

July 30, 2015

Members of the Budget Committee and Citizens of Marion County:

INTRODUCTION

The Importance of Agriculture and Extension Services to Marion County

Marion County is comprised of approximately 2,700 farms; encompasses 300,000 acres of land (40% of the county); produces more than 70 different commodities; grows many crops that are number one, two, or in the top five in the nations, such as nursery crops, Christmas trees, and cherries; and has the highest value of agricultural production of any county in.

Since 1911, OSU Extension and its services has played a vital role in Marion County by providing practical information to help people improve their quality of life by providing education and support on agriculture, natural resources, economic development, family life, health, nutrition, and youth development. In addition, OSU Extension 4-H program offers an array of service and programs to urban and rural young people, promoting life skills, offering quality youth experiences, and giving young people a chance to learn and interact with others.

The Marion County Board of Commissioners recognizes the importance of OSU Extension and 4-H programs and has provided support in the form of office space in Salem, Office utilities, maintenance costs, clerical and program support staff, faculty education program and research budgets, technology, communication needs, use of county buildings for education events, property for a demonstration garden, and financial support for many years.

Table 1. Marion County funding for Extension since Fiscal Year 2008-2014

Fiscal Year	Amount
2008	\$367,187
2009	\$367,187
2010	\$348,828
2011	\$348,828
2012	\$348,828
2013	\$348,828
2014	\$348,828

Though the county's support was steadfast, over the past 14 years the OSU Extension program experienced increasing cuts to its budget from its state and federal sources, which equaled a loss of 33 percent or 14 positions. This unstable and reduced budget had negative impacts on the important services that OSU Extension provides to Marion County's farms, families, and forests. Collectively it was concluded that new solutions were needed to sustain and grow these essential services within Marion County.

Consideration of an Election

Beginning in late 2012, exploratory conversation began about ways to bring stability to the OSU Extension Services so that needed support for our growing and diverse county would be available for years to come. During this discovery period, many options were explored and key champions learned that many counties in Oregon were experiencing similar budget cuts to its OSU Extension programs and some were successful in establishing an agricultural educational extension services district.

A feasibility study was prepared for the Marion County Board of Commissioners in 2014, which outlined the proposed service district, its budget, and the basis for a proposed permanent rate limit for operating taxes required by ORS 198.75 (1) (g). A "Citizens for Marion County Extension" group was formed to help implement and guide the steps needed in order for this issue to be placed on a May 2015 election ballot. In January 2014, the BOC unanimously carried and passed a resolution in support of a proposal for an initiative petition to form a Marion County Extension and 4-H Service District. Following this action, a resolution was secured stating their desire to be included in the service district boundary from all 20 cities in Marion County, voter signatures were collected, local support from key stakeholders was documented, and progress toward the election was continued.

On May 19, 2015, the voters of Marion County approved the creation of the service district, which created a permanent rate for the district of \$0.05 per \$1,000 assessed value.

PROPOSED BUDGET

On June 10, 2015, the Marion Board of Commissioners declared the formation of the Marion County Extension and 4-H Service District. On that same day, the district's governing body met and adopted Resolution 15-1 that imposed ad valorem property taxes upon the assessed value of all taxable property and categorizing those taxes for purposes of Article XI, section 11b of the Oregon Constitution, per ORS 310.060. Marion County will provide various services, including financial and contract management and shall follow the county's financial policies, protocols and operating procedures.

Property Tax Levy

The proposed budget for the district is based on the set tax rate of \$0.05 per \$1,000. This is the maximum rate that the district can levy to the voters.

Program Changes or Updates

This is the initial budget for the newly formed district.

Resources

General Fund revenues for fiscal year 2015-16 are proposed at \$1,398,341. A majority of the revenues comes from property taxes and are enhanced by County General Fund Support. The County General Fund Support funds were dedicated in the Community Services Department budget to support OSU Extension Services for FY 15-16 and will be transferred into the district's fund.

Table 2. Service District Funding Sources.

Net Tax Revenue	County General Fund	Total
\$1,049,493	\$348,848	\$1,398,341

Requirements/Appropriations:

Personnel

There are no positions with the proposed budget of the district. However, the appropriation for OSU Extension Services includes staffing. Staffing makes up approximately 79% of the costs associated with the funding request from OSU.

Material and Services

The total Material and Services budget is \$1,021,718. This includes all OSU Contracted Services (802,587), other supplies (\$114,182), and services provided by the county (\$104,949). The budget appropriation for OSU Extension includes startup costs associated with adding new positions to serve Marion County.

Ending Fund Balance and Contingency

Due to this being the first year of operations of the service district, there is no ending fund balance proposed for this fiscal year. There is \$376,623 of Contingency proposed, which is 27% of the total budget to accommodate any unanticipated expenditures that arise in this first year of operations. In the future, proposed contingency appropriations will align with county standards of a maximum of 10%.

OSU Contracted Services Detail

Agriculture – Field Crops – Marion/Clackamas **0.25 FTE**

This position will conduct applied research on farms and deliver educational materials and programs to field crops growers in Marion and Clackamas Counties. Approximately 90% of this position’s time is spent serving Marion County growers. Field crops include grass seed, wheat and other grains, hops, mint, meadow foam, canola and other oil seeds - any crops that are not grown in a row or orchard. This is the highest priority agriculture position to be filled because these crops are grown on the most acreage in the county. This position has been vacant since 2012.

The College of Agriculture has committed to funding this position with state and federal dollars as long as 0.25 FTE is paid by local funds. The college classifies and approved this position as tenure-track at 0.75 FTE and fixed term at 0.25 FTE. A slight possibility exists that this will be re-classed as a Professor of Practice position and funded at 1.0 FTE on state and federal dollars in the future. This position is budgeted for seven months in the first year (0.15 FTE), but will be budgeted at 0.25 FTE in future years.

Agriculture – Dairy Management – Willamette Valley **0.25 FTE**

This position will conduct applied research on farms and deliver educational materials and programs to dairy farmers in the Willamette Valley. This position will work closely with the Extension Dairy specialist in Tillamook and the OSU Animal Science department faculty. While the position will serve the Willamette Valley, Marion County has the largest number of dairies in the region and will receive the majority of service. The position has been vacant since 2002.

The College of Agriculture has committed funding for this position with state and federal dollars. The college classification was approved as a tenure-track position with the expectation that state and federal dollars

fund 0.75FTE and local funding will pay for 0.25FTE. A possibility exists that this position will be re-classed to a Professor of Practice and be funded at 1.0 FTE on state and federal dollars in the future. This position is budgeted for seven months in the first year (0.15 FTE), but will be budgeted at 0.25 FTE in future years.

Agriculture – Small Farms and Community Food Systems – Marion County ***0.50 FTE***

This position conducts applied research and delivers education programs and materials to farmers and businesses serving their customers directly (direct markets), such as farmers markets, restaurants, subscriptions (CSA), and storefront businesses. It also serves as a training program for beginning farmers and businesses. This position was the highest priority position for the City of Salem during meetings held with its council and staff. Significant partners include Chemeketa, local farmers markets and related cities, Marion-Polk Food Share, Salem Mayor's Agricultural Task Force, and the OSU Small Farms program faculty.

The classification is a Professor of Practice. This position was proposed to the College of Agriculture as being funded at 0.50 FTE with state and federal funds and 0.50 FTE with district funds. It is anticipated that this position will be accepted and funded as proposed, but this has not been finalized at this time. This position is budgeted for seven months in the first year (0.29 FTE), but will be budgeted at 0.50 FTE in future years.

Agriculture – Agritourism – Marion County ***0.50 FTE***

This position will deliver education and assist in planning, policy development and marketing agritourism efforts in Marion County. The position will be modeled after successes in Clackamas and Washington counties, and work closely with the OSU Small Farms Agritourism faculty. Research indicates that Marion County has high potential for economic growth in this market area.

This position will be filled by an existing 0.50 FTE employee, Mary Stewart. Mary is active in agritourism efforts in the Metro region and on statewide projects, such as the recent passing of a law limiting farm business liability. Agritourism efforts focus on rural business development, direct marketing, food systems, and policy development. This position would partner with Travel Oregon, Travel Salem, Oregon and Marion County Farm Bureau, farmers markets, a regional agritourism team, and Marion County. The position will focus on conducting an inventory; reporting the current share of agritourism dollars and what the economic impact could be; and developing a plan for developing agritourism in Marion County that will increase overnight stays and length of visitation. The position classification is Professional Faculty. This position is budgeted for 10 months in the first year (0.42 FTE), but will be budgeted at 0.50 FTE in future years.

Agriculture – Faculty Research Assistant – Marion County ***1.00 FTE***

This position will conduct applied research on farms in Marion County and provide education programs and materials in support of other faculty serving Marion County. This position is critical to the success of several agriculture faculty in the region and the industry due to reduced staffing levels. The position's highest priority is to work with the new field crops and existing vegetable crops faculty. If time allows, this person would work on other research projects in Marion County in support of faculty and industry priorities.

The classification for this position is Faculty Research Assistant, but has the potential to be a Senior Research Assistant position. This position is budgeted for nine months in the first year (0.42 FTE), but will be budgeted at 0.50 FTE in future years.

Natural Resources Education Program Assistant II – Marion County ***1.00 FTE***

This position supports program faculty in the coordination and delivery of education programs. It is designed to support the Master Gardener and Small Farms programs. Depending on available time, it may also support the youth farm project with Marion-Polk Food Share and the Master Woodland Manager program. This position is critical to supporting faculty with extensive volunteer training programs and field education.

This position is budgeted for nine months in the first year (0.75 FTE), but will be budgeted at 1.00 FTE in future years. The position is funded by district funds.

4-H Sustainable Communities – Marion County **1.00 FTE**

This position is currently filled by Dan Hoynacki. The position works with youth on a variety of community service projects that integrate environmental science, healthy living and community development. Programs currently include the Marion-Polk Food Share Youth Farm, Youth Enviro-Squad, Juntos and Caretakers of the Environment International.

This position is budgeted for 1.00 FTE and is fully funded by district funds. This position may be funded by OSU (state/federal) funds when Dan retires, as long as the district funds the 4-H Youth Development faculty position that focuses on traditional club programs.

4-H Non-Traditional Programs – Marion County **1.00 FTE**

This position will focus on in-school, after-school, and camp 4-H programs throughout the county. Research has shown this type of position is the most successful method for reaching new audiences and recruiting new volunteers and youth to 4-H and traditional year-round club programs. This position will work closely with the other three 4-H faculty in Marion County. This position will partner with school districts and community organizations (YMCA, Boys and Girls Club, etc.) to train volunteers and deliver programs that are more short-term in design, such as a robotics program that meets weekly over a ten week period. Higher priority will be given to building programs in underserved areas of the county as discussed in pre-election conversations with community leaders. This position is classified as a Professional Faculty.

This position is budgeted for nine months in the first year (0.75 FTE), but will be budgeted at 1.00 FTE in future years .and is fully funded by the district.

Office Manager and Program Support – Marion County **1.00 FTE**

This position is currently filled by Donita Roseboro. The position supervises front office classified positions and seed certification aides, serves as financial manager for all transactions related to county activities, serves as back-up for administrative decisions related to maintaining a smooth operating office, provides customer support to all program areas, and is lead support staff for County Leader, Regional Administrator, marketing specialist, Master Gardener and agriculture programs.

This position is budgeted for 1.00 FTE and is fully funded by district funds.

Program Support Staff, Office Specialist II **2.00 FTE**

These positions are currently filled by Elvira Alvarez and Margi Tipton. Elvira is lead customer support staff for the office, program support for Family and Community Health programs, and back-up to the office manager. Margi is lead program support staff for all 4-H programs and back up customer support staff for Elvira.

These positions are budgeted for 2.00 FTE and are fully funded by district funds.

Program Support Staff, student, intermittent, intern – Marion County **0.10 FTE**

This includes a variety of part-time staff that serves the office during high volume periods, such as the Marion County Fair, summer 4-H programs, and crop sign-ups, as well as helping cover the office during vacations, office meetings, and staff trainings.

These positions are estimated to cost the same as 0.10 FTE of an Office Assistant position and are fully funded by district funds.

These positions are both filled by Mary Stewart. The marketing and outreach position is responsible for setting and implementing the marketing plan for the office. This includes conducting various public relations and outreach activities, developing marketing materials, interviewing Extension clientele, and faculty and publishing impact stories with pictures. The County Leader role is the local county administrator that takes on various tasks as delegated by the Regional Administrator. A majority of this work involves maintaining stakeholder relationships, managing the advisory committee, conducting office meetings and obtaining faculty program reports.

Both positions are budgeted for the full year. The district funds the 0.30 FTE Marketing & Outreach position. OSU funds the 0.20 FTE County Leader position.

Other Information about Salary and Other Payroll Expenses (OPE) per Full-time Position Classifications

Tenure-track faculty	\$100,000 - \$150,000
Professor of Practice	\$80,000 - \$120,000
Faculty Research Assistant and Senior FRA	\$70,000 - \$110,000
Professional Faculty	\$70,000 - \$110,000 for program positions
Professional Faculty	\$60,000 - \$100,000 for office managers
Professional Faculty	\$120,000+ for upper administration
Education Program Assistants I and II	\$50,000 - \$80,000
Office Specialist 1 and 2	\$40,000 - \$70,000

Classified positions are union employees (SEIU for OSU) and their contracts dictate their steps and salary increases.

Faculty positions are non-union. The OSU president dictates when and how salary increases are provided. Out-of-cycle salary increases occur on occasion for conditions of inequity. Off-campus faculty members are not grouped with campus faculty for salary comparisons and equity adjustments.

Material and Services

Supplies \$11,000

Office and operating supplies, such as paper, pens, markers, notebooks, folders, etc. Instructional supplies, such as reference books, curriculum, software, and project supplies for teaching. (Most supplies for educational events are purchased with fees, grants and gifts and are tracked in a separate account at OSU.)

The budgeted amount for this item is approximately \$3,000 higher than normal this first year to support new positions being placed in the office.

Minor Equipment \$16,000

Office furniture, computers, monitors, printers, television/video equipment, screens, and other electronic equipment.

The budgeted amount for this item is approximately \$8,000 higher than normal this first year to support new positions and to equip the new office.

Telecommunications \$14,400

Phone charges and equipment, cell phone allowances.

Data Charges and Maintenance \$14,868

Internet Line & Network Access Charges – Internet data line, cost for maintaining computers and user support, software and installation/maintenance.

Postage/Freight **\$1,200**

Costs for mailing announcements, letters, and items. (Most postage expenses are paid with fees, grants, and gifts that are tracked in a separate account at OSU.)

Utilities **\$120**

This includes costs for removal and shredding confidential documents.

Building Equipment and Repairs **\$2,000**

Anticipated cost for contractors and materials needed for office improvements. This first year budget is approximately \$1,500 higher than normal in order to build cabinets, shelving and other storage items.

Building Lease/Maintenance **\$74,901**

This includes the rent of the existing offices, an increase for two additional offices to house new faculty, and the 2.5% annual escalation cost. This expense will be paid from the County General Fund resources.

Other Professional Services **\$500**

Other services rendered on behalf of the district.

4-H Insurance, Licenses, Dues, Memberships **\$2,400**

Includes insurance costs for volunteers and 4-H youth, software licenses, professional licenses required for work (such as pesticide applicators licenses), and memberships in professional organizations required for work.

Equipment Rental & Printing Services **\$10,000**

Copier rental, printing, and printing/publishing costs for various educational and marketing items. This is used extensively for education purposes. (Most costs related to delivering education programs are paid for by fees, grants and gifts and tracked in a separate OSU account.)

Advertising, Public Relations & Hosting **\$3,000**

Includes sponsorships, marketing costs, and hosting for events that are not reimbursed through fees, grants and gifts.

Travel & Conference Registration **\$34,000**

Travel costs of contracted faculty and staff to conduct their work. This includes vehicle rental, mileage, per diem, hotel, conference registration, etc. OSU follows state and OUS policies for reimbursement. Travel budgets vary greatly by position. Administrative positions have minimal travel budgets while field-based agriculture positions have the highest budgets. Travel costs are paid to faculty from other counties that deliver education programs in Marion County, and vice versa for faculty based in Marion County delivering programs in other counties.

Service District Insurance **\$1,809**

Annual special district insurance policy cost. This policy will be secured through Marion County and will be paid from the County General Fund revenues.

Audit **\$2,900**

Third-party inspection of the district's financial records. This service will be secured through Marion County and will be paid from the County General Fund revenues.

North Willamette Research & Extension Center **\$50,000**

Funds are transferred to North Willamette to support faculty housed at the Center and conducting applied research and education programs for Marion County farms. The initial agreement among county commissioners in the seven-county region it serves was to provide funding support based on the relative amount of gross farm sales, acreage and farms served by the faculty housed at the Center. (Clackamas County provides the most funding with \$125,000 annually, free use of the land, and other project funding.)

Agricultural Development through County Fair 4-H **\$11,000**

These funds support Extension services delivered at the Marion County Fair that are not reimbursed through 4-H member fees.

Public Meeting Notice **\$1,100**

Cost associated with public noticing requirements, per Oregon's Local Budget Law. This service will be secured through Marion County and will be paid from the County General Fund revenues.

Election Costs **\$33,395**

Costs associated with the May 19, 2015 election, which was approved by Marion County voters. This cost will be paid through Marion County from the County General Fund revenues.

Services provided by Marion County **\$104,949**

Anticipated costs associated with county departments providing supports and services to the district. All departments will track hours in FY 15-16 to aid in establishing an annual charge for services performed in the future. This cost will be paid through Marion County from the County General Fund revenues.

Contingency **\$376,623**

Reserves set aside to handle unexpected debts that are outside of usual operating budget. It is anticipated that \$246,906 will remain from the ad valorem tax and \$129,717 will remain from the County General Fund.

CONCLUSION

It was my goal as Budget Officer for the district to propose a budget which met the needs of OSU Extension and the commitments reflected in the feasibility study and with the cities, community leaders, and residents of Marion County.

Thanks to the voters, we are given an opportunity to address and enhance programs and services which greatly benefit youth, adults and the agricultural community. It is now up to the Marion County Extension and 4-H Service District's governing body, its budget committee, staff and volunteers to provide the end product that serves the needs of the district.