

## Department of Planning and Budget 2012 Fiscal Impact Statement

1. **Bill Number:** HB242

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

2. **Patron:** Cline

3. **Committee:** Appropriations

4. **Title:** Requires Virginia Cooperative Extension Service to maintain an office in each locality of the Commonwealth

5. **Summary:** Requires the Cooperative Extension Service to maintain a local office with at least one employee in each county in the Commonwealth.

6. **Budget Amendment Necessary:** No. However, if the legislation is intended to hold the extension service responsible for covering all local costs, then an amendment would be necessary for Items 228 (Virginia Tech) and 233 (Virginia State) of House Bill 30, the budget bill.

7. **Fiscal Impact Estimates:** Preliminary. See Line 8.

8. **Fiscal Implications:** Virginia Cooperative Extension is an outreach program of Virginia Tech and Virginia State University and is a cooperative effort between local, state, and the federal government. 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, and six 4-H educational centers.

At present, Virginia Tech's Cooperative Extension Service has an agreement with all 95 counties as well as 15 other municipalities with varying arrangements specific to the many diverse needs of the area. In addition, they employ various types of positions including agents, specialists, and support staff. The legislation does not specify what type of employee is required in each locality.

Cooperative Extension is funded from a combination of state, local, and federal support. Currently, localities contribute an in-kind amount of approximately \$7.0 million for offices, utilities and support costs. Another \$6.0 million supports salary and benefit costs for agents and specialists. In addition to the local support, about \$9.0 million comes from federal funds. However, due to potential federal budget reductions, Virginia Tech indicates it does not know yet how these actions will eventually impact cooperative extension services.

The legislation, as currently proposed, is not clear concerning the financial obligations of Virginia Tech's Cooperative Extension Service. If they are to be responsible for covering

the \$13.0 million in local support presently used to maintain an office or presence in each county of the Commonwealth, this would be an additional cost to the state. Also, given the likelihood of federal fund reductions which could result in the curtailment of some local offices, this bill could make Virginia Tech responsible for offsetting some or all of any future federal reductions to ensure all local offices remain functional, another potential cost to the state.

Virginia State University's Cooperative Extension service does not receive funding from local governments nor do they have local extension offices and agents or specialists. The legislation is not clear concerning the expected participation of Virginia State University's Extension program. If Virginia State is required to provide an office in each county, too, it is likely that it could cost several millions of dollars. Such costs would also require an increase in state support.

To truly determine the potential impact, if any, of this legislative proposal, consideration could be given to clarifying whether the Extension Service is responsible for the full cost of these offices and whether Virginia State is also required to host an office in every county.

**9. Specific Agency or Political Subdivisions Affected:**

Virginia Cooperative Extension Services at Virginia Tech and Virginia State Universities  
Virginia counties and local governments

**10. Technical Amendment Necessary:** None.

**11. Other Comments:** None.

**Date:** 01/26/12

**Document:** g:\aps\legislation\2012\HB242.doc

c: Secretary of Education