

ISU Extension Restructuring Plan Announcement – April 30, 2009

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In a message last month, I said that we must change the way we do business and asked you to be creative and bold in your suggestions to address the impending multi-million dollar budget cuts to Extension. My thanks to all of you who contributed ideas, validation, support and criticism. With your input, I have been working with a small team to address the budget situation and find long-term solutions, which will not only stabilize Extension in the short-term, but strengthen the organization for years to come. Perhaps the greatest frustration that we have faced in seeking answers to this unprecedented economic downturn is getting the final appropriations figures from the legislature. I also realize that you have been frustrated waiting to hear what impact it will have on the organization. Today, I can provide some answers.

We now know that the state appropriations to Iowa State University will be cut by \$38.82 million. ISU Extension represents 10.7% of the university's state appropriated budget, so our share of the university's budget cut is \$4.15 million. In anticipation of this figure, we have developed a plan to restructure and repurpose Extension. No Extension program or unit will be untouched by this plan.

This morning at the Board of Regents meeting, President Geoffroy will present Iowa State University's plan to address the \$ 38.82 million in budget cuts – including the plan for Extension. The president and I wanted you to be informed about this plan this morning, instead of hearing it on tonight's news or reading about it in tomorrow's newspaper.

The Extension restructuring plan is designed to consolidate field administration and encourage investment in program services. This means a shift in the way we do business. Through the restructure we will:

1. Increase local control of county property taxes allocated for Extension
2. Engage research and staff across disciplines to address complex issues
3. Reduce Extension administrative costs

That being said, the main components of the plan include:

- Elimination of the five Area Director positions and the five Area Offices
- Elimination of all County Extension Education Director positions
- Retention of partnership fees by County Extension Councils to be used locally
- Creation of 20 new Extension Regions
- Reduction of the campus Extension budget across all program areas
- Reduction of the five main Extension programs to three by combining program areas

We will be receiving federal stimulus money from the American Recovery and Reinvestment Act. These dollars can be used as a bridge to help us transition into the new structure and will alleviate any immediate reduction of staff and allow us to work on transiting throughout the coming months. More details on this and the timeline will be forthcoming.

In order to allow Extension Councils the opportunity to use county tax dollars to address local needs, we are changing the Partnership Fee. The current Partnership Agreement between Iowa State University and County Extension Councils will be dissolved and the partnership fee will no longer be paid to Iowa State University. By retaining the partnership fee dollars, County Extension Councils will be able to invest locally in staff and programs. As part of a new Memorandum of Understanding they will be charged a modest access fee for basic services received from ISU Extension

In order to reduce administrative costs, we are establishing twenty Extension Regions. These Regions have been identified in an effort to balance population and available county tax funds, and honor current coalitions and linkages between and among counties. Each region will be served by a Regional Extension Education Director, a recognized regional leader, who connects identified needs with the Iowa State University knowledge base.

Campus-based Extension staff and program areas will also be restructured and program and support budgets reduced. The distribution of the FY10 budget cuts will be made based on a formula which provides a credit for the programs and units that have successfully generated additional revenue.

In summary, this plan will reduce administrative costs and move Extension from a geographically-based structure to an issues-based model that will provide the opportunity to aggressively expand and develop programming that supports the University's key 2050 challenge-related research initiatives.

I realize that this information will generate many questions regarding the restructuring, important timelines, announcements for new positions, etc. There will be much more detailed information forthcoming in the days ahead. Face-to-face meetings will be held in each Region to provide clarity to the plan and answer questions. In addition, a website will be made available for you to access the full restructuring plan, the timeline for transition and contacts for specific questions.

As we set out to repurpose Extension we will need to work together to change our methods, not our mission. We must embrace this new structure that meets the financial realities we are facing, and create a flexible, bold, innovative organization that is positioned to maintain its leadership role as one of the best Extension systems in the nation. As always, your help and cooperation during this process will be vital to our success and is much appreciated.