/attach_o_03-28-11.pdf.

²⁷ Ibid.

impacts the allocation of resources within an academic program such as the VCE since 80% of Agency 229 expenditures are for personnel.²⁸

Instead of one dean or one college directing the work and resources of VCE and the ARECs, the “229 Council”, created in the mid 90’s after the merger, serves in an advisory capacity to provide balanced funding (and reductions when necessary) recommendations to the President, Provost, and CFO. The Council consists of the following members:

Provost-Chair
Vice President for Outreach and International Affairs
Vice President for Research
Associate Provost for Resource Management and Planning
Dean, College of Agriculture and Life Sciences
Dean, College of Natural Resources and Environment
Dean, Virginia-Maryland Regional College of Veterinary Medicine
Director, Virginia Cooperative Extension
Director, Virginia Agriculture Experiment Station
Executive Director, Government Relations
Director, Budget Office

The council also facilitates program coordination across colleges and program units to advance the university's land-grant mission. It is also responsible for defining program priorities and evaluating plans for new programs.

Organizational Structures in Other States²⁹

Each state and territory was afforded the opportunity to establish a respective Extension Service following the passage of the Smith-Lever Act of 1914. Since the primary efforts of the time were related to agricultural sciences, home economics, and youth development, most institutions established the agricultural extension services in the colleges of agriculture or similar academic units. This was done in partnership with the existing agricultural experiment stations that had been established many years earlier. At various institutions the administrative location and oversight has changed as the mission of Extension included more areas of science, and as other colleges emerged from the initial college of agriculture. Such examples include colleges of natural resources, colleges of veterinary medicine, and colleges of human ecology or consumer and family sciences. The 1862 Land-Grant institutions in the Southern and North Central regions as well as two from the Western region and four from the Northeast region were reviewed for their organizational structure within the respective university.

²⁸ Ibid.

²⁹ Information for this section was supplied by Ed Jones, Director of the Virginia Cooperative Extension.

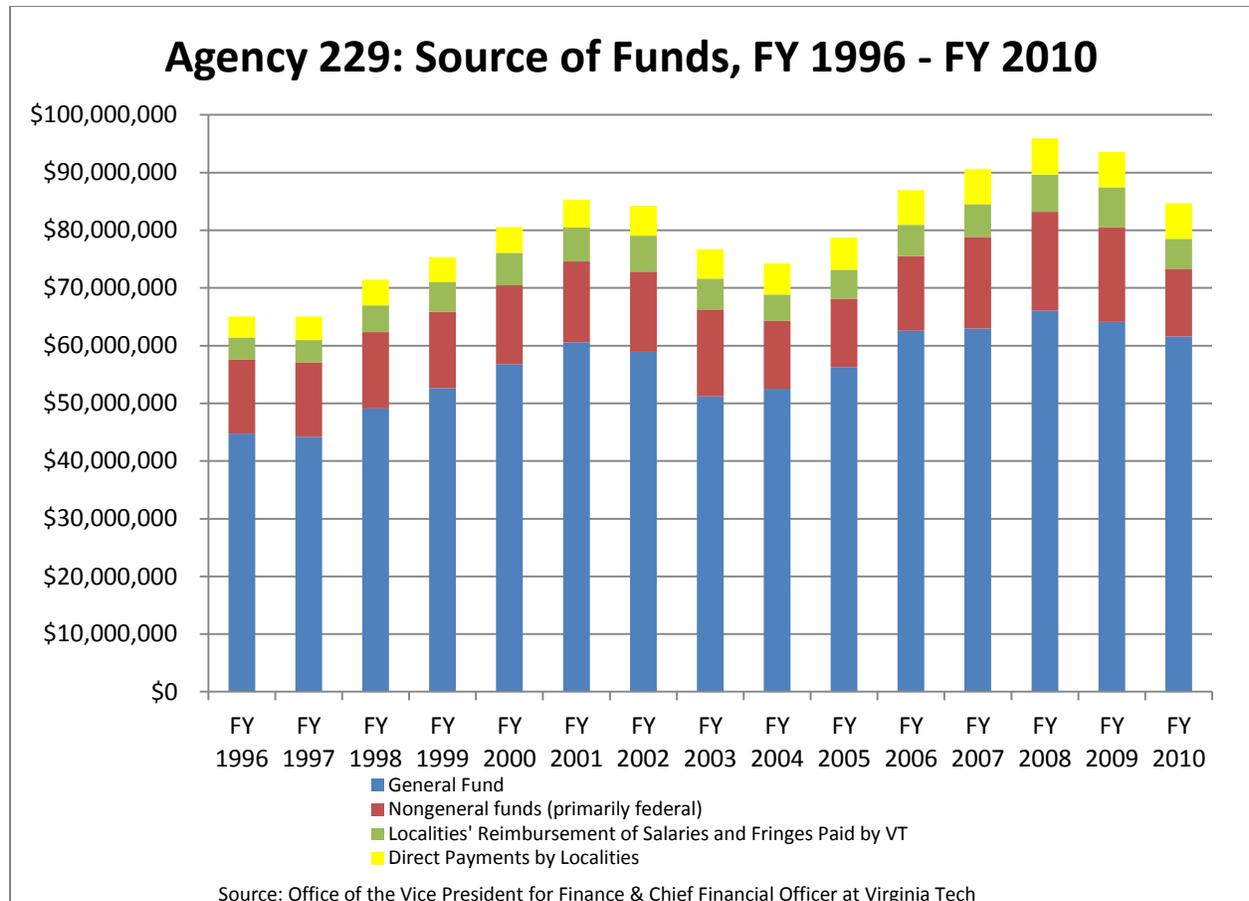
Structure of Extension Organizations in Other States

	<u>Individual Administratively Responsible for Extension Reports to:</u>	<u>Director of Extension</u>
Southern Region	Highest ranking individual responsible for agricultural program overall (for all but two institutions). In Alabama, the Director of Extension reports to the Presidents of Auburn University and Alabama A&M University. At Clemson University, the Director of Extension Reports to the Vice President for Public Service and Agriculture.	In most cases, as is the case at Virginia Tech, the Director of Extension also holds the title of Associate Dean of the College. In some cases the Director is also a Dean. In Louisiana, the Director is a Vice Chancellor reporting to the Chancellor of the LSU Agricultural Center.
North Central Region	Director of Extension reports to the Dean of the College of Agriculture or the individual who holds the title signifying primary responsibility for agricultural programs (Wisconsin, Minnesota, Iowa, and Missouri are exceptions).	In Wisconsin and Minnesota, the Director of Extension holds the title of Dean. In Missouri and Iowa the Director holds the title of Vice Provost.
Oregon State and West Virginia University	Administrative structures similar to Missouri and Iowa	
New York, New Mexico, and Pennsylvania	Director reports to the Dean of the College of Agriculture. In some cases, an additional title or dotted reporting line exists to a Vice President or Vice Chancellor responsible for outreach Programs.	

Although a number of different models exist for Extension within 1862 Land-Grant universities, most have Extension administratively housed within the Agricultural and Natural Resources hierarchy of the institution. Even with that being the case, Extension reaches out in most institutions to other colleges to be engaged in formal Extension programs. These relationships existed as colleges were created or universities reorganized. Additional relationships existed because of the need for expertise in Extension programming found in other colleges within the university.

However, as is the case in Virginia, resource limitations within VCE necessitate the prioritization of programs most in demand by the localities and best addressed by the faculty and resources of the institutions. Virginia's land-grant institutions have continued to address the needs of our communities despite reduced resources from federal, state, and local government. Many programs have been eliminated to reprioritize resources to higher demand areas and to address issues of duplication with other areas of government.

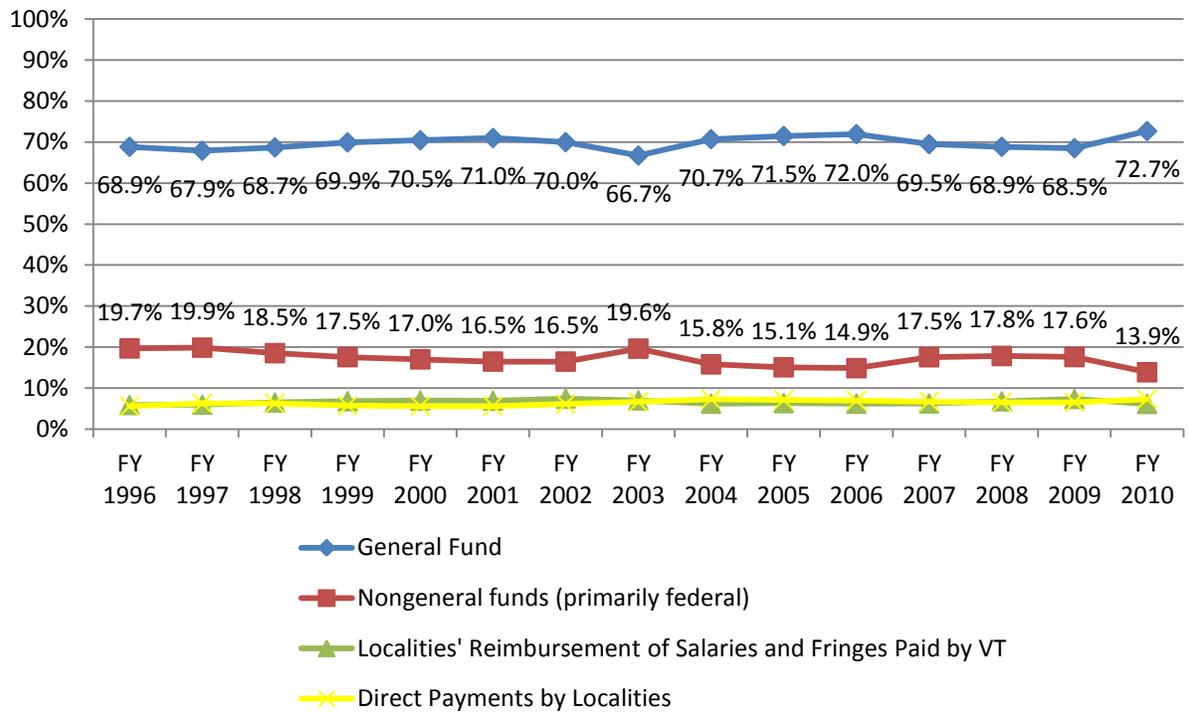
has remained flat with the federal government moving to more competitive funding models.³³ Most states substantially increased contributions to Cooperative Extension in the 1980s while local government support has been irregular. In general, these changes have put more pressure on states to fund their Cooperative Extension System. Additionally, because of flat federal funding, budget reductions have impacted many state Extension programs; these reductions have resulted in significant program reorganizations in many states leading to staff cuts and program eliminations. As will be shown in the figures below, although General Funds appropriations fell in nominal terms in FY 2010, they account for a larger share of Agency 229's total funds than during any other year since FY 1996 highlighting the impact of reduced federal and local funding on the agency.



Total funding for Agency 229 increased in nominal terms from FY 1997 through FY 2001 and declined from FY 2002 through FY 2004, including a sharp 8.9% fall in FY 2003 due to major budget reductions at the state level. This trend was reversed in FY2005 when funding increased as a result of new General Fund support provided for the agency staffing initiative. Total funding decreased by 2.5% in FY 2009 followed by a 9.5% contraction in FY 2010 as a result of the three subsequent state budget reduction actions beginning in the fall of 2007.

³³ Joint Task Force on Managing the Changing Portfolio of the Cooperative Extension System, http://www.csrees.usda.gov/qlinks/pdfs/portfolio_report.pdf.

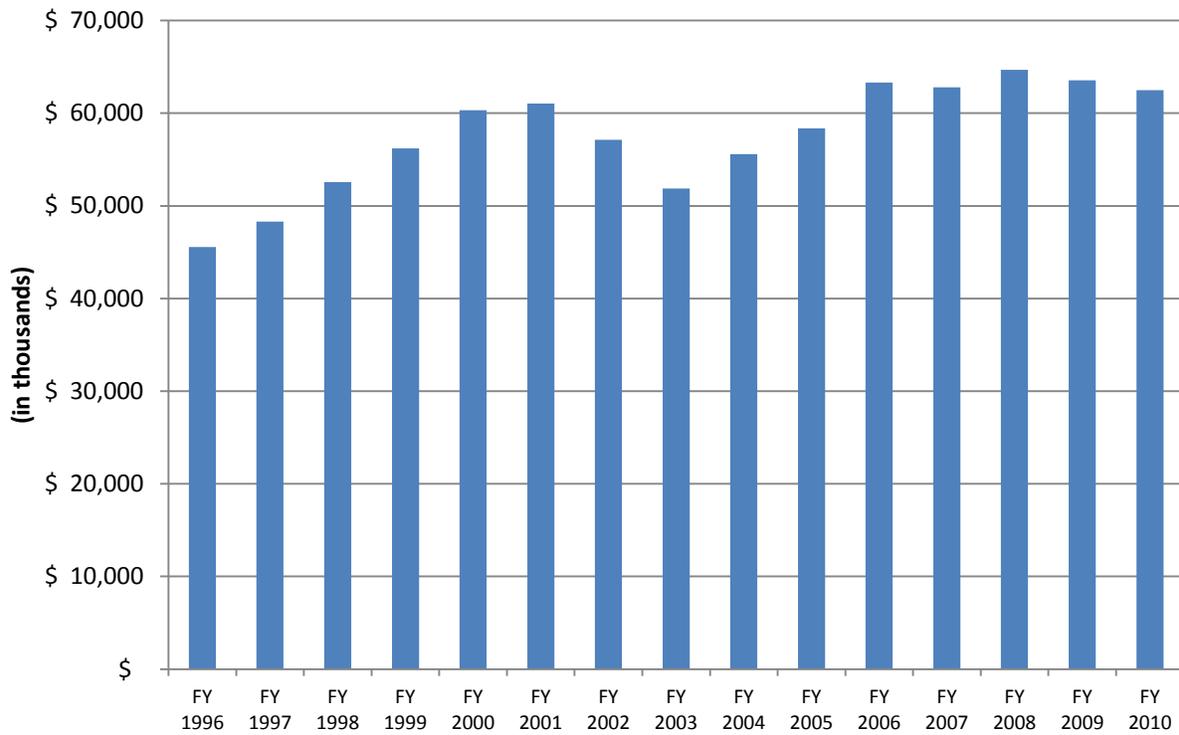
Agency 229: Percentage of Total Funds by Source, FY 1996 - FY 2010



Source: Office of the Vice President for Finance & Chief Financial Officer at Virginia Tech

General Fund appropriations typically account for about 70% of Agency 229’s total funds. This percentage has remained fairly constant during this 15 year period with peaks and valleys that correspond to the Commonwealth’s fiscal condition. The next chart details the specific General Fund trends related to Agency 229 since FY1996.

Agency 229 General Fund Appropriation History, FY 1996 - FY 2010



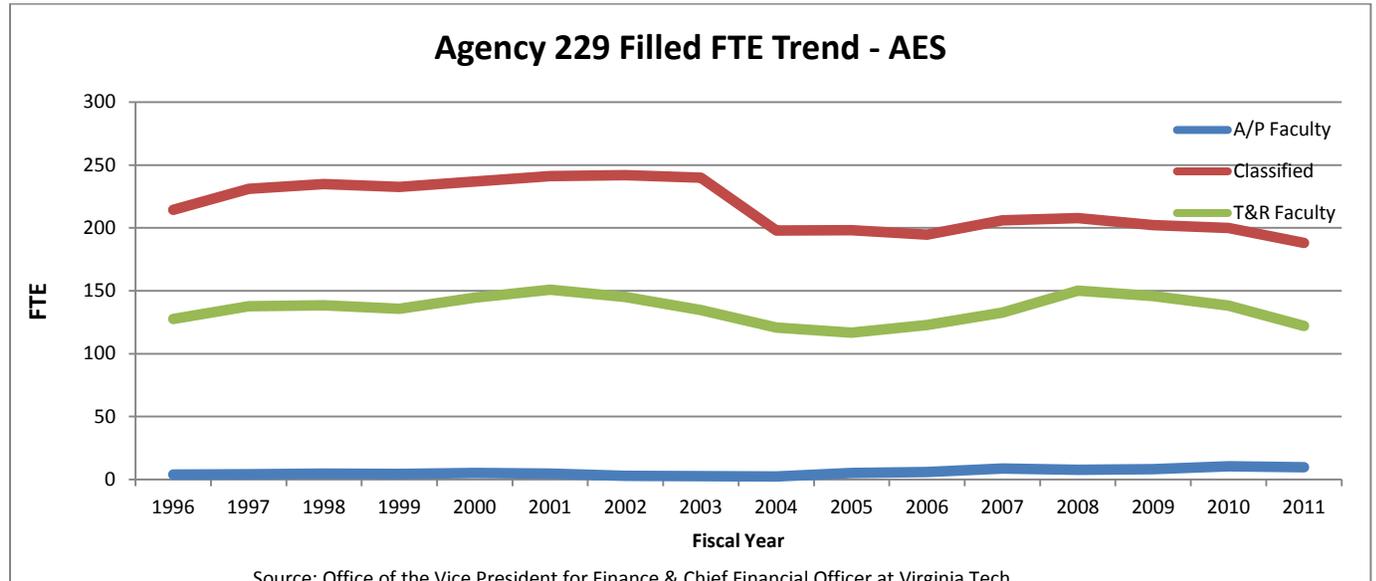
Source: Office of the Vice President for Finance & Chief Financial Officer at Virginia Tech

General Fund appropriations to Agency 229 increased in nominal terms from FY 1996 through FY 2001. As Virginia made General Fund budget reductions in FY 2002 and FY 2003, Agency 229 appropriations from the General Fund fell 6.4% and 9.2% in FY 2002 and FY 2003, respectively. When new General Fund support was provided for staffing initiatives, appropriations increased in FY 2004, FY 2005 and an 8.5% jump in FY 2006. Actual appropriations fell slightly in FY 2007, increased 3.0% in FY 2008, and then declined in FY 2009 and FY 2010 due to the weak national economy and dramatic state revenue shortfalls requiring significant general fund budget reductions totaling over \$10 million. The Introduced budget for FY 2011 called for a \$3 million reduction in appropriations to Agency 229—this reduction would have been larger but for a \$1.5 million reinvestment by the General Assembly partially offset the \$4.5 million budget reduction.

As mentioned previously, the state’s General Fund makes up the majority of the total source of funds for Agency 229 and tends to drive the increase or decrease in total funding for the agency. Changes in state support have a direct impact on the level of service Agency 229 provides to the residents of Virginia.

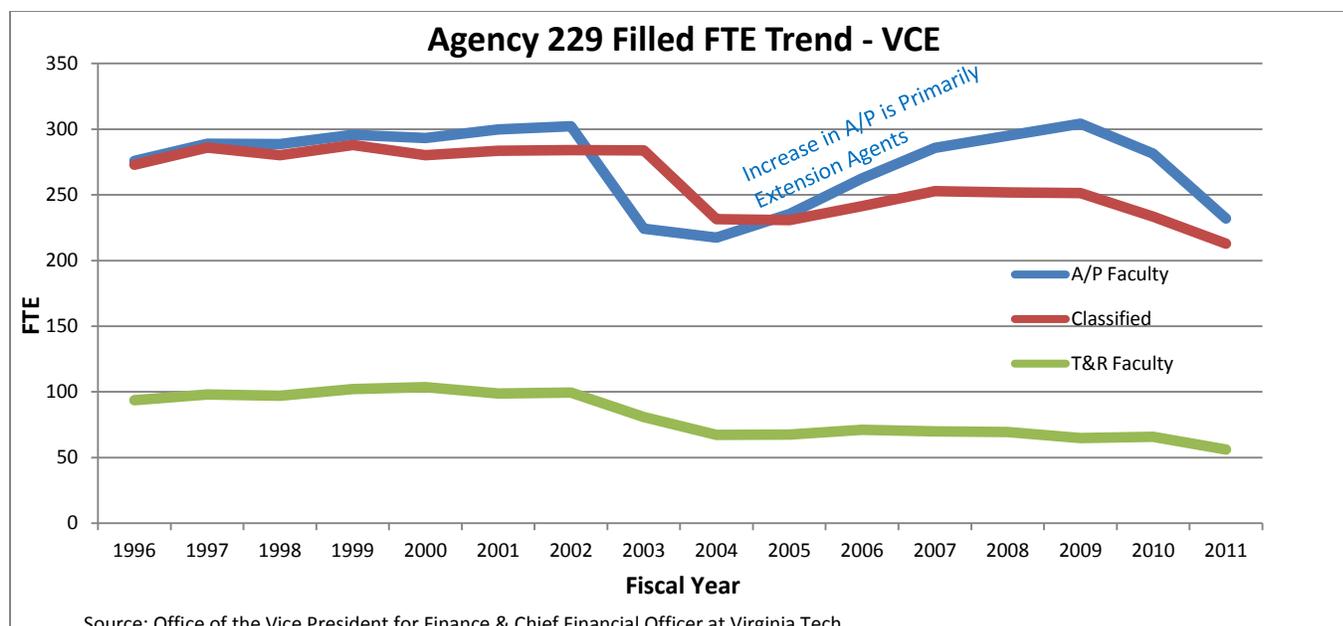
The staffing charts for both Virginia Cooperative Extension and the Agriculture Experiment Station show similar trends as the total resource and General Fund charts with dramatic decreases in staff in FY 2003 and increases in staff beginning in FY 2004 - FY 2008 as a result of state support for the staffing initiatives. In FY 2012, increases in staff are expected due to the funding provided by the Governor and General Assembly for new positions during the 2011 General Assembly session. However, Agency 229

General Fund appropriations are closer to FY06 funding levels as a result of multiple rounds of budget reductions beginning in the fall of 2007.



The Agricultural Experiment Station employs A/P faculty, T & R Faculty, and Classified Staff. Their respective roles are described below:

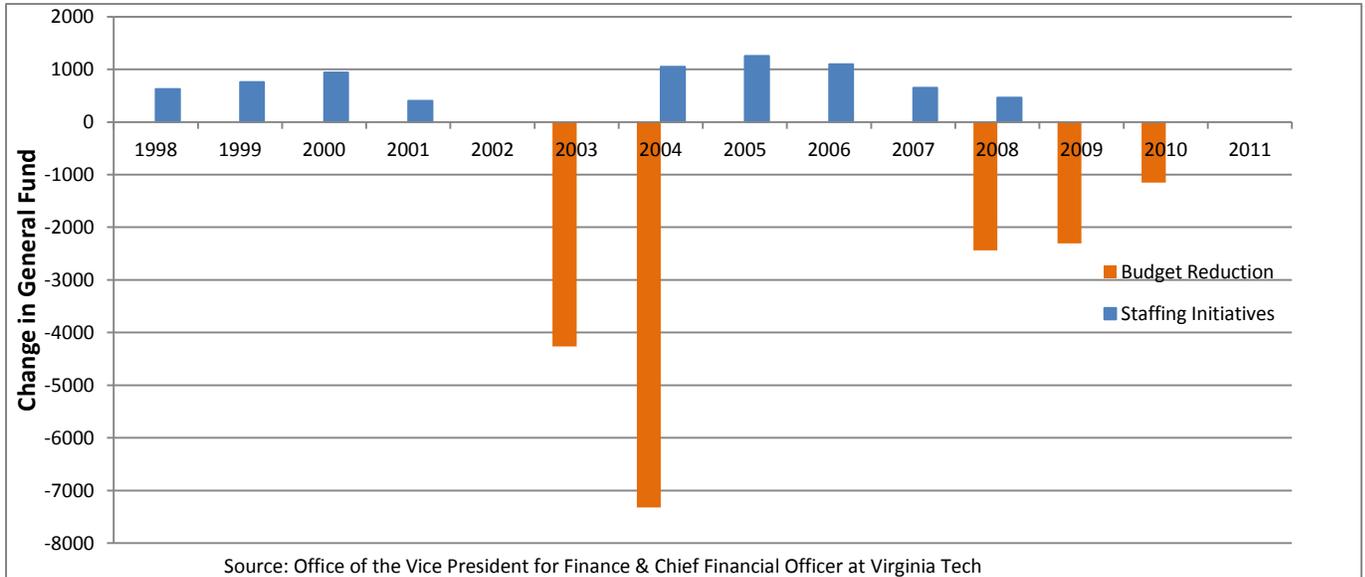
- A/P Faculty – Defined as “Administrative and Professional,” in AES, A/P faculty are typically support and leadership positions, such as AREC directors, which support and lead the overall AES mission. Similar to VCE, a portion of the work of some of these positions would also encompass general administrative responsibilities as well. A Master’s degree is often required.
- T & R Faculty – Defined as “Teaching and Research, “ in AES, T & R faculty are typically tenure track faculty positions. The portion of the faculty funded by AES is related to the research component of the faculty’s effort. For tenure track positions, a PhD is required.
- Classified Staff – In AES, classified staff positions are typically administrative assistants, technical support, lab technicians, and other professional support staff. Degree requirements are dependent on the job in question.



Virginia Cooperative Extension, like the Agricultural Experiment Station, employs A/P Faculty, T & R Faculty, and Classified Staff. Their respective roles are described below:

- **A/P Faculty** – The vast majority of Administrative and Professional (A/P) faculty in VCE are extension agents. Other positions funded by VCE that may be A/P faculty are support and leadership positions, including district directors, a portion of college leadership positions, and professional support (e.g. communications and development). A portion of the work of some of these positions would also encompass general administrative responsibilities as well. A/P faculty positions typically require a minimum of a Master’s degree.
- **T & R Faculty** – In VCE, the Teaching and Research (T & R) faculty positions are typically specialists. Other positions funded by VCE that may be T & R faculty include AREC Directors and academic department heads. In many cases, such as academic department heads, only a portion of the individual's time would be charged to VCE. Specialists are located on campus and at off campus Agricultural Research and Extension Centers. T & R faculty positions would normally be tenure-track positions, and require a minimum of a Master’s degree, but most often require a PhD.
- **Classified Staff** – In VCE, staff positions refer to roles such as administrative assistants, technical support, and other professional support staff. These include Unit Administrative Assistants, District Administrative Assistants, and campus based support positions which have an extension role. Degree requirements are dependent on the job in question.

The graph below overlays the impact of the General Fund increases as a result of the staffing initiatives against the decreases in state support from FY 1998 – FY 2011 as a result of state-wide budget reductions.

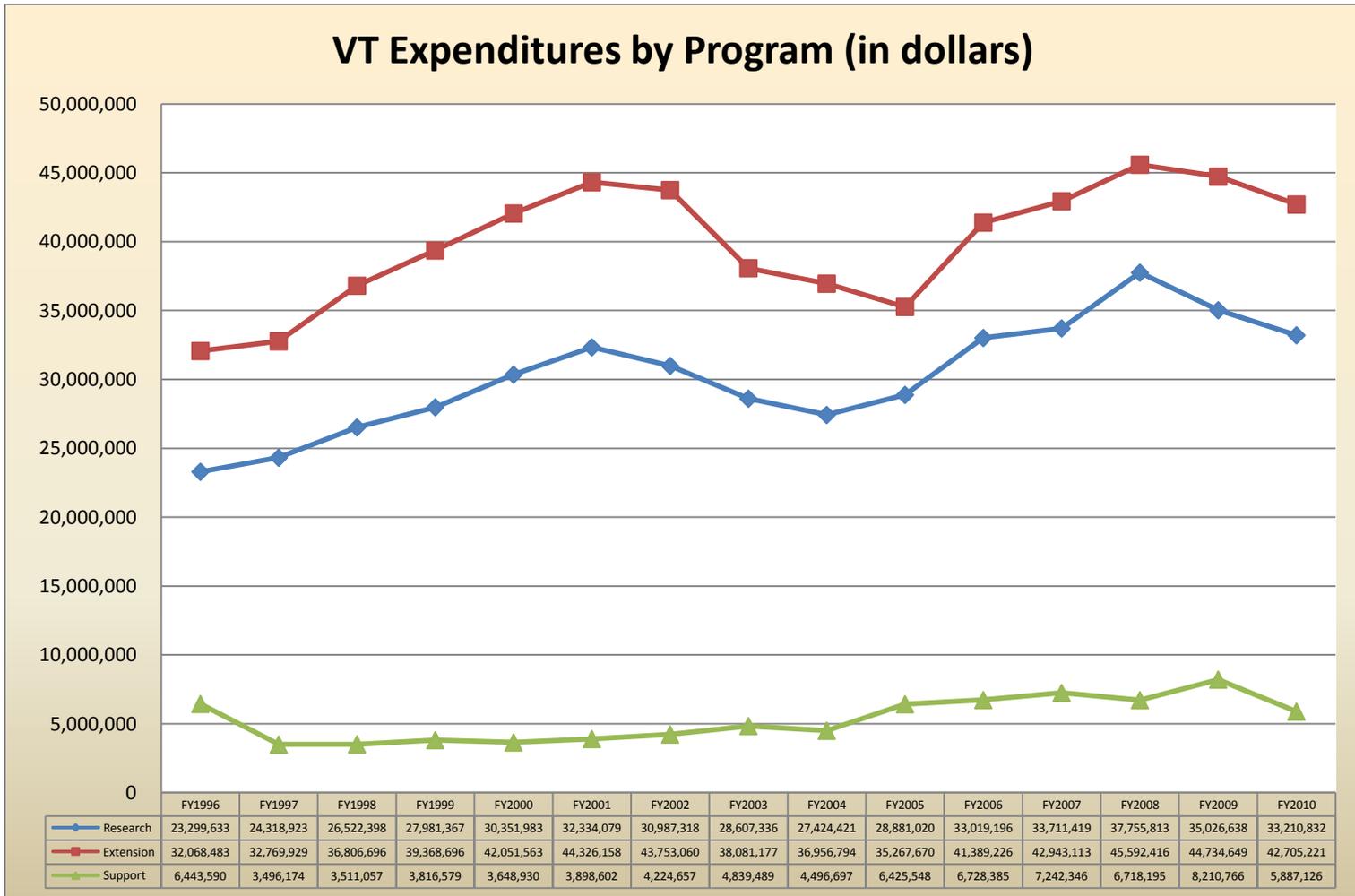


This net effect of the increases and decreases in state support is summarized below:

- \$26.5 million was received for salary increases and fringe benefit rate changes, \$562,000 for the operation and maintenance of new facilities, and \$250,000 for targeted initiatives during the 15 year period. This support did not generally add positions or program capacity; rather, it was utilized to maintain the existing system and the existing number of positions.
- \$8.7 million was received for staffing initiatives over this 15 year period. These new monies were split 22% for the Agriculture Experiment Station and 78% to Cooperative Extension as the expectation from the General Assembly to hire more positions within Cooperative Extension.
- \$22.05 million lost due to reductions in state support. Reductions were allocated to both extension and agriculture research activities based on strategic plans to maximize the program value to the Commonwealth. The reductions were allocated 35% to the Agriculture Experiment Station and 65% to Cooperative Extension.³⁴

³⁴ Memo titled, "Appropriation History, Cooperative Extension/Agricultural Experiment Station Division (Agency 229), As of October 2011."

Because almost 80% of the additional funds over this time period were added to Extension, when budget reductions became necessary Extension shouldered a larger share of the reductions due in part to more Extension agents participating in the early retirement incentive offered as a budget reduction strategy to avoid layoffs. Over time, the proportionality of the VCE and AES budgets remained fairly constant, as is shown in the “VT Expenditures by Program” chart. While the percentages vary somewhat over time, in FY 1996 Extension’s share of Agency 229 spending was 51.9% and AES’s share was 37.7%. In FY 2010, Extension was 52.2% of expenditures, and AES was 40.6% as demonstrated on the chart on page 23.

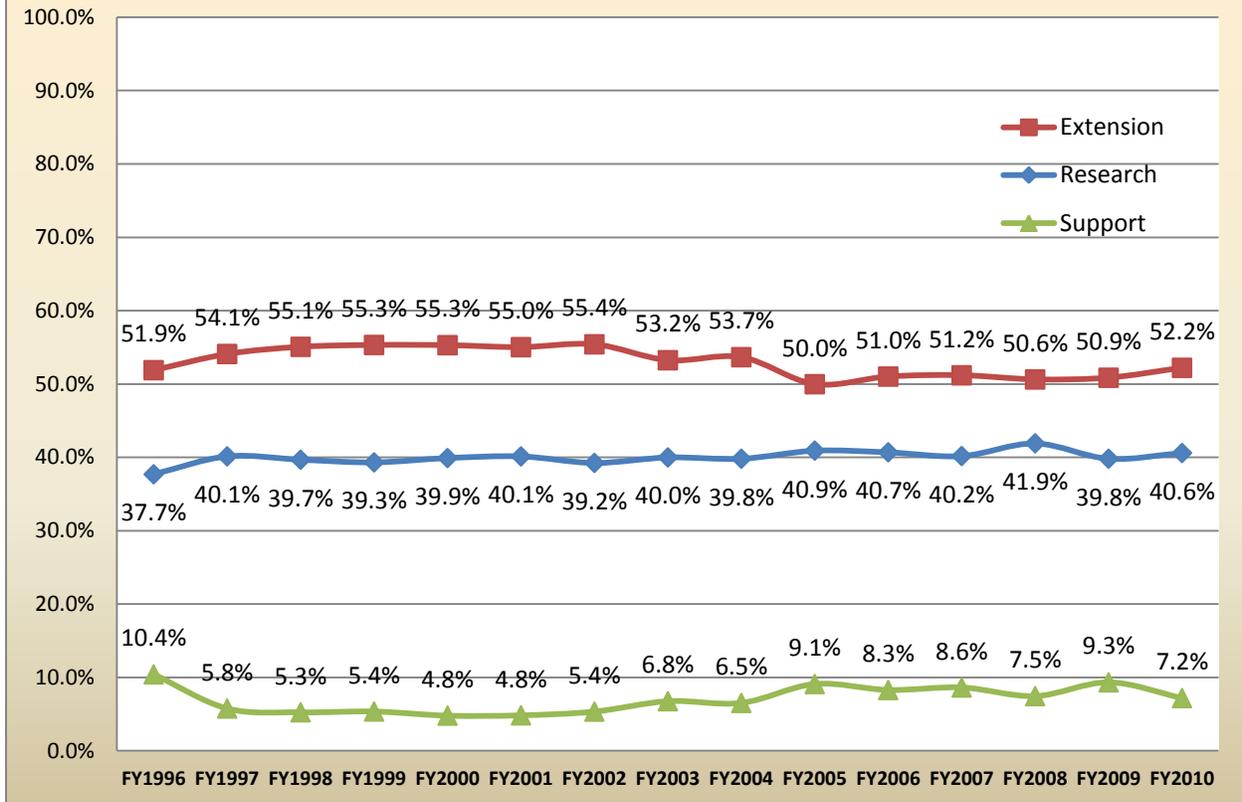


Source: Office of the Vice President for Finance & Chief Financial Officer at Virginia Tech

Expenditures for Agency 229 can be categorized into three areas: (1) “Research” for expenditures within the Agriculture Experiment Station (2) “Extension” for expenditures within Cooperative Extension and (3) “Support” which includes efforts to provide support services that directly support the primary function of the Agency. For Agency 229, this is a portion of the College of Agriculture and Life Sciences Dean’s Office including a portion of the Dean, support staff, and operating costs as well as Extension Leadership costs including the Director, state program leaders (4-H, FCS, A&R, Community Viability), support staff, and associated operating costs (e.g. the cost of agent cell phones). A number of trends regarding spending patterns in these three areas are detailed below:

- Expenditures on Research:
 - Climbed in nominal terms from FY 1996 through FY 2001
 - From FY 2002 through FY 2004, Research expenditures fell before increasing from FY 2005 through FY 2008, including large jumps in FY 2006 and FY 2008 reflecting the impact of increased state support for new positions
 - Because of budget reductions from the General Fund, Research expenditures declined in FY 2009 and FY 2010
- Expenditures on Extension programs:
 - Similarly increased from FY 1996 through FY 2001
 - Fell from FY 2002 through FY 2005 before a large increase in FY 2006 followed by increases in FY 2007 and FY 2008 as a result of the staffing initiatives
 - Expenditures on Extension, like Research, fell in FY 2009 and FY 2010 due to the reductions at the state level
- Expenditures on support activities for Agency 229:
 - Were relatively high in FY 1996 before dropping in FY 1997 as Agency 229 realized cost-savings benefits from the merger of Research and Extension into Agency 229
 - Support expenditures then ranged from \$3.5 million to \$4.8 million over the period from FY 1997 to FY 2004
 - In FY 2005, support expenditures jumped to \$6.4 million and increased through FY 2007 before decreasing in FY 2008
 - Expenditures in this category jumped \$1.5 million in FY 2009 to \$8.2 million before contracting \$2.3 million in FY 2010

Percentage of VT Expenditures by Program



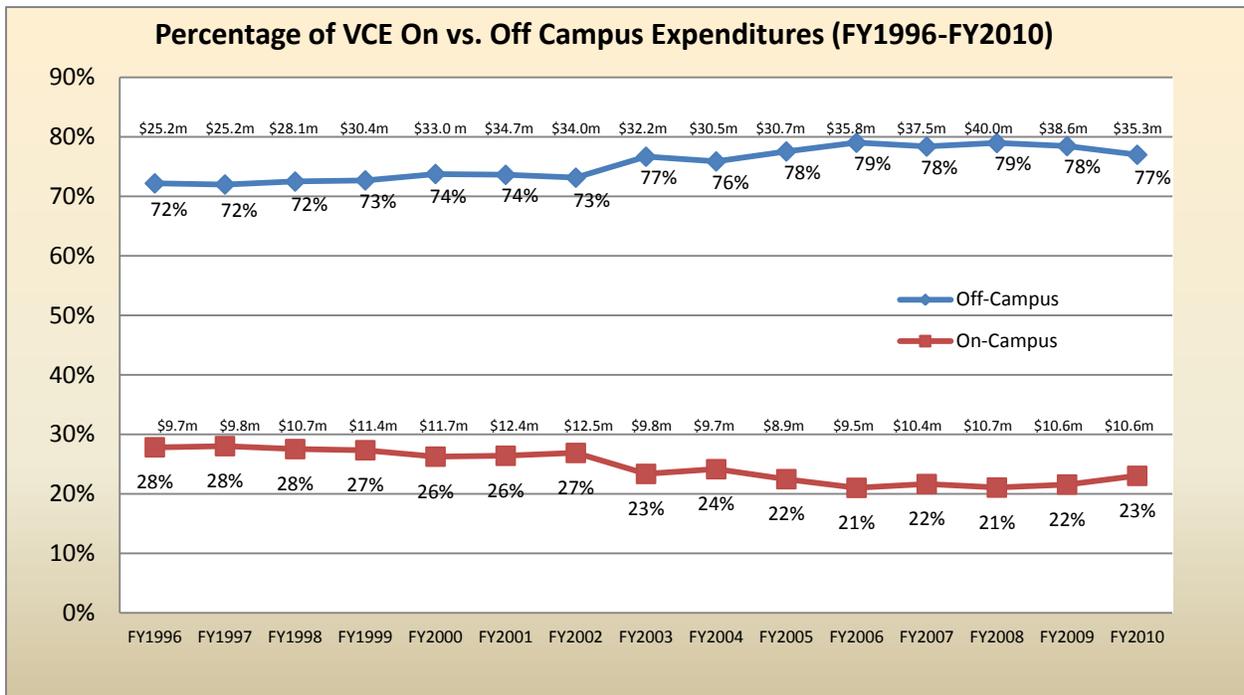
Source: Office of the Vice President for Finance & Chief Financial Officer at Virginia Tech

In conclusion, the percentage of expenditures on Extension activities:

- Has remained fairly constant during the past 15 years ranging from a low of 50.0% to a high of 55.4%
- The percentage increased in FY 1997 after the merger of Research and Extension into Agency 229 when expenditures on support decreased
- Expenditures on Research programs as a percentage of total expenditures were fairly constant around 40% beginning in FY 1997
- Support expenditures as a percentage of total expenditures:
 - Declined in FY 1997, after the merger, before increasing to 9.1% of total expenditures in FY 2005
 - Between FY 2005 and FY 2010, the percentage of total expenditures spent on support was as high as 9.3% in FY 2009 and as low as 7.2% in FY 2010—over this period, support accounted for a larger percentage of total expenditures compared to the period from FY 1997 through FY 2002
 - Since 2004-05, these costs have been pushed by escalating energy costs, increasing insurance costs, Latham Hall coming online, and increases in leased property rates
 - Although not an exact comparison, costs are much lower than those of Virginia’s public higher education institutions which range from 22-35%

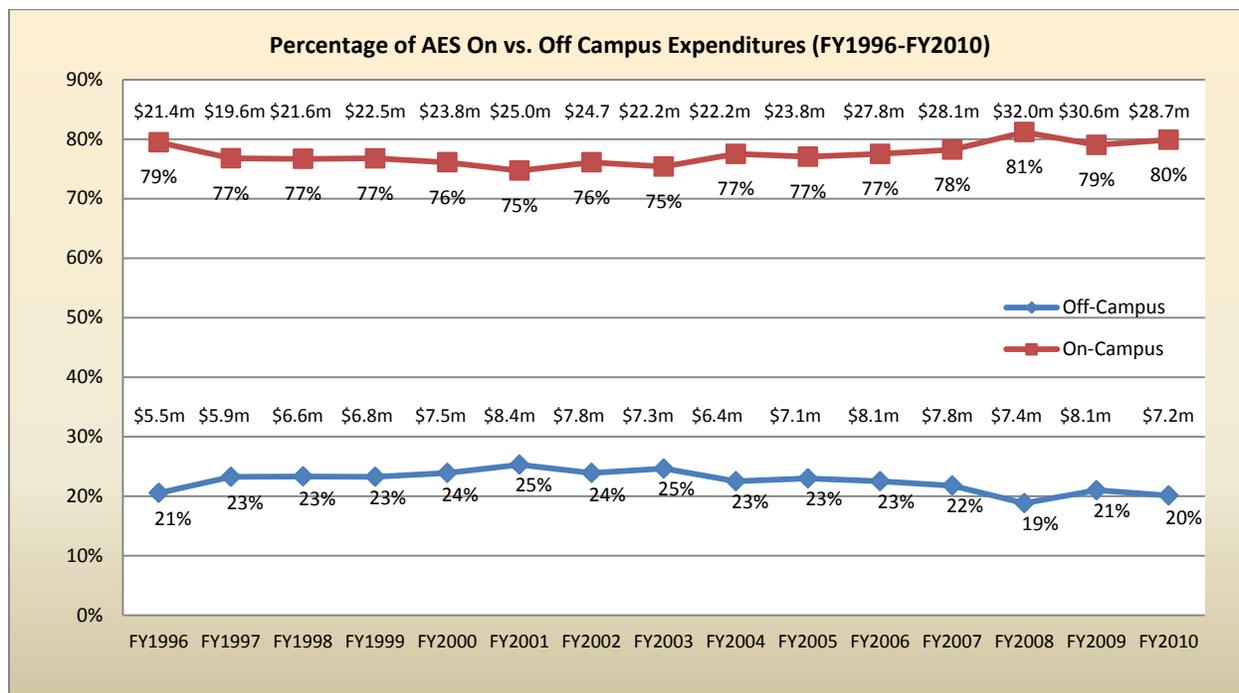
Allocation of Resource between Campus and Off-Campus

The majority of VCE's resources are allocated to off-campus Extension activities. Over the 15-year period from FY 1996 to FY 2010, the percentage of total VCE resources expended for off-campus Extension activities has increased 4.8 percentage points from 72.2% to 77.0%. Some level of on-campus expenditure is required for VCE in order to accomplish the mission of a land-grant institution as many programs originate from campus but are delivered in the field. On-campus VCE expenditures include spending on extension specialists located on campus and administrative costs including staff support and operational funds for the related Extension programs. The off campus expenses are primarily for Extension agents. However, their work is supported by heavily by both on campus and off campus specialists. Horticulture, crop science, and animal science are three areas where extensive research and program development occurs on campus and then delivered through agents throughout the state. Although, many specialists are assigned to the field closer to where production and users operate.



Source: Office of the Vice President for Finance & Chief Financial Officer at Virginia Tech

Compared to VCE, the mix of on- and off-campus spending is quite different for AES. The majority of state and federal AES resources is spent on-campus and has increased 0.4 percentage points from FY 1996 to FY 2010. In FY 1996, 79% of AES resources were spent on-campus compared to 80% in FY 2010. This distribution is to be expected as main campus was the original Agriculture Experiment Station and continues to support significant agriculture research that benefits the other ARECs. Without this on-campus infrastructure of faculty, staff, fields, barns, animals, and laboratories, support for the other ARECs and field agents would not be possible. The contribution of on-campus research is described in more detail in another section of this report.



Source: Office of the Vice President for Finance & Chief Financial Officer at Virginia Tech

Process for Determining Faculty Allocations from VCE

In general, within Cooperative Extension there are two types of professional staff: Agents and Specialists. Agents are the primary providers of Extension services in the field and in most cases hold Master’s degrees. Specialists hold terminal degrees, mostly Ph.Ds, and have broader responsibilities for developing new knowledge and also programs for delivery in the field. Specialists may be located either on-campus or at Agricultural Research & Extension Centers.

In higher education, in order to distribute costs across multiple programs and activities, allocations of employee work effort are required for faculty as well as other employees where possible. For Virginia Tech and specifically within the VCE and AES programs, the university makes estimated allocations of costs for employees based on their planned activities for the fiscal year.³⁵ During the fiscal year, through the “effort reporting system”, opportunities occur to confirm and/or adjust these cost allocations based on actual work activities for individual employees. All teaching and research faculty and faculty specialists in the extension program receive an end-of-year “effort report” that identifies their initial

³⁵ Virginia Tech, http://www.bov.vt.edu/minutes/11-03-28minutes/attach_o_03-28-11.pdf.

cost allocations among program activities, between extension and research, or among those programs and instructional activities in the University Division. The faculty member either certifies that those cost allocations are reasonable or initiates an adjustment process to correct the cost allocation. The same effort reporting system is in place for extension agents and support staff.

Additionally, within the land-grant functions, the faculty extension specialists and extension agents prepare a federal plan of work which indicates at the beginning of the year the work activities they plan to carry out and at the end of the year, they complete a reporting process that provides confirmation of the work effort; these reports are then reviewed by agency officials and personnel within the dean's office.³⁶

These internal controls provide multiple opportunities to confirm that allocations of personnel costs to Virginia Tech's various academic programs represent a reasonable estimate of the agency's activities during the year.³⁷

Creating Greater Transparency

As mentioned previously, the work group created to review the funding trends and allocations between Virginia Cooperative Extension and the Agricultural Research Experiment Stations created a more detailed "229 Report." The report shows the federal, state, and local funds supporting the 229 Division as well as the uses of these resources including research, Cooperative Extension, Academic Support, Institutional Support, and Operations and Maintenance of facilities associated with the 229 Division. Footnotes were included to detail what expenses are included in each category. The new 229 report for FY 2010 is provided at the end of this section.

To help examine the funding allocations during FY 1996 and FY 2010, the group also created a new report, "Trend of Sources and Uses for FY96-FY10." This report includes a reconciliation of the sources and uses of all funds with Agency 229 to the Appropriations Act and to the state accounting system, "CARS" for each year. The State Controller participated in one of the work group meetings and verified the CARS data included in this report.

As was the case with the original "229 report," these new reports will be produced annually to help Virginia Tech demonstrate to internal and external stakeholders how all funds are allocated within the agency.

³⁶ Ibid.

³⁷ Ibid.

Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Sources and Uses for the Fiscal Year Ended June 30, 2010
By Major Source of Funds - Cash Basis Totals
 Prepared Sept 13, 2011

	AGENCY 229				Grand Total	Locality	Combined Grand Totals
	Fund 0301	Fund 0300				Amounts Paid Directly by Localities (2)	
	Federal Funds	Virginia General Fund	Non-General Funds	Locality Reimbursement/Support (8)			
SOURCES:							
Revenue received directly by Virginia Tech	11,009,167	61,569,176	735,583		73,313,926		73,313,926
Locality Reimbursement of Expenditures at Virginia Tech				5,211,020	5,211,020		5,211,020
Amounts Directly Paid by Localities (2)					-	6,174,443	6,174,443
TOTAL SOURCES	<u>11,009,167</u>	<u>61,569,176</u>	<u>735,583</u>	<u>5,211,020</u>	<u>78,524,946</u>	<u>6,174,443</u>	<u>84,699,389</u>
USES:							
Instruction (3)	0	0	0	0	0		0
Research	5,186,442	27,566,791	457,599 (1)		33,210,832		33,210,832
Cooperative Extension							
Paid directly by Virginia Tech	8,702,340	28,513,877	277,984 (1)	5,211,020 (1)	42,705,221		42,705,221
Paid directly by local governments (2)						6,174,443	6,174,443
Academic Support (4)	398,618	1,918,997			2,317,615		2,317,615
Institutional Support (5)		1,044,693			1,044,693		1,044,693
Operation and Maintenance (6)	-	2,524,818	-	-	2,524,818		2,524,818
TOTAL USES	<u>14,287,400</u>	<u>61,569,176</u>	<u>735,583</u>	<u>5,211,020</u>	<u>81,803,179</u>	<u>6,174,443</u>	<u>87,977,622</u>
TOTAL REVENUES - EXPENDITURES (NET)	<u>(3,278,233) (7)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,278,233)</u>	<u>-</u>	<u>(3,278,233)</u>

- 1) Virginia Tech manages Fund 0300 expenditures such that they can only be expended to the extent revenue has been actually received to cover such expenditures. Therefore, expenditures for the three columns in Fund 0300 have been allocated among these columns to match the revenues received by June 30 for each fiscal year. There are normally revenues in transit from local governments at each year end.
- 2) Direct payments by localities occur outside of the University (e.g. space and services in county office buildings, etc.), and are not recorded in Virginia Tech's accounting system or management reports.
- 3) Degree credit instruction occurs only in Agency 208.
- 4) Academic Support includes efforts to provide support services that directly support the primary function of the agency. For Agency 229 this is a portion of the College of Agriculture and Life Sciences Deans Office including a portion of the Dean, support staff, and operating costs as well as Extension Leadership costs including the Director, state program leaders (4-H, FCS, A&R, Community Viability), support staff, and associated operating costs (e.g. the cost of agent cell phones).
- 5) Institutional Support includes efforts to provide operational support for the day-to-day functioning of the agency (e.g. payroll, human resources services, purchasing, accounting, budgeting, etc.)
- 6) Operation and Maintenance of Plant includes effort to operate and maintain the physical plant facilities (e.g. utilities, insurance, custodial services, maintenance, leased property, etc.)
- 7) Virginia Tech manages expenditures for Federal Land Grant Appropriations on a federal fiscal year basis ending Sept 30. Therefore, at June 30 a net positive or negative balance usually exists. Net negative balances are temporarily financed by internal university loans. A positive balance reflects a drawdown on the federal letter of credit that exceeded the expenses at June 30th.
- 8) Locality reimbursement/support reflects activities funded by a locality, with the needed resources transferred to Virginia Tech and subsequently expended by the University and recorded in its accounting system. These funds are recorded as "recoveries" and are limited in use to cover the costs (normally agent salaries) as agreed to by the locality.

Research

A fundamental tenant of the land-grant university, in particular the portions associated with agriculture, natural resources, families, and youth, is that research is translated into application for the benefit of producers, landowners, families, communities and the state. Research is conducted at the Agricultural Research and Extension Centers, the campus and farms associated with Virginia Tech and the campus and farms associated with Virginia State University. In addition, faculties collaborate with producers, individuals, companies and other agencies to conduct research, provide demonstrations, and share knowledge for the benefit of end-users.

For Virginia Cooperative Extension, a number of tenure track teaching and research and administrative and professional faculty are engaged in the research aspects as demonstrated in an earlier chart. They evaluate needs, conduct research to address those needs, and then develop programs to train agents to deliver the program to users, or deliver programs directly to users as appropriate. To effectively conduct the identified research needs, faculty seek and acquire extramural funds to support the research activity. These funds range from a few thousand dollars to millions of dollars depending upon the type of research and scope. These funds support graduate students, technical support staff, operational costs of research, and frequently the costs of delivering the resulting extension educational program. The

primary input costs by Virginia Tech and Agency 229 are faculty salaries and the physical facilities on campus or at the ARECs.

The primary criteria for accountability for research is the ability to acquire external funds and to contribute to the base of scientific knowledge through publications and professional presentations. The primary criteria for accountability for an extension program is the ability to deliver a program and the documentation of the associated impacts.³⁸

The majority of research within the Division is conducted through the Virginia Agricultural Experiment Station (VAES) which performs research on food and fiber systems, their impact on the environment, and relating future needs of Virginia, the nation, and the world. VAES has faculty members at 11 Research and Extension Centers and throughout the colleges of Agriculture and Life Sciences, Natural Resources, and the Virginia Maryland Regional College of Veterinary Medicine at Virginia Tech.³⁹ The mission of VAES is to perform basic and applied research on agricultural, environmental, and natural and community resource issues related to the future needs of Virginia, the region, the nation, and the world. Research is designed to provide knowledge that will enhance the quality of individual and family life and the social and economic vigor of Virginia. Researchers utilize the best techniques of qualitative and quantitative research to form the knowledge base for instruction of and application to the broader mission of the land-grant university.⁴⁰

Discoveries resulting from Agency 229 supported research include the development and administration of the Virginia Quality Assured (VQA) Feeder Cattle Program, analysis and recommendations for formulation and processing food products, and recommendations for control of ALS-resistant common chickweed.⁴¹ The figure below summarizes these research products. A more comprehensive list of the accomplishments and impacts of Agency 229 research is included in the appendix.

³⁸ Information for this section was supplied by Ed Jones, Director of the Virginia Cooperative Extension.

³⁹ Virginia Agricultural Experiment Station, <http://www.vaes.vt.edu/arecs/index.html>.

⁴⁰ Virginia Agricultural Experiment Station, <http://www.vaes.vt.edu/>.

⁴¹ "Selected Research Accomplishments and Impacts of the College of Agriculture and Life Sciences," Virginia Agricultural Experiment Station and Virginia Cooperative Extension.

Program	Description	Estimated Value
VQA Certified Feeder Cattle Programs	Program was developed and administered by Extension Specialists who partnered with the Virginia Cattlemen's Association to encourage the use of scientifically-based cattle health and management procedures	Procedures allows producers to receive a premium of \$46 per calf in 2010 on 10,887 calves resulting in more than \$500,000 of additional income realized by Virginia beef producers
Food Processor Technical Assistance Program	The Food Processor Technical Assistance Program, which provides guidance to food processors on formulation and regulation of their products, analyzed 730 products from 2008 to 2010	The value of this program to Virginia over this period was conservatively estimated to be over \$900,000
VCE Publication 456-016 <i>Pest Management Guide for Food Crops</i>	VCE Publication 456-016 <i>Pest Management Guide for Field Crops</i> lays out specific recommendations for control of acetolactate synthase (ALS) resistant common chickweed	Net returns from this Extension activity to Virginia wheat producers were more than \$1.5 million for the most recent growing season.

It is difficult to calculate the cost of a research product as this type of research typically involves many individuals both on and off-campus. Many times the research spans multiple years.

Recommendations

As we approach the sesquicentennial anniversary of the land grant institution, it is important to remember that Cooperative Extension was created to translate the research discovered within the institution to those individuals and communities outside the region. This role ultimately helped build the Commonwealth and continues to sustain local communities through its' network of county offices and research stations.

With close to a 100 year history, the success of Cooperative Extension's efforts and its' impacts to the Commonwealth can be demonstrated. Programming and staffing levels will continue to change as the needs of stakeholders evolve and resource levels fluctuate with changes in federal, state, and local funding.

These recommendations are provided to strengthen the organizational structure, encourage greater communication, and provide for additional transparency on the use of funds to external stakeholders to sustain Virginia Cooperative Extension for another hundred years. This should continue in the same spirit of the Smith Lever Act which created Cooperative Extension as a partnership among higher education and federal, state, and local governments in collaboration toward the solution of social and economic problems.

1. Organizational Structure/Leadership

This report requested an analysis of the organizational structure of the Cooperative Extension division prior to and proceeding the merger in 1994. These structures were reviewed in previous sections of this report.

The single division provides more transparency by isolating resources intended for Cooperative Extension activities in one unit. Programmatically, this structure focuses solely on Cooperative Extension related activities and has a director responsible for oversight of these activities.

However, some stakeholder groups have expressed concerns regarding the imbalance of support for one area of Cooperative Extension at the expense of other areas. There is also concern that the current structure does not provide a well defined process for decision making, allocating resources and determining long range strategic plans.

Maintaining continuity of an Extension Director would help address many of the stakeholder concerns raised while researching this report. From 1914 to 1976 there were only 5 directors. However, since 1992, there have been 10 directors of the Virginia Cooperative Extension Division. Prior to 2009, the average tenure was three years. However, since March of 2009 there have been three directors.

The Extension Director serves as the leader of Cooperative Extension. This position is a liaison to the three colleges that support VCE and must also maintain and establish relationships with various local governments and other stakeholder groups throughout the Commonwealth. However, despite the broad programmatic offerings of the Division, the Director reports through the Dean of the College of Agriculture, where the majority of 229 funds are spent.

The 229 Council consists of broader college and University representation to facilitate program coordination across the colleges and program units to help represent the larger mission and programmatic function of the agency. The Council is currently chaired by the Vice President for Outreach and International Affairs, on behalf of the Provost.

Recommendation: Given the reporting line of the Director and the breadth of the programming provided by the Division, it is important to evaluate and define the role and leadership of the 229 Council to make sure all interests are represented. Leadership for the Council should be provided from the highest level of the University. The University Provost should chair the Council with the deans and Directors of Virginia Cooperative Extension and the Virginia Agriculture Experiment Station and serve as a steering committee responsible for establishing the program direction rather than their current role in facilitating communications. Consideration should be given as to how to receive and utilize stakeholder input in this process.

2. Restructuring

This report supports Virginia Tech's decision to halt the Restructuring initiative begun in 2010. However, future efforts to reorganize the Division will be necessary as resource and programmatic needs change over time.

Recommendation: Re-invigorate the Division's relationship with the localities. Virginia Cooperative Extension has begun a process of re-negotiating a Memorandum of Understanding ("MOU") with the counties. The current MOU is over 15 years old. MOUs should affirm localities needs, financial support, and Virginia Cooperative Extension's commitment to meeting those needs. Multi-county partnerships should be considered to leverage resources and expertise to the greatest extent without detriment to core services. Greater use of technology should also be considered as a mechanism for disseminating program and research materials as appropriate.

3. Increase Fiscal Transparency

Stakeholder groups were confused by inconsistencies when comparing data in the Appropriations Act, 229 Report of revenues and expenditures, and other publically available documents. It is impossible for the data to match precisely given as each report represents different snapshots in time. In an effort to create greater transparency as to the use and allocation of resources, the work group created an expanded 229 report with more detail on the sources and uses of expenditures and revenues. Further, a spreadsheet to reconcile the Appropriations Act to CARS, applicable funds recorded in the state accounting system, and to the annual 229 report was produced to help explain the differences between the publically available reports on state support and allocation of resources in the Agency.

Recommendation: Replace the current "229 Report" with the improved "Sources and Uses" report developed by the working group. This enhanced "229 Report" will provide increased transparency to the sources and uses of funds to Virginia Cooperative Extension and the Agriculture Experiment Stations. If further transparency remains an interest of stakeholder groups, it is recommended that a committee be created within the ELC to bring forward additional questions to University administrators.

4. Extension Leadership Council (ELC)

Currently, the ELC is comprised of 22 members, one each from the planning districts in the state as well the chairperson from the VCE program leadership council, the director of VCE, the administrator of VCE at Virginia State, faculty members, director of the Agricultural Experiment Station, the associate dean of agriculture, and director of research at Virginia State University, as well as a number of at large members. While the group appears to be representative of many interests within VCE, this group could be better utilized to communicate with local volunteers and lead advocacy efforts in addition to helping to surface issues from the field or local constituencies.

Recommendation: Evaluate the Councils' mission, membership, and responsibilities to ensure it is playing a relevant role in advancing and promoting Virginia Cooperative Extension for the 21st century. Membership should reflect all stakeholder groups and serve as the primary advisory board regarding Cooperative Extension issues for Agency 229 by providing a clear process for Extension constituents to influence programming and staffing decisions. Part of this evaluation should include how the ELC at the state level will help strengthen the role of the local ELC and their work on the local level with various constituencies and stakeholders.

5. Review of Allocations of Faculty Time

Concerns were raised during the research for this report as to the allocation of time for certain individuals paid by Agency 229. As described in a previous section of this report, Virginia Cooperative Extension has an established process for allocating faculty time through an annual, upfront estimate of the faculty's planned effort that is distributed within the financial system. This planned allocation normally involves the faculty member, department head, and Dean. At the end of each academic term, this upfront distribution process is confirmed or adjusted through the University's "effort reporting system" which requires an end-of-work confirmation for each faculty member. The internal control over cost and effort allocations is further supported by the separate annual federal reporting requirement completed by the agency in a manner similar to the practice in other states.

It is not the intent of this report to review the individual allocations of the positions allocated to 229 as this was not included in the study language. The responsibility for this process is delegated to the University. However, specific questions were raised about partial Agency 229 funding of a University administrator, with no line responsibilities for the Agency but with broad oversight of statewide programs. There were no violations of policies or regulations. A process was established whereby 50 percent of Agency 229's support for this position was to be reimbursed by the University, and as a result funding was transferred to the College of Agriculture. Agency 229 will be reimbursed for these expenses for FY12. If there are reasons for future arrangements, the process should entail reimbursing Agency 229.

Recommendation: *The Provost and the Vice President for Finance and Chief Financial Officer should evaluate the existing processes for establishing the upfront "effort" allocations in the University's accounting system along with the internal controls provided by the "effort reporting system" and the federal report requirements to ensure that the process requires and results in reasonable allocations of effort. This evaluation should also consider the impact of creating ranges of effort to be used in the reporting system with a corresponding set of expectations for that effort. It is understood that the effort allocated to various program functions can change from year to year. At the end of the review, the Provost and the Vice President for Finance and Chief Financial Officer should determine that adequate internal controls exist and are operating to ensure that these processes continue to operate on an annual basis.*

6. Research

The development of research and dissemination of research "products" is critical to fulfilling the land-grant mission of the University and supporting the needs of localities. The land-grant mission was created based on research being developed on the university campus and utilizing the Cooperative Extension's network of agents and specialists to deliver the research outcomes while also responding to the needs identified outside of the campus footprint.

Some stakeholders expressed concern about the lack of visibility and understanding of what research is conducted on campus and how it is translated into the field. This report provided some practical examples of how this happens and has been critical in responding to plant disease management, bed bugs, management of stink bugs in addition to discovering ways to enhance the value of Virginia's beef enterprise and to ensure the safety our Virginia's seafood industry-all important to Virginia's economy and the well being of its citizens.

Recommendation: Utilize the Extension Leadership Councils to help develop strategies to regularly promote and improve visibility of the research “products” and the value and benefits to stakeholders of this investment of federal, state, and local resources.

Communications

Communications are vital to the work and advocacy of the Virginia Cooperative Extension Division. With frequent change in leadership at the director level while major budget reductions were occurring strained and at times limited regular communication between the VCE leadership and stakeholders.

With the hiring of a permanent Extension Director in the spring of 2011, the University has new leadership in place and has demonstrated a renewed commitment to the Virginia Cooperative Extension Division. This new director will (and is already) help improve communications but other strategies are needed to form a more united network of educators, volunteers, researchers, and stakeholders to work together to advance common goals for the benefit of all citizens in Virginia.

Recommendations: It is critical that the 229 Council, ELCs, faculty, and staff develop and maintain a comprehensive communications plan to improve communication with all 229 stakeholders including local governments, members of the legislature, affected state agencies, Virginia Association of Counties, and the Secretaries of Education and Agriculture to advance Virginia Cooperative Extension’s work to address the needs of the 21st century in the Commonwealth.

Appendix

Current 229 Report

VIRGINIA TECH
Cooperative Extension / Agriculture Experiment Station Division
Annual Expenditure Report -- Educational and General Programs
2009-10

EXPENDITURES

Expenditures Recorded by Program

Agriculture Experiment Station	\$33,210,832
Cooperative Extension	42,548,612
Academic Support	2,317,615
Institutional Support	1,044,693
Operation and Maintenance of Plant	<u>2,524,818</u>
Subtotal Expenditures by Program at Virginia Tech	81,646,570 (1) (2)
Direct Payments by Localities	6,174,443
Total Expenditures	<u>\$87,821,013</u>

REVENUE

General Fund	\$61,569,176
Nongeneral Funds	<u>11,744,750</u>
Subtotal Revenue at Virginia Tech	73,313,926
Localities' Reimbursement of Salaries and Fringes Paid by Virginia Tech	<u>5,054,411</u>
Subtotal Revenue plus Recoveries at Virginia Tech	78,368,337 (1)
Direct Payments by Localities	6,174,443
Total Revenue	<u>\$84,542,780</u>

LOCAL SUPPORT EXPENDITURES	
Localities' Reimbursement of Salaries and Fringes Paid by Virginia Tech	\$5,054,411
Direct Payments by Localities	<u>6,174,443</u>
Total Expenditures by Localities	<u>\$11,228,854</u>

Notes:

- (1) As of June 30, 2010, federal expenditures exceeded federal revenues because of the time lag between the recording of expenses and the receipt of federal reimbursements.
- (2) Expenditures for the Agriculture Experiment Station and Cooperative Extension Service were \$35,799,732 and \$45,846,838 respectively. The Cooperative Extension Service expenditures include \$5,054,411 which was reimbursed by the localities.

Recommended 229 Report

Cooperative Extension/Agriculture Experiment Station Division (Agency 229)

Sources and Uses for the Fiscal Year Ended June 30, 2010

By Major Source of Funds - Cash Basis Totals

Prepared Sept 13, 2011

	AGENCY 229					Locality	Combined Grand Totals
	Fund 0301	Fund 0300			Grand Total	Amounts Paid Directly by Localities (2)	
	Federal Funds	Virginia General Fund	Non-General Funds	Locality Reimbursement/Support (8)			
SOURCES:							
Revenue received directly by Virginia Tech	11,009,167	61,569,176	735,583		73,313,926		73,313,926
Locality Reimbursement of Expenditures at Virginia Tech				5,211,020	5,211,020		5,211,020
Amounts Directly Paid by Localities (2)					-	6,174,443	6,174,443
TOTAL SOURCES	<u>11,009,167</u>	<u>61,569,176</u>	<u>735,583</u>	<u>5,211,020</u>	<u>78,524,946</u>	<u>6,174,443</u>	<u>84,699,389</u>
USES:							
Instruction (3)	0	0	0	0	0		0
Research	5,186,442	27,566,791	457,599 (1)		33,210,832		33,210,832
Cooperative Extension							
Paid directly by Virginia Tech	8,702,340	28,513,877	277,984 (1)	5,211,020 (1)	42,705,221		42,705,221
Paid directly by local governments (2)						6,174,443	6,174,443
Academic Support (4)	398,618	1,918,997			2,317,615		2,317,615
Institutional Support (5)		1,044,693			1,044,693		1,044,693
Operation and Maintenance (6)	-	2,524,818	-	-	2,524,818		2,524,818
TOTAL USES	<u>14,287,400</u>	<u>61,569,176</u>	<u>735,583</u>	<u>5,211,020</u>	<u>81,803,179</u>	<u>6,174,443</u>	<u>87,977,622</u>
TOTAL REVENUES - EXPENDITURES (NET)	<u>(3,278,233) (7)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,278,233)</u>	<u>-</u>	<u>(3,278,233)</u>

- 1) Virginia Tech manages Fund 0300 expenditures such that they can only be expended to the extent revenue has been actually received to cover such expenditures. Therefore, expenditures for the three columns in Fund 0300 have been allocated among these columns to match the revenues received by June 30 for each fiscal year. There are normally revenues in transit from local governments at each year end.
- 2) Direct payments by localities occur outside of the University (e.g. space and services in county office buildings, etc.), and are not recorded in Virginia Tech's accounting system or management reports.
- 3) Degree credit instruction occurs only in Agency 208.
- 4) Academic Support includes efforts to provide support services that directly support the primary function of the agency. For Agency 229 this is a portion of the College of Agriculture and Life Sciences Deans Office including a portion of the Dean, support staff, and operating costs as well as Extension Leadership costs including the Director, state program leaders (4-H, FCS, A&R, Community Viability), support staff, and associated operating costs (e.g. the cost of agent cell phones).
- 5) Institutional Support includes efforts to provide operational support for the day-to-day functioning of the agency (e.g. payroll, human resources services, purchasing, accounting, budgeting, etc.)
- 6) Operation and Maintenance of Plant includes effort to operate and maintain the physical plant facilities (e.g. utilities, insurance, custodial services, maintenance, leased property, etc.)
- 7) Virginia Tech manages expenditures for Federal Land Grant Appropriations on a federal fiscal year basis ending Sept 30. Therefore, at June 30 a net positive or negative balance usually exists. Net negative balances are temporarily financed by internal university loans. A positive balance reflects a drawdown on the federal letter of credit that exceeded the expenses at June 30th.
- 8) Locality reimbursement/support reflects activities funded by a locality, with the needed resources transferred to Virginia Tech and subsequently expended by the University and recorded in its accounting system. These funds are recorded as "recoveries" and are limited in use to cover the costs (normally agent salaries) as agreed to by the locality.

Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Sources and Uses for the Fiscal Year Ended June 30, 2009
By Major Source of Funds - Cash Basis Totals

Prepared Sept 13, 2011

	AGENCY 229					Locality	Combined Grand Totals
	Fund 0301	Fund 0300			Grand Total	Amounts Paid Directly by Localities (2)	
	Federal Funds	Virginia General Fund	Non-General Funds	Locality Reimbursement/Support (8)			
SOURCES:							
Revenue received directly by Virginia Tech	15,619,878	64,128,825	821,825		80,570,528		80,570,528
Locality Reimbursement of Expenditures at Virginia Tech				6,888,591	6,888,591		6,888,591
Amounts Directly Paid by Localities (2)					-	6,125,887	6,125,887
TOTAL SOURCES	<u>15,619,878</u>	<u>64,128,825</u>	<u>821,825</u>	<u>6,888,591</u>	<u>87,459,119</u>	<u>6,125,887</u>	<u>93,585,006</u>
USES:							
Instruction (3)	0	0	0	0	0		0
Research	5,202,899	29,218,972	604,767 ⁽¹⁾		35,026,638		35,026,638
Cooperative Extension							
Paid directly by Virginia Tech	10,350,813	27,278,187	217,058 ⁽¹⁾	6,888,591 ⁽¹⁾	44,734,649		44,734,649
Paid directly by local governments (2)						6,125,887	6,125,887
Academic Support (4)	579,100	1,993,674			2,572,774		2,572,774
Institutional Support (5)		1,656,358			1,656,358		1,656,358
Operation and Maintenance (6)	-	3,981,634	-	-	3,981,634		3,981,634
TOTAL USES	<u>16,132,812</u>	<u>64,128,825</u>	<u>821,825</u>	<u>6,888,591</u>	<u>87,972,053</u>	<u>6,125,887</u>	<u>94,097,940</u>
TOTAL REVENUES - EXPENDITURES (NET)	<u>(512,934)⁽⁷⁾</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(512,934)</u>	<u>-</u>	<u>(512,934)</u>

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Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Sources and Uses for the Fiscal Year Ended June 30, 2008
By Major Source of Funds - Cash Basis Totals

Prepared Sept 13, 2011

	AGENCY 229					Locality	Combined Grand Totals
	Fund 0301	Fund 0300			Grand Total	Amounts Paid Directly by Localities (2)	
	Federal Funds	Virginia General Fund	Non-General Funds	Locality Reimbursement/Support (8)			
SOURCES:							
Revenue received directly by Virginia Tech	16,051,233	66,066,814	1,058,579		83,176,626		83,176,626
Locality Reimbursement of Expenditures at Virginia Tech				6,497,006	6,497,006		6,497,006
Amounts Directly Paid by Localities (2)					-	6,268,968	6,268,968
TOTAL SOURCES	<u>16,051,233</u>	<u>66,066,814</u>	<u>1,058,579</u>	<u>6,497,006</u>	<u>89,673,632</u>	<u>6,268,968</u>	<u>95,942,600</u>
USES:							
Instruction (3)	0	0	0	0	0		0
Research	6,769,510	30,167,132	819,171 ⁽¹⁾		37,755,813		37,755,813
Cooperative Extension							
Paid directly by Virginia Tech	8,908,614	29,947,388	239,408 ⁽¹⁾	6,497,006 ⁽¹⁾	45,592,416		45,592,416
Paid directly by local governments (2)						6,268,968	6,268,968
Academic Support (4)	765,901	2,501,838			3,267,739		3,267,739
Institutional Support (5)		788,471			788,471		788,471
Operation and Maintenance (6)	-	2,661,985	-	-	2,661,985		2,661,985
TOTAL USES	<u>16,444,025</u>	<u>66,066,814</u>	<u>1,058,579</u>	<u>6,497,006</u>	<u>90,066,424</u>	<u>6,268,968</u>	<u>96,335,392</u>
TOTAL REVENUES - EXPENDITURES (NET)	<u>(392,792) ⁽⁷⁾</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(392,792)</u>	<u>-</u>	<u>(392,792)</u>

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Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Sources and Uses for the Fiscal Year Ended June 30, 2007
By Major Source of Funds - Cash Basis Totals

Prepared Sept 13, 2011

	AGENCY 229					Locality	Amounts Paid Directly by Localities (2)	Combined Grand Totals
	Fund 0301	Fund 0300			Grand Total			
	Federal Funds	Virginia General Fund	Non-General Funds	Locality Reimbursement/ Support (8)				
SOURCES:								
Revenue received directly by Virginia Tech	14,981,426	63,072,280	897,089		78,950,795		78,950,795	
Locality Reimbursement of Expenditures at Virginia Tech				5,674,271	5,674,271		5,674,271	
Amounts Directly Paid by Localities (2)					-	6,068,082	6,068,082	
Treasury Loan Repayment		(115,226)			(115,226)		(115,226)	
TOTAL SOURCES	<u>14,981,426</u>	<u>62,957,054</u>	<u>897,089</u>	<u>5,674,271</u>	<u>84,509,840</u>	<u>6,068,082</u>	<u>90,577,922</u>	
USES:								
Instruction (3)	0	0	0	0	0		0	
Research	5,048,461	28,000,738	662,220	(1)	33,711,419		33,711,419	
Cooperative Extension								
Paid directly by Virginia Tech	8,756,232	28,277,741	234,869	(1)	42,943,113		42,943,113	
Paid directly by local governments (2)						6,068,082	6,068,082	
Academic Support (4)	563,771	3,074,322			3,638,093		3,638,093	
Institutional Support (5)		1,376,764			1,376,764		1,376,764	
Operation and Maintenance (6)	-	2,227,489	-	-	2,227,489		2,227,489	
TOTAL USES	<u>14,368,464</u>	<u>62,957,054</u>	<u>897,089</u>	<u>5,674,271</u>	<u>83,896,878</u>	<u>6,068,082</u>	<u>89,964,960</u>	
TOTAL REVENUES - EXPENDITURES (NET)	<u>612,962</u> (7)	<u>-</u>	<u>-</u>	<u>-</u>	<u>612,962</u>	<u>-</u>	<u>612,962</u>	

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Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Sources and Uses for the Fiscal Year Ended June 30, 2006
By Major Source of Funds - Cash Basis Totals

Prepared Sept 13, 2011

	AGENCY 229					Locality	Combined Grand Totals
	Fund 0301	Fund 0300			Grand Total	Amounts Paid Directly by Localities (2)	
	Federal Funds	Virginia General Fund	Non-General Funds	Locality Reimbursement/Support (8)			
SOURCES:							
Revenue received directly by Virginia Tech	12,022,193	62,459,834	910,961		75,392,988		75,392,988
Locality Reimbursement of Expenditures at Virginia Tech				5,401,002	5,401,002		5,401,002
Amounts Directly Paid by Localities (2)					-	6,060,255	6,060,255
Treasury Loan Repayment		115,226			115,226		115,226
TOTAL SOURCES	<u>12,022,193</u>	<u>62,575,060</u>	<u>910,961</u>	<u>5,401,002</u>	<u>80,909,216</u>	<u>6,060,255</u>	<u>86,969,471</u>
USES:							
Instruction (3)	0	0	0	0	0		0
Research	4,704,602	27,582,196	732,398 ⁽¹⁾		33,019,196		33,019,196
Cooperative Extension							
Paid directly by Virginia Tech	7,397,957	28,411,704	178,563 ⁽¹⁾	5,401,002 ⁽¹⁾	41,389,226		41,389,226
Paid directly by local governments (2)						6,060,255	6,060,255
Academic Support (4)	147,231	2,245,454			2,392,685		2,392,685
Institutional Support (5)		2,090,508			2,090,508		2,090,508
Operation and Maintenance (6)	-	2,245,192	-	-	2,245,192		2,245,192
TOTAL USES	<u>12,249,790</u>	<u>62,575,054</u>	<u>910,961</u>	<u>5,401,002</u>	<u>81,136,807</u>	<u>6,060,255</u>	<u>87,197,062</u>
TOTAL REVENUES - EXPENDITURES (NET)	<u>(227,597) ⁽⁷⁾</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>(227,591)</u>	<u>-</u>	<u>(227,591)</u>

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- 2) Direct payments by localities occur outside of the University (e.g. space and services in county office buildings, etc.), and are not recorded in Virginia Tech's accounting system or management reports.
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- 5) Institutional Support includes efforts to provide operational support for the day-to-day functioning of the agency (e.g. payroll, human resources services, purchasing, accounting, budgeting, etc.)
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**Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Sources and Uses for the Fiscal Year Ended June 30, 2005
By Major Source of Funds - Cash Basis Totals**

Prepared Sept 13, 2011

	AGENCY 229					Locality	Amounts Paid Directly by Localities (2)	Combined Grand Totals
	Fund 0301	Fund 0300			Grand Total			
	Federal Funds	Virginia General Fund	Non-General Funds	Locality Reimbursement/ Support (8)				
SOURCES:								
Revenue received directly by Virginia Tech	11,086,720	56,287,599	784,507		68,158,826		68,158,826	
Locality Reimbursement of Expenditures at Virginia Tech				4,984,916	4,984,916		4,984,916	
Amounts Directly Paid by Localities (2)					-	5,592,190	5,592,190	
TOTAL SOURCES	<u>11,086,720</u>	<u>56,287,599</u>	<u>784,507</u>	<u>4,984,916</u>	<u>73,143,742</u>	<u>5,592,190</u>	<u>78,735,932</u>	
USES:								
Instruction (3)	0	0	0	0	0		0	
Research	4,563,952	23,714,240	602,828 ⁽¹⁾		28,881,020		28,881,020	
Cooperative Extension								
Paid directly by Virginia Tech	6,404,103	23,696,972	181,679 ⁽¹⁾	4,984,916 ⁽¹⁾	35,267,670		35,267,670	
Paid directly by local governments (2)						5,592,190	5,592,190	
Academic Support (4)	49,159	2,695,920			2,745,079		2,745,079	
Institutional Support (5)		2,334,736			2,334,736		2,334,736	
Operation and Maintenance (6)	-	1,345,733	-	-	1,345,733		1,345,733	
TOTAL USES	<u>11,017,214</u>	<u>53,787,601</u>	<u>784,507</u>	<u>4,984,916</u>	<u>70,574,238</u>	<u>5,592,190</u>	<u>76,166,428</u>	
Transfer to FF&E		2,500,000 ⁽⁹⁾						
TOTAL REVENUES - EXPENDITURES (NET)	<u>69,506⁽⁷⁾</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>2,569,504</u>	<u>-</u>	<u>2,569,504</u>	

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- 8) Locality reimbursement/support reflects activities funded by a locality, with the needed resources transferred to Virginia Tech and subsequently expended by the University and recorded in its accounting system. These funds are recorded as "recoveries" and are limited in use to cover the costs (normally agent salaries) as agreed to by the locality.
- 9) \$2.5m is to provide furniture, fixtures, and equipment (FF&E) for the Agriculture and Natural Resources project.

**Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Sources and Uses for the Fiscal Year Ended June 30, 2004
By Major Source of Funds - Cash Basis Totals**

Prepared Sept 13, 2011

	AGENCY 229					Locality	Combined Grand Totals
	Fund 0301	Fund 0300			Grand Total	Amounts Paid Directly by Localities (2)	
	Federal Funds	Virginia General Fund	Non-General Funds	Locality Reimbursement/Support (8)			
SOURCES:							
Revenue received directly by Virginia Tech	10,970,644	52,518,281	761,453		64,250,378		64,250,378
Locality Reimbursement of Expenditures at Virginia Tech				4,596,981	4,596,981		4,596,981
Amounts Directly Paid by Localities (2)					-	5,422,914	5,422,914
TOTAL SOURCES	<u>10,970,644</u>	<u>52,518,281</u>	<u>761,453</u>	<u>4,596,981</u>	<u>68,847,359</u>	<u>5,422,914</u>	<u>74,270,273</u>
USES:							
Instruction (3)	0	0	0	0	0		0
Research	4,562,934	22,309,869	551,618 ⁽¹⁾		27,424,421		27,424,421
Cooperative Extension							
Paid directly by Virginia Tech	6,267,750	25,882,228	209,835 ⁽¹⁾	4,596,981 ⁽¹⁾	36,956,794		36,956,794
Paid directly by local governments (2)						5,422,914	5,422,914
Academic Support (4)	170,513	1,903,903			2,074,416		2,074,416
Institutional Support (5)		1,203,961			1,203,961		1,203,961
Operation and Maintenance (6)	-	1,218,320	-	-	1,218,320		1,218,320
TOTAL USES	<u>11,001,197</u>	<u>52,518,281</u>	<u>761,453</u>	<u>4,596,981</u>	<u>68,877,912</u>	<u>5,422,914</u>	<u>74,300,826</u>
TOTAL REVENUES - EXPENDITURES (NET)	<u>(30,553) ⁽⁷⁾</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,553)</u>	<u>-</u>	<u>(30,553)</u>

- 1) Virginia Tech manages Fund 0300 expenditures such that they can only be expended to the extent revenue has been actually received to cover such expenditures. Therefore, expenditures for the three columns in Fund 0300 have been allocated among these columns to match the revenues received by June 30 for each fiscal year. There are normally revenues in transit from local governments at each year end.
- 2) Direct payments by localities occur outside of the University (e.g. space and services in county office buildings, etc.), and are not recorded in Virginia Tech's accounting system or management reports.
- 3) Degree credit instruction occurs only in Agency 208.
- 4) Academic Support includes efforts to provide support services that directly support the primary function of the agency. For Agency 229 this is a portion of the College of Agriculture and Life Sciences Deans Office including a portion of the Dean, support staff, and operating costs as well as Extension Leadership costs including the Director, state program leaders (4-H, FCS, A&R, Community Viability), support staff, and associated operating costs (e.g. the cost of agent cell phones).
- 5) Institutional Support includes efforts to provide operational support for the day-to-day functioning of the agency (e.g. payroll, human resources services, purchasing, accounting, budgeting, etc.)
- 6) Operation and Maintenance of Plant includes effort to operate and maintain the physical plant facilities (e.g. utilities, insurance, custodial services, maintenance, leased property, etc.)
- 7) Virginia Tech manages expenditures for Federal Land Grant Appropriations on a federal fiscal year basis ending Sept 30. Therefore, at June 30 a net positive or negative balance usually exists. Net negative balances are temporarily financed by internal university loans. A positive balance reflects a drawdown on the federal letter of credit that exceeded the expenses at June 30th.
- 8) Locality reimbursement/support reflects activities funded by a locality, with the needed resources transferred to Virginia Tech and subsequently expensed by the University and recorded in its accounting system. These funds are recorded as "recoveries" and are limited in use to cover the costs (normally agent salaries) as agreed to by the locality.

Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Sources and Uses for the Fiscal Year Ended June 30, 2003
By Major Source of Funds - Cash Basis Totals

Prepared Sept 13, 2011

	AGENCY 229					Locality	Combined Grand Totals
	Fund 0301	Fund 0300			Grand Total	Amounts Paid Directly by Localities (2)	
	Federal Funds	Virginia General Fund	Non-General Funds	Locality Reimbursement/Support (8)			
SOURCES:							
Revenue received directly by Virginia Tech	13,992,181	51,190,858	1,061,817		66,244,856		66,244,856
Locality Reimbursement of Expenditures at Virginia Tech				5,373,582	5,373,582		5,373,582
Amounts Directly Paid by Localities (2)					-	5,092,889	5,092,889
TOTAL SOURCES	<u>13,992,181</u>	<u>51,190,858</u>	<u>1,061,817</u>	<u>5,373,582</u>	<u>71,618,438</u>	<u>5,092,889</u>	<u>76,711,327</u>
USES:							
Instruction (3)	0	0	0	0	0		0
Research	4,785,449	22,937,509	884,378 ⁽¹⁾		28,607,336		28,607,336
Cooperative Extension							
Paid directly by Virginia Tech	8,891,854	23,638,302	177,439 ⁽¹⁾	5,373,582 ⁽¹⁾	38,081,177		38,081,177
Paid directly by local governments (2)						5,092,889	5,092,889
Academic Support (4)	224,859	1,694,006			1,918,865		1,918,865
Institutional Support (5)		1,727,038			1,727,038		1,727,038
Operation and Maintenance (6)	-	1,193,586	-	-	1,193,586		1,193,586
TOTAL USES	<u>13,902,162</u>	<u>51,190,441</u>	<u>1,061,817</u>	<u>5,373,582</u>	<u>71,528,002</u>	<u>5,092,889</u>	<u>76,620,891</u>
TOTAL REVENUES - EXPENDITURES (NET)	<u>90,019 ⁽⁷⁾</u>	<u>417</u>	<u>-</u>	<u>-</u>	<u>90,436</u>	<u>-</u>	<u>90,436</u>

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- 2) Direct payments by localities occur outside of the University (e.g. space and services in county office buildings, etc.), and are not recorded in Virginia Tech's accounting system or management reports.
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- 5) Institutional Support includes efforts to provide operational support for the day-to-day functioning of the agency (e.g. payroll, human resources services, purchasing, accounting, budgeting, etc.)
- 6) Operation and Maintenance of Plant includes effort to operate and maintain the physical plant facilities (e.g. utilities, insurance, custodial services, maintenance, leased property, etc.)
- 7) Virginia Tech manages expenditures for Federal Land Grant Appropriations on a federal fiscal year basis ending Sept 30. Therefore, at June 30 a net positive or negative balance usually exists. Net negative balances are temporarily financed by internal university loans. A positive balance reflects a drawdown on the federal letter of credit that exceeded the expenses at June 30th.
- 8) Locality reimbursement/support reflects activities funded by a locality, with the needed resources transferred to Virginia Tech and subsequently expensed by the University and recorded in its accounting system. These funds are recorded as "recoveries" and are limited in use to cover the costs (normally agent salaries) as agreed to by the locality.

Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Sources and Uses for the Fiscal Year Ended June 30, 2002
By Major Source of Funds - Cash Basis Totals

Prepared Sept 13, 2011

	AGENCY 229					Locality	
	Fund 0301	Fund 0300			Grand Total	Amounts Paid Directly by Localities (2)	Combined Grand Totals
	Federal Funds	Virginia General Fund	Non-General Funds	Locality Reimbursement/Support (8)			
SOURCES:							
Revenue received directly by Virginia Tech	13,041,988	58,945,497	821,640		72,809,125		72,809,125
Locality Reimbursement of Expenditures at Virginia Tech				6,275,676	6,275,676		6,275,676
Amounts Directly Paid by Localities (2)					-	5,133,151	5,133,151
TOTAL SOURCES	<u>13,041,988</u>	<u>58,945,497</u>	<u>821,640</u>	<u>6,275,676</u>	<u>79,084,801</u>	<u>5,133,151</u>	<u>84,217,952</u>
USES:							
Instruction (3)	0	0	0	0	0		0
Research	4,517,954	25,817,820	651,544 ⁽¹⁾		30,987,318		30,987,318
Cooperative Extension							
Paid directly by Virginia Tech	8,427,951	28,879,337	170,096 ⁽¹⁾	6,275,676 ⁽¹⁾	43,753,060		43,753,060
Paid directly by local governments (2)						5,133,151	5,133,151
Academic Support (4)	146,241	1,738,319			1,884,560		1,884,560
Institutional Support (5)		1,091,928			1,091,928		1,091,928
Operation and Maintenance (6)	-	1,248,169	-	-	1,248,169		1,248,169
TOTAL USES	<u>13,092,146</u>	<u>58,775,573</u>	<u>821,640</u>	<u>6,275,676</u>	<u>78,965,035</u>	<u>5,133,151</u>	<u>84,098,186</u>
NGF share of VRS and Group Life rate reductions		169,924 ⁽⁹⁾					
TOTAL REVENUES - EXPENDITURES (NET)	<u>(50,158) ⁽⁷⁾</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,766</u>	<u>-</u>	<u>119,766</u>

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- 2) Direct payments by localities occur outside of the University (e.g. space and services in county office buildings, etc.), and are not recorded in Virginia Tech's accounting system or management reports.
- 3) Degree credit instruction occurs only in Agency 208.
- 4) Academic Support includes efforts to provide support services that directly support the primary function of the agency. For Agency 229 this is a portion of the College of Agriculture and Life Sciences Deans Office including a portion of the Dean, support staff, and operating costs as well as Extension Leadership costs including the Director, state program leaders (4-H, FCS, A&R, Community Viability), support staff, and associated operating costs (e.g. the cost of agent cell phones).
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- 6) Operation and Maintenance of Plant includes effort to operate and maintain the physical plant facilities (e.g. utilities, insurance, custodial services, maintenance, leased property, etc.)
- 7) Virginia Tech manages expenditures for Federal Land Grant Appropriations on a federal fiscal year basis ending Sept 30. Therefore, at June 30 a net positive or negative balance usually exists. Net negative balances are temporarily financed by internal university loans. A positive balance reflects a drawdown on the federal letter of credit that exceeded the expenses at June 30th.
- 8) Locality reimbursement/support reflects activities funded by a locality, with the needed resources transferred to Virginia Tech and subsequently expended by the University and recorded in its accounting system. These funds are recorded as "recoveries" and are limited in use to cover the costs (normally agent salaries) as agreed to by the locality.
- 9) In 2002, \$169,922 was collected by the state Comptroller for the NGF share of VRS and Group Life rate reductions as a cash transaction.

Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Sources and Uses for the Fiscal Year Ended June 30, 2001
By Major Source of Funds - Cash Basis Totals

Prepared Sept 13, 2011

	AGENCY 229					Locality	Amounts Paid Directly by Localities (2)	Combined Grand Totals
	Fund 0301	Fund 0300			Grand Total			
	Federal Funds	Virginia General Fund	Non-General Funds	Locality Reimbursement/ Support (8)				
SOURCES:								
Revenue received directly by Virginia Tech	13,398,653	60,561,422	650,122		74,610,197		74,610,197	
Locality Reimbursement of Expenditures at Virginia Tech				5,907,530	5,907,530		5,907,530	
Amounts Directly Paid by Localities (2)					-	4,782,043	4,782,043	
TOTAL SOURCES	<u>13,398,653</u>	<u>60,561,422</u>	<u>650,122</u>	<u>5,907,530</u>	<u>80,517,727</u>	<u>4,782,043</u>	<u>85,299,770</u>	
USES:								
Instruction (3)	0	0	0	0	0		0	
Research	4,528,371	27,310,202	495,506 ⁽¹⁾		32,334,079		32,334,079	
Cooperative Extension								
Paid directly by Virginia Tech	8,856,477	29,407,535	154,616 ⁽¹⁾	5,907,530 ⁽¹⁾	44,326,158		44,326,158	
Paid directly by local governments (2)						4,782,043	4,782,043	
Academic Support (4)	54,891	1,797,036			1,851,927		1,851,927	
Institutional Support (5)		881,529			881,529		881,529	
Operation and Maintenance (6)	-	1,165,146	-	-	1,165,146		1,165,146	
TOTAL USES	<u>13,439,739</u>	<u>60,561,448</u>	<u>650,122</u>	<u>5,907,530</u>	<u>80,558,839</u>	<u>4,782,043</u>	<u>85,340,882</u>	
TOTAL REVENUES - EXPENDITURES (NET)	<u>(41,086) ⁽⁷⁾</u>	<u>(26)</u>	<u>-</u>	<u>-</u>	<u>(41,112)</u>	<u>-</u>	<u>(41,112)</u>	

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- 3) Degree credit instruction occurs only in Agency 208.
- 4) Academic Support includes efforts to provide support services that directly support the primary function of the agency. For Agency 229 this is a portion of the College of Agriculture and Life Sciences Deans Office including a portion of the Dean, support staff, and operating costs as well as Extension Leadership costs including the Director, state program leaders (4-H, FCS, A&R, Community Viability), support staff, and associated operating costs (e.g. the cost of agent cell phones).
- 5) Institutional Support includes efforts to provide operational support for the day-to-day functioning of the agency (e.g. payroll, human resources services, purchasing, accounting, budgeting, etc.)
- 6) Operation and Maintenance of Plant includes effort to operate and maintain the physical plant facilities (e.g. utilities, insurance, custodial services, maintenance, leased property, etc.)
- 7) Virginia Tech manages expenditures for Federal Land Grant Appropriations on a federal fiscal year basis ending Sept 30. Therefore, at June 30 a net positive or negative balance usually exists. Net negative balances are temporarily financed by internal university loans. A positive balance reflects a drawdown on the federal letter of credit that exceeded the expenses at June 30th.
- 8) Locality reimbursement/support reflects activities funded by a locality, with the needed resources transferred to Virginia Tech and subsequently expensed by the University and recorded in its accounting system. These funds are recorded as "recoveries" and are limited in use to cover the costs (normally agent salaries) as agreed to by the locality.

Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Sources and Uses for the Fiscal Year Ended June 30, 2000
By Major Source of Funds - Cash Basis Totals

Prepared Sept 13, 2011

	AGENCY 229					Locality	Combined Grand Totals
	Fund 0301	Fund 0300			Grand Total	Amounts Paid Directly by Localities (2)	
	Federal Funds	Virginia General Fund	Non-General Funds	Locality Reimbursement/Support (8)			
SOURCES:							
Revenue received directly by Virginia Tech	13,069,358	56,760,939	635,099		70,465,396		70,465,396
Locality Reimbursement of Expenditures at Virginia Tech				5,615,208	5,615,208		5,615,208
Amounts Directly Paid by Localities (2)					-	4,480,812	4,480,812
TOTAL SOURCES	<u>13,069,358</u>	<u>56,760,939</u>	<u>635,099</u>	<u>5,615,208</u>	<u>76,080,604</u>	<u>4,480,812</u>	<u>80,561,416</u>
USES:							
Instruction (3)	0	0	0	0	0		0
Research	4,692,936	25,177,995	481,052 ⁽¹⁾		30,351,983		30,351,983
Cooperative Extension							
Paid directly by Virginia Tech	8,135,692	28,146,616	154,047 ⁽¹⁾	5,615,208 ⁽¹⁾	42,051,563		42,051,563
Paid directly by local governments (2)						4,480,812	4,480,812
Academic Support (4)	212,628	1,344,755			1,557,383		1,557,383
Institutional Support (5)		939,394			939,394		939,394
Operation and Maintenance (6)	-	1,152,153	-	-	1,152,153		1,152,153
TOTAL USES	<u>13,041,256</u>	<u>56,760,913</u>	<u>635,099</u>	<u>5,615,208</u>	<u>76,052,476</u>	<u>4,480,812</u>	<u>80,533,288</u>
TOTAL REVENUES - EXPENDITURES (NET)	<u>28,102 ⁽⁷⁾</u>	<u>26</u>	<u>-</u>	<u>-</u>	<u>28,128</u>	<u>-</u>	<u>28,128</u>

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- 2) Direct payments by localities occur outside of the University (e.g. space and services in county office buildings, etc.), and are not recorded in Virginia Tech's accounting system or management reports.
- 3) Degree credit instruction occurs only in Agency 208.
- 4) Academic Support includes efforts to provide support services that directly support the primary function of the agency. For Agency 229 this is a portion of the College of Agriculture and Life Sciences Deans Office including a portion of the Dean, support staff, and operating costs as well as Extension Leadership costs including the Director, state program leaders (4-H, FCS, A&R, Community Viability), support staff, and associated operating costs (e.g. the cost of agent cell phones).
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Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Sources and Uses for the Fiscal Year Ended June 30, 1999
By Major Source of Funds - Cash Basis Totals

Prepared Sept 13, 2011

	AGENCY 229					Locality	Combined Grand Totals
	Fund 0301	Fund 0300			Grand Total	Amounts Paid Directly by Localities (2)	
	Federal Funds	Virginia General Fund	Non-General Funds	Locality Reimbursement/Support (8)			
SOURCES:							
Revenue received directly by Virginia Tech	12,458,957	52,650,169	751,464		65,860,590		65,860,590
Locality Reimbursement of Expenditures at Virginia Tech				5,124,470	5,124,470		5,124,470
Amounts Directly Paid by Localities (2)					-	4,302,937	4,302,937
TOTAL SOURCES	<u>12,458,957</u>	<u>52,650,169</u>	<u>751,464</u>	<u>5,124,470</u>	<u>70,985,060</u>	<u>4,302,937</u>	<u>75,287,997</u>
USES:							
Instruction (3)	0	0	0	0	0		0
Research	4,344,930	23,125,848	510,589 ⁽¹⁾		27,981,367		27,981,367
Cooperative Extension							
Paid directly by Virginia Tech	8,285,449	25,717,818	240,875 ⁽¹⁾	5,124,470 ⁽¹⁾	39,368,612		39,368,612
Paid directly by local governments (2)						4,302,937	4,302,937
Academic Support (4)	44,253	1,707,776			1,752,029		1,752,029
Institutional Support (5)		958,823			958,823		958,823
Operation and Maintenance (6)	-	1,105,727	-	-	1,105,727		1,105,727
TOTAL USES	<u>12,674,632</u>	<u>52,615,992</u>	<u>751,464</u>	<u>5,124,470</u>	<u>71,166,558</u>	<u>4,302,937</u>	<u>75,469,495</u>
TOTAL REVENUES - EXPENDITURES (NET)	<u>(215,675) ⁽⁷⁾</u>	<u>34,177</u>	<u>-</u>	<u>-</u>	<u>(181,498)</u>	<u>-</u>	<u>(181,498)</u>

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- 2) Direct payments by localities occur outside of the University (e.g. space and services in county office buildings, etc.), and are not recorded in Virginia Tech's accounting system or management reports.
- 3) Degree credit instruction occurs only in Agency 208.
- 4) Academic Support includes efforts to provide support services that directly support the primary function of the agency. For Agency 229 this is a portion of the College of Agriculture and Life Sciences Deans Office including a portion of the Dean, support staff, and operating costs as well as Extension Leadership costs including the Director, state program leaders (4-H, FCS, A&R, Community Viability), support staff, and associated operating costs (e.g. the cost of agent cell phones).
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- 7) Virginia Tech manages expenditures for Federal Land Grant Appropriations on a federal fiscal year basis ending Sept 30. Therefore, at June 30 a net positive or negative balance usually exists. Net negative balances are temporarily financed by internal university loans. A positive balance reflects a drawdown on the federal letter of credit that exceeded the expenses at June 30th.
- 8) Locality reimbursement/support reflects activities funded by a locality, with the needed resources transferred to Virginia Tech and subsequently expensed by the University and recorded in its accounting system. These funds are recorded as "recoveries" and are limited in use to cover the costs (normally agent salaries) as agreed to by the locality.

Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Sources and Uses for the Fiscal Year Ended June 30, 1998
By Major Source of Funds - Cash Basis Totals

Prepared Sept 13, 2011

	AGENCY 229					Locality	Combined Grand Totals
	Fund 0301	Fund 0300			Grand Total	Amounts Paid Directly by Localities (2)	
	Federal Funds	Virginia General Fund	Non-General Funds	Locality Reimbursement/Support (8)			
SOURCES:							
Revenue received directly by Virginia Tech	12,568,562	49,108,525	671,208		62,348,295		62,348,295
Locality Reimbursement of Expenditures at Virginia Tech				4,648,779	4,648,779		4,648,779
Amounts Directly Paid by Localities (2)					-	4,476,812	4,476,812
TOTAL SOURCES	<u>12,568,562</u>	<u>49,108,525</u>	<u>671,208</u>	<u>4,648,779</u>	<u>66,997,074</u>	<u>4,476,812</u>	<u>71,473,886</u>
USES:							
Instruction (3)	0	0	0	0	0		0
Research	4,574,327	21,478,283	469,788 ⁽¹⁾		26,522,398		26,522,398
Cooperative Extension							
Paid directly by Virginia Tech	7,750,572	24,205,925	201,420 ⁽¹⁾	4,648,779 ⁽¹⁾	36,806,696		36,806,696
Paid directly by local governments (2)						4,476,812	4,476,812
Academic Support (4)	78,727	1,375,888			1,454,615		1,454,615
Institutional Support (5)		710,536			710,536		710,536
Operation and Maintenance (6)	-	1,345,906	-	-	1,345,906		1,345,906
TOTAL USES	<u>12,403,626</u>	<u>49,116,538</u>	<u>671,208</u>	<u>4,648,779</u>	<u>66,840,151</u>	<u>4,476,812</u>	<u>71,316,963</u>
TOTAL REVENUES - EXPENDITURES (NET)	<u>164,936 ⁽⁷⁾</u>	<u>(8,013)</u>	<u>-</u>	<u>-</u>	<u>156,923</u>	<u>-</u>	<u>156,923</u>

- 1) Virginia Tech manages Fund 0300 expenditures such that they can only be expended to the extent revenue has been actually received to cover such expenditures. Therefore, expenditures for the three columns in Fund 0300 have been allocated among these columns to match the revenues received by June 30 for each fiscal year. There are normally revenues in transit from local governments at each year end.
- 2) Direct payments by localities occur outside of the University (e.g. space and services in county office buildings, etc.), and are not recorded in Virginia Tech's accounting system or management reports.
- 3) Degree credit instruction occurs only in Agency 208.
- 4) Academic Support includes efforts to provide support services that directly support the primary function of the agency. For Agency 229 this is a portion of the College of Agriculture and Life Sciences Deans Office including a portion of the Dean, support staff, and operating costs as well as Extension Leadership costs including the Director, state program leaders (4-H, FCS, A&R, Community Viability), support staff, and associated operating costs (e.g. the cost of agent cell phones).
- 5) Institutional Support includes efforts to provide operational support for the day-to-day functioning of the agency (e.g. payroll, human resources services, purchasing, accounting, budgeting, etc.)
- 6) Operation and Maintenance of Plant includes effort to operate and maintain the physical plant facilities (e.g. utilities, insurance, custodial services, maintenance, leased property, etc.)
- 7) Virginia Tech manages expenditures for Federal Land Grant Appropriations on a federal fiscal year basis ending Sept 30. Therefore, at June 30 a net positive or negative balance usually exists. Net negative balances are temporarily financed by internal university loans. A positive balance reflects a drawdown on the federal letter of credit that exceeded the expenses at June 30th.
- 8) Locality reimbursement/support reflects activities funded by a locality, with the needed resources transferred to Virginia Tech and subsequently expensed by the University and recorded in its accounting system. These funds are recorded as "recoveries" and are limited in use to cover the costs (normally agent salaries) as agreed to by the locality.

Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Sources and Uses for the Fiscal Year Ended June 30, 1997
By Major Source of Funds - Cash Basis Totals

Prepared Sept 13, 2011

	AGENCY 229					Locality	Combined Grand Totals
	Fund 0301	Fund 0300			Grand Total	Amounts Paid Directly by Localities (2)	
	Federal Funds	Virginia General Fund	Non-General Funds	Locality Reimbursement/Support (8)			
SOURCES:							
Revenue received directly by Virginia Tech	12,044,277	44,181,899	885,752		57,111,928		57,111,928
Locality Reimbursement of Expenditures at Virginia Tech				3,881,263	3,881,263		3,881,263
Amounts Directly Paid by Localities (2)					-	4,078,061	4,078,061
TOTAL SOURCES	<u>12,044,277</u>	<u>44,181,899</u>	<u>885,752</u>	<u>3,881,263</u>	<u>60,993,191</u>	<u>4,078,061</u>	<u>65,071,252</u>
USES:							
Instruction (3)	0	0	0	0	0		0
Research	3,936,222	20,382,701	-	(1)	24,318,923		24,318,923
Cooperative Extension							
Paid directly by Virginia Tech	7,469,322	20,533,592	885,752	(1)	32,769,929		32,769,929
Paid directly by local governments (2)						4,078,061	4,078,061
Academic Support (4)	204,180	1,565,759			1,769,939		1,769,939
Institutional Support (5)		387,582			387,582		387,582
Operation and Maintenance (6)	-	1,338,653	-	-	1,338,653		1,338,653
TOTAL USES	<u>11,609,724</u>	<u>44,208,287</u>	<u>885,752</u>	<u>3,881,263</u>	<u>60,585,026</u>	<u>4,078,061</u>	<u>64,663,087</u>
TOTAL REVENUES - EXPENDITURES (NET)	<u>434,553</u> (7)	<u>(26,388)</u>	<u>-</u>	<u>-</u>	<u>408,165</u>	<u>-</u>	<u>408,165</u>

- 1) Virginia Tech manages Fund 0300 expenditures such that they can only be expended to the extent revenue has been actually received to cover such expenditures. Therefore, expenditures for the three columns in Fund 0300 have been allocated among these columns to match the revenues received by June 30 for each fiscal year. There are normally revenues in transit from local governments at each year end.
- 2) Direct payments by localities occur outside of the University (e.g. space and services in county office buildings, etc.), and are not recorded in Virginia Tech's accounting system or management reports.
- 3) Degree credit instruction occurs only in Agency 208.
- 4) Academic Support includes efforts to provide support services that directly support the primary function of the agency. For Agency 229 this is a portion of the College of Agriculture and Life Sciences Deans Office including a portion of the Dean, support staff, and operating costs as well as Extension Leadership costs including the Director, state program leaders (4-H, FCS, A&R, Community Viability), support staff, and associated operating costs (e.g. the cost of agent cell phones).
- 5) Institutional Support includes efforts to provide operational support for the day-to-day functioning of the agency (e.g. payroll, human resources services, purchasing, accounting, budgeting, etc.)
- 6) Operation and Maintenance of Plant includes effort to operate and maintain the physical plant facilities (e.g. utilities, insurance, custodial services, maintenance, leased property, etc.)
- 7) Virginia Tech manages expenditures for Federal Land Grant Appropriations on a federal fiscal year basis ending Sept 30. Therefore, at June 30 a net positive or negative balance usually exists. Net negative balances are temporarily financed by internal university loans. A positive balance reflects a drawdown on the federal letter of credit that exceeded the expenses at June 30th.
- 8) Locality reimbursement/support reflects activities funded by a locality, with the needed resources transferred to Virginia Tech and subsequently expended by the University and recorded in its accounting system. These funds are recorded as "recoveries" and are limited in use to cover the costs (normally agent salaries) as agreed to by the locality.

Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Sources and Uses for the Fiscal Year Ended June 30, 1996
By Major Source of Funds - Cash Basis Totals

Prepared Sept 13, 2011

	AGENCY 229					Locality	Combined Grand Totals
	Fund 0301	Fund 0300			Grand Total	Amounts Paid Directly by Localities (2)	
	Federal Funds	Virginia General Fund	Non-General Funds	Locality Reimbursement/Support (8)			
SOURCES:							
Revenue received directly by Virginia Tech	12,076,284	44,778,749	716,359		57,571,392		57,571,392
Locality Reimbursement of Expenditures at Virginia Tech				3,822,483	3,822,483		3,822,483
Amounts Directly Paid by Localities (2)					-	3,636,414	3,636,414
TOTAL SOURCES	<u>12,076,284</u>	<u>44,778,749</u>	<u>716,359</u>	<u>3,822,483</u>	<u>61,393,875</u>	<u>3,636,414</u>	<u>65,030,289</u>
USES:							
Instruction (3)	0	0	0	0	0		0
Research	4,513,768	18,785,865	-	(1)	23,299,633		23,299,633
Cooperative Extension							
Paid directly by Virginia Tech	7,861,779	19,667,862	716,359	(1)	32,068,483		32,068,483
Paid directly by local governments (2)						3,636,414	3,636,414
Academic Support (4)	118,568	1,601,664			1,720,232		1,720,232
Institutional Support (5)		3,176,836			3,176,836		3,176,836
Operation and Maintenance (6)	-	1,546,522	-	-	1,546,522		1,546,522
TOTAL USES	<u>12,494,115</u>	<u>44,778,749</u>	<u>716,359</u>	<u>3,822,483</u>	<u>61,811,706</u>	<u>3,636,414</u>	<u>65,448,120</u>
TOTAL REVENUES - EXPENDITURES (NET)	<u>(417,831) (7)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(417,831)</u>	<u>-</u>	<u>(417,831)</u>

- 1) Virginia Tech manages Fund 0300 expenditures such that they can only be expended to the extent revenue has been actually received to cover such expenditures. Therefore, expenditures for the three columns in Fund 0300 have been allocated among these columns to match the revenues received by June 30 for each fiscal year. There are normally revenues in transit from local governments at each year end.
- 2) Direct payments by localities occur outside of the University (e.g. space and services in county office buildings, etc.), and are not recorded in Virginia Tech's accounting system or management reports.
- 3) Degree credit instruction occurs only in Agency 208.
- 4) Academic Support includes efforts to provide support services that directly support the primary function of the agency. For Agency 229 this is a portion of the College of Agriculture and Life Sciences Deans Office including a portion of the Dean, support staff, and operating costs as well as Extension Leadership costs including the Director, state program leaders (4-H, FCS, A&R, Community Viability), support staff, and associated operating costs (e.g. the cost of agent cell phones).
- 5) Institutional Support includes efforts to provide operational support for the day-to-day functioning of the agency (e.g. payroll, human resources services, purchasing, accounting, budgeting, etc.)
- 6) Operation and Maintenance of Plant includes effort to operate and maintain the physical plant facilities (e.g. utilities, insurance, custodial services, maintenance, leased property, etc.)
- 7) Virginia Tech manages expenditures for Federal Land Grant Appropriations on a federal fiscal year basis ending Sept 30. Therefore, at June 30 a net positive or negative balance usually exists. Net negative balances are temporarily financed by internal university loans. A positive balance reflects a drawdown on the federal letter of credit that exceeded the expenses at June 30th.
- 8) Locality reimbursement/support reflects activities funded by a locality, with the needed resources transferred to Virginia Tech and subsequently expensed by the University and recorded in its accounting system. These funds are recorded as "recoveries" and are limited in use to cover the costs (normally agent salaries) as agreed to by the locality.

Program Trends

Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Trend of Sources and Uses FY06-FY10
Cash Basis

	2005-06	2006-07	2007-08	2008-09	2009-10
SOURCES					
Virginia General Fund	\$62,459,834	\$63,072,280	\$66,066,814	\$64,128,825	\$61,569,176
Treasury Loan and Repayment	115,226	(115,226)			
Nongeneral Funds	12,933,154	15,878,515	17,109,812	16,441,703	11,744,750
Subtotal Revenue at Virginia Tech	75,508,214	78,835,569	83,176,626	80,570,528	73,313,926
Localities' Reimbursement of Salaries and Fringes Paid by VT (a)	5,401,002	5,674,271	6,497,006	7,114,614	5,054,411
Deferred recoveries from localities				(226,023) (h)	156,609 (h)
Subtotal Revenue plus Recoveries at VT	80,909,216	84,509,840	89,673,632	87,459,119	78,524,946
Direct Payments by Localities (b)	6,060,255	6,068,082	6,268,968	6,125,887	6,174,443
Total Sources	\$86,969,471	\$90,577,922	\$95,942,600	\$93,585,006	\$84,699,389
USES					
Expenditures Recorded by Program					
<i>Direct Program Expenditures:</i>					
Agriculture Experiment Station	\$33,019,196	\$33,711,419	\$37,755,813	\$35,026,638	\$33,210,832
Cooperative Extension	41,389,226	42,943,113	45,592,416	44,734,649	42,705,221
Subtotal Direct Program Expenditures:	74,408,422	76,654,532	83,348,229	79,761,287	75,916,053
<i>Instruction: (c)</i>	0	0	0	0	0
<i>Academic Support: (d)</i>	2,392,685	3,638,093	3,267,739	2,572,774	2,317,615
<i>Support Expenditures:</i>					
Institutional Support (e)	2,090,508	1,376,764	788,471	1,656,358	1,044,693
Operation and Maintenance of Plant (f)	2,245,192	2,227,489	2,661,985	3,981,634	2,524,818
Subtotal Support Expenditures:	4,335,700	3,604,253	3,450,456	5,637,992	3,569,511
Subtotal Expenditures by Program at VT	81,136,807	83,896,878	90,066,424	87,972,053	81,803,179
Direct Payments by Localities (b)	6,060,255	6,068,082	6,268,968	6,125,887	6,174,443
Total Uses	\$87,197,062	\$89,964,960	\$96,335,392	\$94,097,940	\$87,977,622
Net (g)	-\$227,591	\$612,962	-\$392,792	-\$512,934	-\$3,278,233

Footnotes:

- ^a Locality reimbursement/support reflects activities funded by a locality, with the needed resources transferred to Virginia Tech and subsequently expensed by the University and recorded in its accounting system. These funds are recorded as "recoveries" and are limited in use to cover the costs (normally agent salaries) as agreed to by the locality.
- ^b Direct payments by localities occur outside of the University (e.g. space and services in county office buildings, etc.), and are not recorded in Virginia Tech's accounting system or management reports.
- ^c Degree credit instruction occurs only in Agency 208.
- ^d Academic Support includes efforts to provide support services that directly support the primary function of the agency. For Agency 229 this is a portion of the College of Agriculture and Life Sciences Deans Office including a portion of the Dean, support staff, and operating costs as well as Extension Leadership costs including the Director, state program leaders (4-H, FCS, A&R, Community Viability), support staff, and associated operating costs (e.g. the cost of agent cell phones).
- ^e Institutional Support includes efforts to provide operational support for the day-to-day functioning of the agency (e.g. payroll, human resources services, purchasing, accounting, budgeting, etc.)
- ^f Operation and Maintenance of Plant includes effort to operate and maintain the physical plant facilities (e.g. utilities, insurance, custodial services, maintenance, leased property, etc.).
- ^g Virginia Tech manages expenditures for Federal Land Grant Appropriations on a federal fiscal year basis. Therefore, at June 30 a net positive or negative balance usually exists.
- ^h Net negative balances are temporarily financed by internal university loans. A positive balance reflects a drawdown on the federal letter of credit that exceeded the expenses at June 30th. To match the timing of recoveries from localities with the timing of salary expenditures for extension agents, the university defers unearned recoveries. Unearned recoveries would be those for the next fiscal year that are received prior to the fiscal year end.

Net Expenditures (summary of information above for comparison purposes)					
Total Expenditures at Virginia Tech	81,136,807	83,896,878	90,066,424	87,972,053	81,803,179
(less) Localities' Reimbursement of Salaries and Fringes Paid by VT	(5,401,002)	(5,674,271)	(6,497,006)	(7,114,614)	(5,054,411)
(less) Deferred revenue from localities	-	-	-	226,023	(156,609)
Net Expenditures	75,735,805	78,222,607	83,569,418	81,083,462	76,592,159

Reconciliations

Reconcile Net Expenditures to CARS

From CARS Year End Expenditure Report	75,735,814	78,222,620	n/a (2)	n/a (2)	n/a (2)
Net Expenditures	75,735,805	78,222,607	83,569,418	81,083,462	76,592,159
Variance	9	13	n/a (2)	n/a (2)	n/a (2)

Comparison of Net Expenditures to Appropriation

Beginning Appropriation (GF & NGF) Chapters 951, 3, 847, 879, 781	76,148,821	81,358,460	83,342,100	85,545,460	83,162,988
Mid-year adjustments (central fund adjustments, reductions, etc.)	4,599,185	(218,126)	3,454,824	(2,876,052)	(3,053,240)
Ending Appropriation (GF & NGF) CARS	80,748,006	81,140,334	86,796,924	82,669,408	80,109,748
Net Expenditures	75,735,805	78,222,607	83,569,418	81,083,462	76,592,159
Variance (1)	5,012,201	2,917,727	3,227,506	1,585,946	3,517,589

Reconcile Agency 229 Sources and Uses to Previously Published 229 Report (as required in Appropriations Act)

Total Sources (from Sources and Uses Page)	86,969,471	90,577,922	95,942,600	93,585,006	84,699,389
Total Revenue (from Previously Published 229 Year End Report)	86,854,244	90,693,148	95,942,600	93,811,029	84,542,780
Variance	115,227 (3)	(115,226) (3)	-	(226,023) (4)	156,609 (4)
Total Uses (from Sources and Uses page)	87,197,062	89,964,960	96,335,392	94,097,940	87,977,622
Total Expenditures (from Previously Published 229 Year End Report)	87,197,061	89,964,960	96,335,392	94,323,963	87,821,013
Variance	1	-	-	(226,023) (4)	156,609 (4)

Reconcile Local Support to Previously Published 229 Report (as required in Appropriation Act)

Localities' Reimbursement of Salaries and Fringes Paid by VT (from Sources and Uses page)	5,401,002	5,674,271	6,497,006	7,114,614	5,054,411
Deferred recoveries from localities	-	-	-	(226,023) (4)	156,609 (4)
Direct Payments by Localities (from Sources and Uses Page)	6,060,255	6,068,082	6,268,968	6,125,887	6,174,443
Total Expenditures by Localities	11,461,257	11,742,353	12,765,974	13,014,478	11,385,463
Total Locality Support (from Previously Published 229 Year End Report)	11,461,256	11,742,353	12,765,974	13,240,501	11,228,854
Variance	1	-	-	(226,023) (4)	156,609 (4)

Footnotes:

- (1) Variance represents excess NGF authority. Agency 229 has been assigned NGF authority for which it has been unable to generate NGF revenues.
- (2) After Restructuring, Virginia Tech no longer posts information to the Commonwealth's Accounting and Reporting System (CARS).
- (3) Treasury Loan and Repayment (nets to zero)
- (4) Deferral of recoveries for the last salary payroll of the year payable in July of the following year (will ultimately net to zero).

Analysis

Percentage of VT Expenditures by Program

Research	40.7%	40.2%	41.9%	39.8%	40.6%
Extension	51.0%	51.2%	50.6%	50.9%	52.2%
Academic Support	2.9%	4.3%	3.6%	2.9%	2.8%
Institutional Support	2.6%	1.6%	0.9%	1.9%	1.3%
O&M of Plant	2.8%	2.7%	3.0%	4.5%	3.1%
	100.0%	100.0%	100.0%	100.0%	100.0%

Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Trend of Sources and Uses FY01-FY05
Cash Basis

	2000-01	2001-02	2002-03	2003-04	2004-05
SOURCES					
Virginia General Fund	\$60,561,422	\$58,945,497	\$51,190,858	\$52,518,281	\$56,287,599
Nongeneral Funds	14,048,775	13,863,628	15,053,998	11,732,097	11,871,227
Subtotal Revenue at Virginia Tech	74,610,197	72,809,125	66,244,856	64,250,378	68,158,826
Localities' Reimbursement of Salaries and Fringes Paid by VT (a)	5,907,530	6,275,676	5,373,582	4,596,981	4,984,916
Subtotal Revenue plus Recoveries at VT	80,517,727	79,084,801	71,618,438	68,847,359	73,143,742
Direct Payments by Localities (b)	4,782,043	5,133,151	5,092,889	5,422,914	5,592,190
Total Sources	\$85,299,770	\$84,217,952	\$76,711,327	\$74,270,273	\$78,735,932
USES					
Expenditures Recorded by Program					
<i>Direct Program Expenditures:</i>					
Agriculture Experiment Station	\$32,334,079	\$30,987,318	\$28,607,336	\$27,424,421	\$28,881,020
Cooperative Extension	44,326,158	43,753,060	38,081,177	36,956,794	35,267,670
Subtotal Direct Program Expenditures:	76,660,237	74,740,378	66,688,513	64,381,215	64,148,690
<i>Instruction: (c)</i>					
	0	0	0	0	0
<i>Academic Support: (d)</i>					
	1,851,927	1,884,560	1,918,865	2,074,416	2,745,079
<i>Support Expenditures:</i>					
Institutional Support (e)	881,529	1,091,928	1,727,038	1,203,961	2,334,736
Operation and Maintenance of Plant (f)	1,165,146	1,248,169	1,193,586	1,218,320	1,345,733
Subtotal Support Expenditures:	2,046,675	2,340,097	2,920,624	2,422,281	3,680,469
Subtotal Expenditures by Program at VT	80,558,839	78,965,035	71,528,002	68,877,912	70,574,238
Direct Payments by Localities (b)	4,782,043	5,133,151	5,092,889	5,422,914	5,592,190
Total Uses	\$85,340,882	\$84,098,186	\$76,620,891	\$74,300,826	\$76,166,428
Transfer to FF&E (h)					\$2,500,000 (g)
Net (g)	-\$41,112	\$119,766	\$90,436	-\$30,553	\$69,504

Footnotes:

- ^a Locality reimbursement/support reflects activities funded by a locality, with the needed resources transferred to Virginia Tech and subsequently expensed by the University and recorded in its accounting system. These funds are recorded as "recoveries" and are limited in use to cover the costs (normally agent salaries) as agreed to by the locality.
- ^b Direct payments by localities occur outside of the University (e.g. space and services in county office buildings, etc.), and are not recorded in Virginia Tech's accounting system or management reports.
- ^c Degree credit instruction occurs only in Agency 208.
- ^d Academic Support includes efforts to provide support services that directly support the primary function of the agency. For Agency 229 this is a portion of the College of Agriculture and Life Sciences Deans Office including a portion of the Dean, support staff, and operating costs as well as Extension Leadership costs including the Director, state program leaders (4-H, FCS, A&R, Community Viability), support staff, and associated operating costs (e.g. the cost of agent cell phones).
- ^e Institutional Support includes efforts to provide operational support for the day-to-day functioning of the agency (e.g. payroll, human resources services, purchasing, accounting, budgeting, etc.)
- ^f Operation and Maintenance of Plant includes effort to operate and maintain the physical plant facilities (e.g. utilities, insurance, custodial services, maintenance, leased property, etc.).
- ^g Virginia Tech manages expenditures for Federal Land Grant Appropriations on a federal fiscal year basis. Therefore, at June 30 a net positive or negative balance usually exists. Net negative balances are temporarily financed by internal university loans. A positive balance reflects a drawdown on the federal letter of credit that exceeded the expenses at June 30th.
- ^h \$2.5m transfer is to provide furniture, fixtures, and equipment (FF&E) for Agriculture and Natural Resources.

Net Expenditures (summary of information above for comparison purposes)					
Total Expenditures at Virginia Tech	80,558,839	78,965,035	71,528,002	68,877,912	70,574,238
(less) Localities' Reimbursement of Salaries and Fringes Paid by VT	(5,907,530)	(6,275,676)	(5,373,582)	(4,596,981)	(4,984,916)
(less) Deferred revenue from localities	-	-	-	-	-
Net Expenditures	74,651,309	72,689,359	66,154,420	64,280,931	65,589,322

Reconciliations

Reconcile Net Expenditures to CARS

From CARS Year End Expenditure Report	74,651,310	72,689,369	66,154,424	64,280,948	65,589,338
Net Expenditures	<u>74,651,309</u>	<u>72,689,359</u>	<u>66,154,420</u>	<u>64,280,931</u>	<u>65,589,322</u>
Variance	<u>1</u>	<u>10</u>	<u>4</u>	<u>17</u>	<u>16</u>

Comparison of Net Expenditures to Appropriation

Beginning Appropriation (GF & NGF) Chapters 1073, 814, 899, 1042, 4	77,670,524	78,390,683	78,746,114	69,215,098	73,067,238
Mid-year adjustments (central fund adjustments, reductions, etc.)	<u>226,703</u>	<u>(2,081,955)</u>	<u>(10,104,566)</u>	<u>688,718</u>	<u>776,276</u>
Ending Appropriation (GF & NGF) CARS	<u>77,897,227</u>	<u>76,308,728</u>	<u>68,641,548</u>	<u>69,903,816</u>	<u>73,843,514</u>
Net Expenditures	<u>74,651,309</u>	<u>72,689,359</u>	<u>66,154,420</u>	<u>64,280,931</u>	<u>65,589,322</u>
Variance ⁽¹⁾	<u>3,245,918</u>	<u>3,619,369</u>	<u>2,487,128</u>	<u>5,622,885</u>	<u>8,254,192</u>

Reconcile Agency 229 Sources and Uses to Previously Published 229 Report (as required in Appropriations Act)

Total Sources (from Sources and Uses Page)	85,299,770	84,217,952	76,711,327	74,270,273	78,735,932
Total Revenue (from Previously Published 229 Year End Report)	<u>85,299,796</u>	<u>84,048,030</u>	<u>76,711,327</u>	<u>74,270,273</u>	<u>78,735,932</u>
Variance	<u>(26)</u>	<u>169,922</u> ⁽²⁾	<u>-</u>	<u>-</u>	<u>-</u>
Total Uses (from Sources and Uses page)	85,340,882	84,098,186	76,620,891	74,300,826	76,166,428
Total Expenditures (from Previously Published 229 Year End Report)	<u>85,340,882</u>	<u>84,098,185</u>	<u>76,621,288</u>	<u>74,300,826</u>	<u>76,166,428</u>
Variance	<u>-</u>	<u>1</u>	<u>(397)</u>	<u>-</u>	<u>-</u>

Reconcile Local Support to Previously Published 229 Report (as required in Appropriation Act)

Localities' Reimbursement of Salaries and Fringes Paid by VT (from Sources and Uses page)	5,907,530	6,275,676	5,373,582	4,596,981	4,984,916
Direct Payments by Localities (from Sources and Uses Page)	<u>4,782,043</u>	<u>5,133,151</u>	<u>5,092,889</u>	<u>5,422,914</u>	<u>5,592,190</u>
Total Expenditures by Localities	<u>10,689,573</u>	<u>11,408,827</u>	<u>10,466,471</u>	<u>10,019,895</u>	<u>10,577,106</u>
Total Locality Support (from Previously Published 229 Year End Report)	<u>10,689,573</u>	<u>11,408,826</u>	<u>10,466,471</u>	<u>10,019,895</u>	<u>10,577,106</u>
Variance	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>

Footnotes:

⁽¹⁾ Variance represents excess NGF authority. Agency 229 has been assigned NGF authority for which it has been unable to generate NGF revenues.

⁽²⁾ The \$169,922 variance in FY02 is due to the NGF VRS and Group Life reduction that was processed by the state Comptroller as a cash transaction.

Analysis

Percentage of VT Expenditures by Program

Research	40.1%	39.2%	40.0%	39.8%	40.9%
Extension	55.0%	55.4%	53.2%	53.7%	50.0%
Academic Support	2.3%	2.4%	2.7%	3.0%	3.9%
Institutional Support	1.1%	1.4%	2.4%	1.7%	3.3%
O&M of Plant	<u>1.4%</u>	<u>1.6%</u>	<u>1.7%</u>	<u>1.8%</u>	<u>1.9%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Cooperative Extension/Agriculture Experiment Station Division (Agency 229)
Trend of Sources and Uses FY96-FY00
Cash Basis

	1995-96	1996-97	1997-98	1998-99	1999-00
SOURCES					
Virginia General Fund	\$44,778,749	\$44,181,899	\$49,108,525	\$52,650,169	\$56,760,939
Nongeneral Funds	12,792,643	12,930,029	13,239,770	13,210,421	13,704,457
Subtotal Revenue at Virginia Tech	57,571,392	57,111,928	62,348,295	65,860,590	70,465,396
Localities' Reimbursement of Salaries and Fringes Paid by VT (a)	3,822,483	3,881,263	4,648,779	5,124,470	5,615,208
Subtotal Revenue plus Recoveries at VT	61,393,875	60,993,191	66,997,074	70,985,060	76,080,604
Direct Payments by Localities (b)	3,636,414	4,078,061	4,476,812	4,302,937	4,480,812
Total Sources	\$65,030,289	\$65,071,252	\$71,473,886	\$75,287,997	\$80,561,416
USES					
Expenditures Recorded by Program					
<i>Direct Program Expenditures:</i>					
Agriculture Experiment Station	\$23,299,633	\$24,318,923	\$26,522,398	\$27,981,367	\$30,351,983
Cooperative Extension	32,068,483	32,769,929	36,806,696	39,368,612	42,051,563
Subtotal Direct Program Expenditures:	55,368,116	57,088,852	63,329,094	67,349,979	72,403,546
<i>Instruction: (c)</i>					
	0	0	0	0	0
<i>Academic Support: (d)</i>					
	1,720,232	1,769,939	1,454,615	1,752,029	1,557,383
<i>Support Expenditures:</i>					
Institutional Support (e)	3,176,836	387,582	710,536	958,823	939,394
Operation and Maintenance of Plant (f)	1,546,522	1,338,653	1,345,906	1,105,727	1,152,153
Subtotal Support Expenditures:	4,723,358	1,726,235	2,056,442	2,064,550	2,091,547
Subtotal Expenditures by Program at VT	61,811,706	60,585,026	66,840,151	71,166,558	76,052,476
Direct Payments by Localities (b)	3,636,414	4,078,061	4,476,812	4,302,937	4,480,812
Total Uses	\$65,448,120	\$64,663,087	\$71,316,963	\$75,469,495	\$80,533,288
Net (g)	-\$417,831	\$408,165	\$156,923	-\$181,498	\$28,128

Footnotes:

- ^a Locality reimbursement/support reflects activities funded by a locality, with the needed resources transferred to Virginia Tech and subsequently expensed by the University and recorded in its accounting system. These funds are recorded as "recoveries" and are limited in use to cover the costs (normally agent salaries) as agreed to by the locality.
- ^b Direct payments by localities occur outside of the University (e.g. space and services in county office buildings, etc.), and are not recorded in Virginia Tech's accounting system or management reports.
- ^c Degree credit instruction occurs only in Agency 208.
- ^d Academic Support includes efforts to provide support services that directly support the primary function of the agency. For Agency 229 this is a portion of the College of Agriculture and Life Sciences Deans Office including a portion of the Dean, support staff, and operating costs as well as Extension Leadership costs including the Director, state program leaders (4-H, FCS, A&R, Community Viability), support staff, and associated operating costs (e.g. the cost of agent cell phones).
- ^e Institutional Support includes efforts to provide operational support for the day-to-day functioning of the agency (e.g. payroll, human resources services, purchasing, accounting, budgeting, etc.).
- ^f Operation and Maintenance of Plant includes effort to operate and maintain the physical plant facilities (e.g. utilities, insurance, custodial services, maintenance, leased property, etc.).
- ^g Virginia Tech manages expenditures for Federal Land Grant Appropriations on a federal fiscal year basis. Therefore, at June 30 a net positive or negative balance usually exists. Net negative balances are temporarily financed by internal university loans. A positive balance reflects a drawdown on the federal letter of credit that exceeded the expenses at June 30th.

Net Expenditures (summary of information above for comparison purposes)					
Total Expenditures at Virginia Tech	61,811,706	60,585,026	66,840,151	71,166,558	76,052,476
(less) Localities' Reimbursement of Salaries and Fringes Paid by VT	(3,822,483)	(3,881,263)	(4,648,779)	(5,124,470)	(5,615,208)
(less) Deferred revenue from localities	-	-	-	-	-
Net Expenditures	57,989,223	56,703,763	62,191,372	66,042,088	70,437,268

Reconciliations

Reconcile Net Expenditures to CARS

From CARS Year End Expenditure Report	57,989,223	56,661,960	62,180,618	66,094,421	70,437,267
Net Expenditures	57,989,223	56,703,763	62,191,372	66,042,088	70,437,268
Variance	(0)	(41,803) ⁽²⁾	(10,754) ⁽²⁾	52,333 ⁽²⁾	(1)

Comparison of Net Expenditures to Appropriation

Beginning Appropriation (GF & NGF) Chapters 853, 912, 924, 464, 935	57,398,070	61,971,747	65,190,526	69,736,235	73,213,855
Mid-year adjustments (central fund adjustments, reductions, etc.)	2,425,076	(1,367,115)	795,316	90,524	573,676
Ending Appropriation (GF & NGF) CARS	59,823,146	60,604,632	65,985,842	69,826,759	73,787,531
Net Expenditures	57,989,223	56,703,763	62,191,372	66,042,088	70,437,268
Variance ⁽¹⁾	1,833,923	3,900,869	3,794,470	3,784,671	3,350,263

Reconcile Agency 229 Sources and Uses to Previously Published 229 Report (as required in Appropriations Act)

Total Sources (from Sources and Uses Page)	65,030,289	65,071,252	71,473,886	75,287,997	80,561,416
Total Revenue (from Previously Published 229 Year End Report)	65,062,838	65,117,999	71,506,590	75,287,997	80,561,417
Variance	(32,549)	(46,747)	(32,704)	-	(1)
Total Uses (from Sources and Uses page)	65,448,120	64,663,087	71,316,963	75,469,495	80,533,288
Total Expenditures (from Previously Published 229 Year End Report)	65,699,287	64,668,030	71,338,913	75,521,827	80,533,289
Variance	(251,167)	(4,943)	(21,950)	(52,332)	(1)

Reconcile Local Support to Previously Published 229 Report (as required in Appropriation Act)

Localities' Reimbursement of Salaries and Fringes Paid by VT (from Sources and Uses page)	3,822,483	3,881,263	4,648,779	5,124,470	5,615,208
Direct Payments by Localities (from Sources and Uses Page)	3,636,414	4,078,061	4,476,812	4,302,937	4,480,812
Total Expenditures by Localities	7,458,897	7,959,324	9,125,591	9,427,407	10,096,020
Total Locality Support (from Previously Published 229 Year End Report)	7,491,446	8,006,071	9,158,295	9,427,407	10,096,021
Variance	(32,549)	(46,747)	(32,704)	-	(1)

Footnotes:

⁽¹⁾ Variance represents excess NGF authority. Agency 229 has been assigned NGF authority for which it has been unable to generate NGF revenues.

⁽²⁾ The FY97 through FY99 differences resulting from the recreation of this summary information in 2011 with the original reports from 12-15 years ago net to zero over time.

Analysis

Percentage of VT Expenditures by Program

Research	37.7%	40.1%	39.7%	39.3%	39.9%
Extension	51.9%	54.1%	55.1%	55.3%	55.3%
Academic Support	2.8%	2.9%	2.2%	2.5%	2.0%
Institutional Support	5.1%	0.6%	1.1%	1.3%	1.2%
O&M of Plant	2.5%	2.2%	2.0%	1.6%	1.5%
	100.0%	100.0%	100.0%	100.0%	100.0%

Accomplishments and Impacts of Agency 229 Research

The following is a more comprehensive, though by no means exhaustive, list of the accomplishments and impacts of Agency 229 research.

- **Small grains variety:** Over the past two decades 7 hulled and 3 hullless barley varieties, and 60 wheat varieties, including 52 soft red winter, 2 soft white winter, 4 hard red winter, and 2 winter drum wheat varieties have been developed and released by the breeding research group at Virginia Tech, which has the largest winter barley breeding program in the eastern U.S. and is the primary source of new cultivars in the region
- **Switchgrass as a biofuel crop:** Virginia Tech was one of five original Herbaceous Energy Crops Program subcontractors funded by the Department of Energy to perform research on non-woody species that might be used to produce fuels
- **Plant disease management:** Researchers in the Department of Plant Pathology, Physiology and Weed Science at the Tidewater Agricultural and Extension Center (TAREC) have conducted research in plant disease management which has resulted in an internet-based crop advisory program, the Peanut-Cotton InfoNet, to provide daily crop management updates during the growing season
- **Assisting the green industry with disease control:** Researchers at the Hampton Roads AREC, as well as the Departments of Plant Pathology, Physiology and Weed Sciences and the Department of Agricultural and Applied Economics, have been instrumental in developing protocols that have been widely adopted by the green industry for disease control
- **Collaboration of basic and applied research on bed bugs:** Research conducted will allow much more efficient monitoring of resistance levels of bed bug populations within the state of Virginia and aid in the discovery and development of novel insecticides to control this pest species
- **Agricultural tourism in Virginia:** The Virginia Tech faculty established methods and procedures for successful agric-tourism marketing in Virginia.
- **Industry standard for crabmeat.** Personnel from the Seafood AREC and the Blacksburg campus developed industry standards for producing pasteurized crabmeat which has become the national and international reference for the pasteurization of crab products which are valued in excess of \$300 million per year
- **Development of aquaculture biosecurity protocols:** the Hazard Analysis Critical Control Point (HACCP) principles (developed by faculty from the Seafood AREC) as a risk management tool in aquaculture production are now being used around the world to address animal and environmental health issues
- **Management of stink bug for cotton:** in 2009, a four-year collaborative entomology project involving TAREC and other university research centers culminated with development of new approaches for management of stink bug species of cotton in the Southeastern states

- **Serving the corn and turf growers:** researchers at VT have developed a pest management soil sample tool for white grubs, which is 57% faster to use than the standard method, and just as accurate and established a degree-day program via email for Virginia Cooperative Extension agents, growers, and crop consultants to better time insecticide sprays on orchard grass which has been infested by the bluegrass billbug for the past 50 years
- **Adding value to Virginia's beef enterprises:** Extension Specialists partnered with the Virginia Cattlemen's Association to develop and administer the Virginia Quality Assured (VQA) Feeder Cattle Program which encourages the use of scientifically-based cattle health and management procedures for feeder cattle (this enables producers to market their calves through the VQA certified feeder cattle programs and receive a premium of \$46 per calf resulting in \$508,432 of additional income realized by Virginia beef producers)
- **Support for Virginia's food processing industry:** Virginia Tech, a recognized Process Authority for acidified foods, gives food processors in Virginia needed guidance on formulation and regulation of their products in order to produce safe and wholesome food products that are in compliance with state and federal laws (a conservative estimate of the value of this program to Virginia during 2008-2010 is \$919,417)
- **Control methods for ALS-resistant common chickweed:** Specific recommendations for control of ALS-resistant common chickweed have been formulated and included in VCE Publication 456-016 *Pest Management Guide for Field Crops* (assuming using an average added cost to control of \$12.00, net returns from this Extension activity to Virginia wheat producers were \$1,551,840 for this growing season)