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To the Graduate Council:

I am submitting herewith a thesis written by James Herman Robinson entitled "Selected Aspects of County Extension Financing Procedures." I recommend that it be accepted for nine quarter hours of credit in partial fulfillment of the requirements for the degree of Master of Science, with a major in Agricultural Extension.

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SELECTED ASPECTS OF COUNTY EXTENSION FINANCING PROCEDURES

A Thesis

Presented to

The Graduate Council of

The University of Tennessee

In Partial Fulfillment

of the Requirements for the Degree

Master of Science

James Herman Robinson

June 1964

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CHAPTER I

INTRODUCTION

Cooperative Extension work has grown and changed over the years, but its basic aims remain the same as at the time of its beginning. Kelsey and Hearne define Extension work as

> . . . an out-of-school system of education in which adults and young people learn by doing. It is a partnership between the government, the land-grant colleges, and the people, which provides service and education designed to meet the needs of the people. Its fundamental objective is the development of people. (9:1)*

The major function of the Cooperative Extension Service, as stated in the Smith-Lever Act, passed May 8, 1914, is ". . . to aid in diffusing among the people of the United States useful and practical information on subjects relating to agriculture and home economics, and to encourage the application of the same. . ." (9:31).

The Cooperative Extension Service is a cooperative effort on the part of government at three levels: 1) county; 2) state, and 3) federal. The basic operating unit of Extension is the county. It is at this level that the actual Extension program is carried out. Therefore, local people have a direct responsibility for its conduct, both as to the development of the educational program and in the field of financing the work. In every county in which Cooperative Extension work is conducted

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*Numbers in parentheses refer to numbered references in the bibliography; those after the colon are page numbers.

there is a responsible county lay group with whom the Land-Grant College deals on official matters. Such county groups are, therefore, of particular importance to the Cooperative Extension Service. However, the organizational patterns of these groups have been found to differ widely throughout the United States (3:1).

The Extension Service's appointed role is to serve as the educational arm of the United States Department of Agriculture and the respective Land-Grant Colleges and Universities. It spreads the results of research findings and all pertinent information as well as information with respect to government programs affecting rural people, whether administered by the United States Department of Agriculture or by state or county governments (12:4).

Extension's primary efforts are directed toward problem solving as related to the problems identified by the local people. Many informal teaching methods are used by county Extension agents which are designed to enable them to best reach all segments of the people with their planned educational programs. Some of the common ones used are publications, bulletins, newspaper articles, radio, television, tours, demonstrations, meetings, farm and home visits, office and telephone calls. The methods used generally depend on the clientele and the nature of the program.

As Extension's educational program continues to develop and expand to meet the ever-increasing needs of the people, so must the financing procedures be kept in balance to provide necessary funds in order for

Extension's program to remain effective in serving the people for whom it was intended.

Statement of the Problem

During some fifty years that the Cooperative Extension Service has been in operation, it has presented a complex and baffling problem to Extension administrators and local governing officials responsible for providing just and adequate funds for Extension work at the county level. Since the Extension Service represents a cooperative effort on the part of the federal, state and county governments, each has a responsibility for providing funds to carry out its fair share of this cooperative effort. It also must be kept in mind that each level of government has responsibility for the financing of other worthwhile programs, such as highways, health, education and welfare.

The methods of financing Extension work in the counties vary from state to state and have changed from time to time. Furthermore, there seems to be no one uniform system within some states for financing county Extension work. In numerous cases down through the years, neither the allocation of federal and state funds nor the recommended level of county support has been based on a specific formula. Consequently, inconsistencies have naturally developed. Also, in many cases, the support provided through county funds has been determined by negotiation between representatives of the Extension Service and of the local governing officials with insufficient pertinent information to assist them in arriving at a fair and adequate county budget (10:4).

As agricultural technology continues to increase and improve and as problems, such as urbanization make their impacts felt, the financing of Extension work in the counties may be expected to become even more complex and critical in the days ahead.

Purposes of the Study

The specific purposes of this study were:

1. To review the financing procedures of the Cooperative Extension Service used in counties throughout the United States.
2. To compare the financing procedures in states having a similar county organizational pattern to that of Tennessee with those showing different county organizational patterns.

Importance of the Study

The omission in the Smith-Lever Act of any statement of a specific procedure for Land-Grant Colleges to follow in dealing with the cooperating county group has given rise to the evolution of a number of different types of organizational and financing procedures being followed today in the several states. Since its inception, Extension work has been organized in each state and county in a way that seemed best to meet the immediate and foreseeable future needs of the people. This has led to a lack of uniformity among states and in many instances among counties within a given state concerning county organizational and financing procedures used (3:1).

During the last few years considerable interest has been expressed among Extension administrators for research to be developed that would

establish some suggested guidelines that could be used, at least in part, by all states in helping them to formulate county budgets. While some research has been conducted in this field, very little has pointed specifically to the financing of Extension work at the county level. This study is a benchmark effort to identify some of the practices used in county financing throughout the United States. It also is hoped that the results of this study will open up new areas for further study related to the financing of county Extension work. Since it is generally conceded that the basic unit of Extension work is the county, this should become increasingly more important.

Methods of Procedure

The methods of procedure followed in this study were: 1) to review the available literature directly related or pertinent to this study, and 2) to tabulate, describe, analyze and interpret the 1962 national research data made available through cooperation with the Division of Extension Research and Training, Federal Extension Service, United States Department of Agriculture. These data were obtained from summaries of nationwide surveys made in 1955 and 1962 for the purpose of obtaining information on county Extension lay organization and county financing procedures (6) (3). In both surveys, questionnaires were sent to the Land-Grant Colleges in all the states (including Alaska, Hawaii, and the territory of Puerto Rico in 1962 only).

Definitions of Terms Used in This Study

Since there is considerable variation in terminology, the following terms are defined to assure their proper interpretation as they are used throughout the remainder of this study.

Extension--will have reference to the Cooperative Extension Service of the United States at any or all levels.

County Group--will mean the responsible county group with whom the Land-Grant College deals on official matters in every county in which Cooperative Extension work is conducted. In summarizing the 1955 national survey data, Frutchey, Sheffield and Groening found that the county groups fell into three major categories (6:1), which were also used by Dotson, Frutchey and Groening in the 1962 survey summary (3:1). Definitions for each of the three groups will be provided below.

Group A will mean states where the general governing officials of the county, such as the quarterly county court, county judge, county commissioners or board of supervisors have responsibility (see Appendix A). This group included 28 states in 1955, but had decreased to 26 in 1962.

Group B refers to states in which some group provided for under state law other than the general governing officials has responsibility (see Appendix B). In Tennessee, the group is called the County Agricultural Extension Committee. Thirteen states were included in this classification in 1955 and it had increased to 14, including Tennessee, in 1962.

Group C has reference to states in which some other group not provided for under the laws of the state has responsibility (see Appendix C). The number in this category increased from five in 1955 to eight in 1962.

Figures 1 and 2 show the locations of states falling into each category in 1955 and 1962.

States in 1955--will include the 46 states replying to questionnaires in the 1955 survey. Two states did not reply and Alaska, Hawaii and Puerto Rico were excluded.

States in 1962--includes the 48 states replying to questionnaires in the 1962 survey in which counties provide funds to assist in carrying out the Extension program. Alaska, Hawaii and Puerto Rico were again exluded since no county funds were involved in those cases.

All States--will mean the same as "states in 1962," and will be used only in discussion of 1962 data. It also will include "states like Tennessee" and "states not like Tennessee."

States Like Tennessee--includes the 14 states in Group B in 1962, including Tennessee, in which some group provided under state law other than the general governing officials constituted the responsible county group with whom the respective Land-Grant Colleges dealt on official matters pertaining to Extension work in the counties.

States Not Like Tennessee--includes the 34 states in Groups A and C in 1962, in which either the county governing officials or some other group not provided for under state law made up the responsible county group with whom the Land-Grant Colleges dealt on official matters.

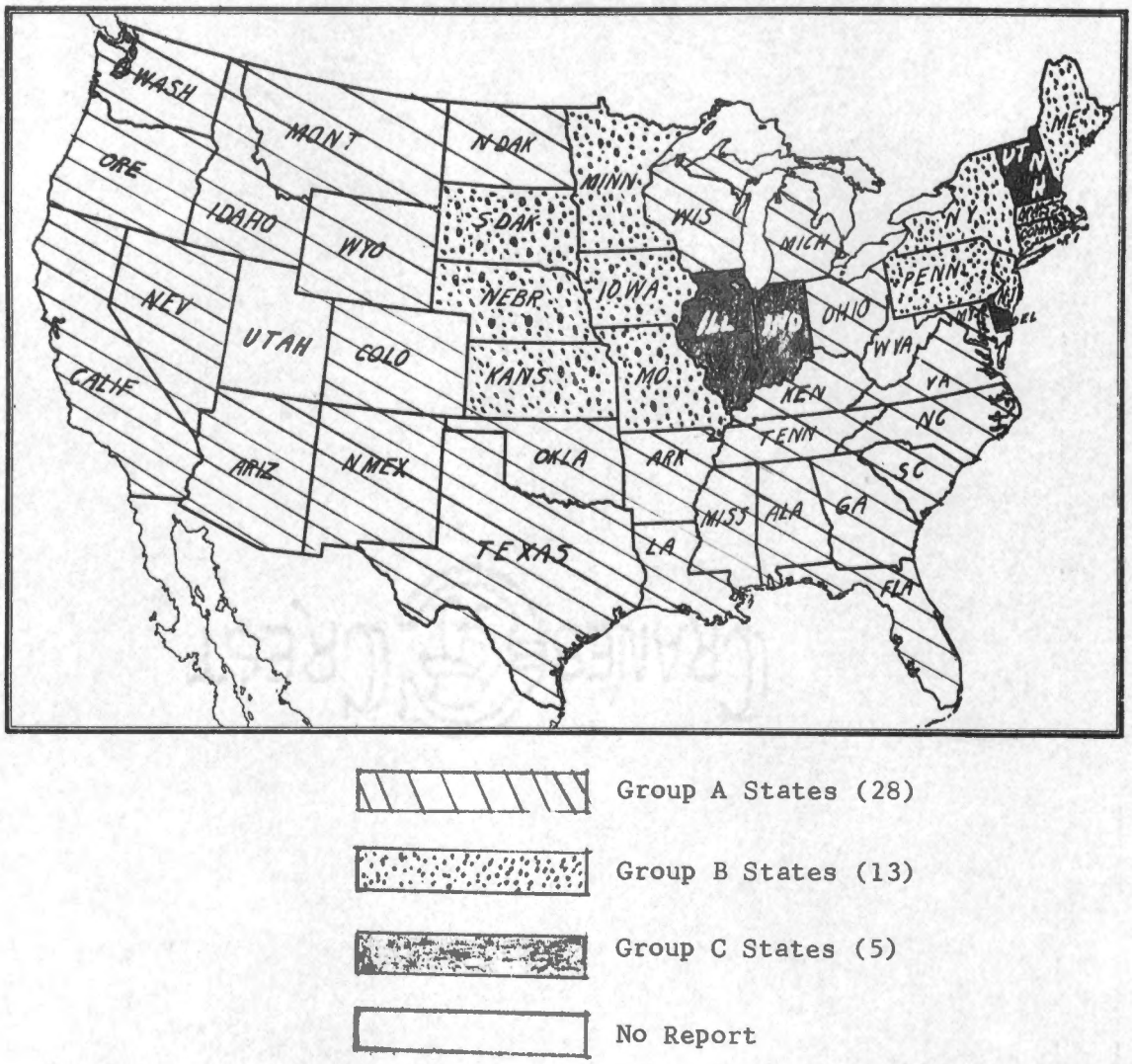


FIGURE 1

LOCATION OF STATES BY COUNTY GROUPS RESPONSIBLE FOR DEALING WITH LAND-GRANT COLLEGES IN 1955[a]

[a]Alaska, Hawaii and Puerto Rico excluded because no county funds were involved.

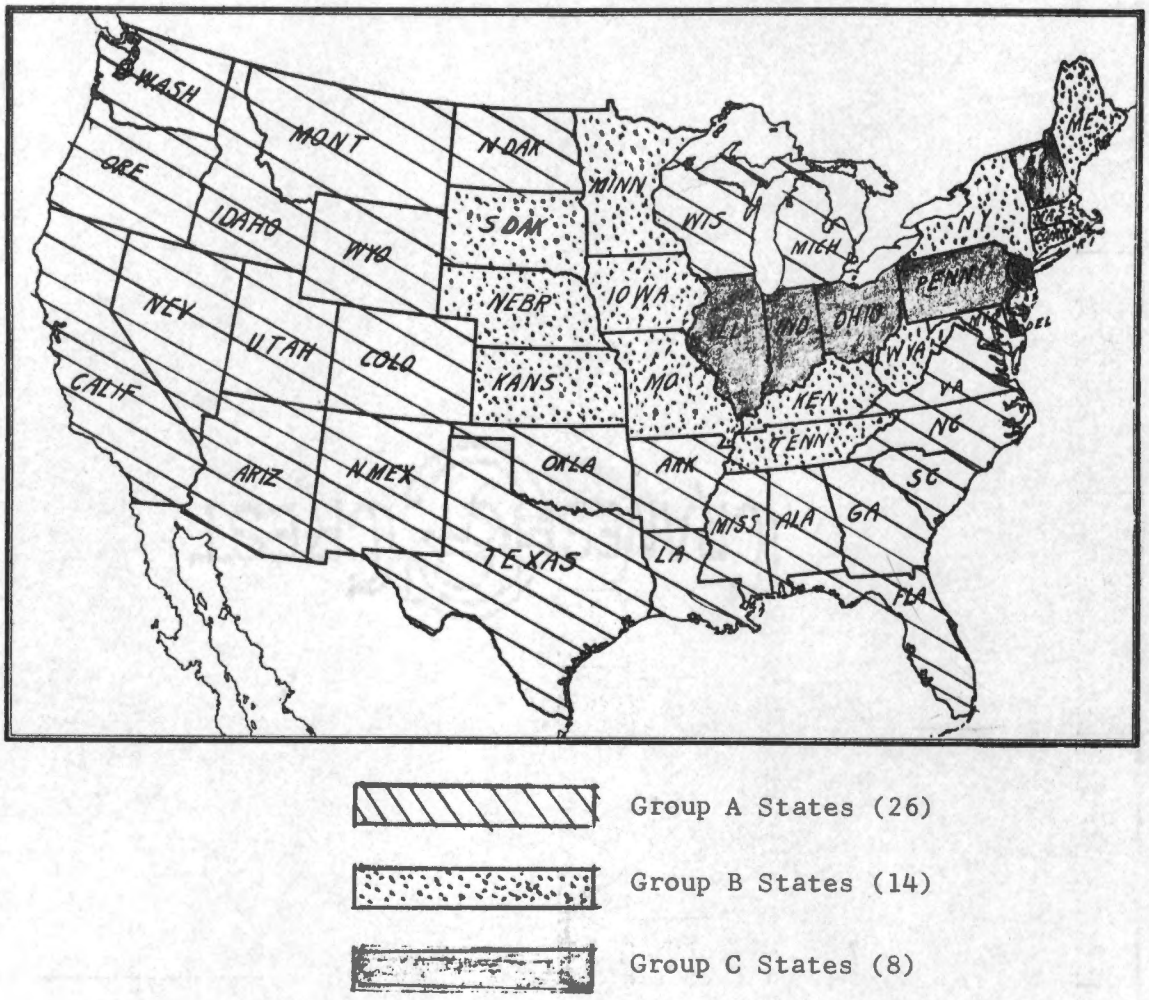


FIGURE 2

LOCATION OF STATES BY COUNTY GROUPS RESPONSIBLE FOR DEALING WITH LAND-GRANT COLLEGES IN 1962[a]

[a]Alaska, Hawaii and Puerto Rico excluded because no county funds were involved.

CHAPTER II

REVIEW OF LITERATURE

Available literature directly related or pertinent to this study seemed to be quite limited. This may be due partially to the fact that surprisingly little research appears to have been done on the financing of Extension work at the county level.

I. PURPOSES AND SCOPE OF PUBLIC FINANCE

Since Extension work is financed through public funds and because the public has the right to expect that maximum educational services are rendered for each dollar invested, a brief investigation was made into the field of public finance to give a historical perspective background for this study. Shultz and Harris, define public finance as "The study of the facts, the principles, the techniques, and the effects of obtaining and spending funds by government bodies and of managing government debt" (11:1).

As pointed out by Shultz and Harris (11:19), government functions, for which government funds are spent, are divided into three major political units: 1) the federal government; 2) the states, and 3) local units, and each unit presumably performs the functions for which it is best fitted. For example, the federal government should most appropriately control such items as currency, naval operations and foreign relations,

State units take care of highways and education, to a large degree. Functions like fire protection and sanitation are logically left to local governments. The activities of these three levels of government complement each other and are sometimes conducted jointly by two or all three units, as in highway construction and education.

Shultz and Harris also say that, "By the progressive additions of new public functions, American government has expanded over and above the increase compelled by national growth and progress" (11:16). They explain that there has been a great demand for the expansion of public services in recent years and indicate that concern for the welfare of all the people has increased the expenditures of government at all levels (11:17). Today much is being done in the humanitarian field of assisting the unfortunate and unfit, the unemployed, aged, poor, blind and insane. Also, in an effort to expand our nation's productive capacity, government projects such as power and conservation efforts, irrigation projects, the development of atomic power and others, have been brought into the picture.

In Shultz and Harris' opinion, as publicly financed programs increase, more pressure groups try to influence Congress, state legislatures and local units of government in the appropriations of money for the different projects in which a particular group might be interested (11:18). Accordingly, the purposes of federal, state and local expenditures need to be currently reviewed in order that government expenditures be used most efficiently and effectively.

"Local government functions, more than state or federal activities (except the federal postal system) tangibly touch every man, woman and child. School districts and municipalities are still primarily responsible for education," according to Shultz and Harris (11:34). Other responsibilities of local government concern streets and roads, police and sheriff protection, fire departments, health clinics, public parks and water systems.

> The Constitution grants the federal government, through Congress, certain specified powers - provision for the national defense, conduct of diplomatic relations with other nations, control of immigration and naturalization, regulation of foreign and interstate trade and control of the monetary system,

and gives Congress power

> To lay and collect taxes, duties, imports and excises, to pay the debts and provide for the common defense and general welfare of the U. S. (11:23).

As evident, it does not specify provision for education, but the provision for general welfare is broad enough to encompass education. Support of federal aid to education has grown over the years. "In addition to grants of public land, the federal government has since 1914 made small sums available for agricultural and home economics Extension education and, more recently, for vocational rehabilitation" (11:42).

II. HISTORICAL DEVELOPMENT OF EXTENSION FINANCING

To be able to realize the full significance of Extension financing as it has developed through the years, we need to review briefly some of the early developments of Extension work.

True (14:3) states that Extension

> . . . has passed through several states of development covering nearly a century and a half. It had its beginning in early agricultural societies from the time of the organization of the Philadelphia Society in 1785. These societies were formed to acquaint their members with what was being done to improve agriculture. But they also had among their objects to bring about local agricultural organizations and to disseminate agricultural information through their publications, newspaper articles, and lectures.

Dating from that time, the movement for the organization of agricultural societies spread rapidly until approximately 300 local and county societies were actively organized in 31 states and three territories by 1852. By 1860, 941 agricultural organizations were recorded in the rolls of the United States Agricultural Society, according to Baker (1:11).

The Morrill Act of 1862 created the basis for the Land-Grant College system to teach agricultural and mechanical arts (9:12). It's enactment "marked the beginnings of our modern system of federal grants-in-aid" (10:64). The Hatch Act of 1887 provided grants "for the establishment of agricultural experiment stations in connection with the agricultural colleges created by the Morrill Act" (10:64,65).

The programs created by these acts answered the need of that time for the development of scientific knowledge and better management methods in agricultural production and later led to the recognition of the need for and passage of still another program which was attached to the Land-Grant College system, that of agricultural Extension. "The county agricultural agent movement originated to extend the accumulated knowledge of these scientific institutions to the individual farmer" (1:1).

Farmers' institutes were early forerunners of the county agent system. They began as public lectures on agricultural subjects in the mid-nineteenth century, (14:5) spread widely, and became established on a more or less permanent basis in many states prior to the inauguration of the Cooperative Extension Service. It is noteworthy that they exhibited the feasibility of government cooperation at different levels. Kelsey and Hearne describe the original Ohio plan for farmers institutes (9:15) as follows:

> . . . the state would send out specialists for two days and one evening to any county whose citizens would guarantee five things: (1) a hall, warm and lighted, (2) music, (3) the help of local talent, (4) advertising, and (5) local expenses, including the hotel bills of outside speakers.

Thus, several years prior to the passage of the Smith-Lever Act the pattern for Extension work already was being formulated. Both program planning and financing responsibilities were shared by different levels of government, then as at the present.

According to Kelsey and Hearne (9:16),

> Along with their part in farmers' institutes, the agricultural colleges independently undertook various forms of extension work such as field demonstrations, cooperative experiments, extension lectures, reading courses of popular bulletins, traveling libraries, assistance to granges, boys' and girls' clubs, nature study, garden clubs, and surveys.

There was much concern that too few farmers were using the research information available to them. So began the movement to demonstrate that such information could be utilized profitably when farmers were shown directly how to use it. "The originator and leader of this movement was Seaman A. Knapp" (9:18), who realized that the demonstration system

was peculiarly applicable to the then-existing system in agriculture. It also brought to light certain basic fundamentals which permanently enriched agricultural Extension work. The most important of these contributions were: 1) the emphasis laid on the active participation of local farming people in demonstrations conducted for their benefit, and 2) the establishment of the American county agent system, under which farming people make use of trained Extension teachers permanently located near them, from whom they may receive the useful knowledge possessed by these agents and also instruction from the institutions which the agents represent (9:20). It is evident that here, too, local support was a very important partner to state and federal provisions.

These early pioneers felt the need for a year-round service in the counties and for more adequate financing, and a demand arose early in the twentieth century for federal appropriations for Extension work (9:30).

> This led to the passage of the Smith-Lever Act in 1914, establishing a system of agricultural Extension education in all the states. Each state was granted a lump sum of $10,000, and the balance appropriated was distributed to the states according to the rural population (10:65).

With the exception of the original $10,000, the separate states were required to match the federal appropriation designated by the grant distribution formula (9:32). All major bills appropriating federal funds for Extension use passed since the Smith-Lever Act have been provided for the purpose of furthering the development of Cooperative Extension work (9:59).

The Capper-Ketcham Act of 1928 increased the amount of federal appropriations, both not requiring and requiring state matching funds, and added specifications for their use.

The Bankhead-Jones Act of 1935 provided additional federal money requiring no state matching, and was passed to enable Extension to carry on educational work for various agencies of the United States Department of Agriculture which had come into being since 1933, and which resulted in a temporary change in the nature and amount of Extension work done in some states.

The next act increasing Extension funds from the federal government was the Bankhead-Flannagan Act of 1945, the purpose of which was to develop county Extension work particularly. It placed emphasis on such matters as standards of living, better marketing and distribution, work with out-of-school youth and farm and home buildings, and permitted states to broaden the scope and influence of their programs.

Public Laws 83 (in 1953) and 360 (in 1955) provided additional federal financial assistance to Extension. Public Law 360 was enacted specifically to increase the program of agriculture and home economics in the area of low-income farm families and to provide a memorandum of understanding for cooperation with other agricultural agencies (9:477).

So far, the review of literature has dealt mostly with national developments and federal legislation affecting Extension financing. Kelsey and Hearne (9:58) note that a very strong and unique feature of the Cooperative Extension Service is the cooperative financing for a cooperatively planned and carried out program. Federal, state, county and

nongovernmental or private funds are all a part of the total Extension budget.

The 1948 Joint Committee Report (8:49,50) gives some pertinent information on growth and changes in Extension financing. Cooperative Extension funds increased at a rapid pace during the first five years, 1915-19; increased an average of six percent per year from 1919 to 1945, however not consistently; and increased still more from 1945 to 1948. Intrastate funds exceeded federal appropriations for Extension work each year from 1915 to 1935. From then until 1948, federal contributions grew faster and were somewhat larger than those from state sources. Although the sharing of Extension financing has been approximately equally divided between federal and intrastate sources, there have been notable exceptions in both directions in several states. It also is interesting to note that state funds have varied much more with the economic cycle than have federal monies, which have proven to be a valuable stabilizing force in Extension work. According to the Report, an analysis of intrastate Extension funds revealed a state-local pattern of variation somewhat similar to the federal-state relationship.

III. CURRENT EXTENSION FINANCING PROCEDURES

It seems logical at this point to consider the procedures currently used at the federal, state and county levels for financing Extension work and the foreseeable future needs.

Federal Funds

Kelsey and Hearne (9:59,60) give the four main bases used in the determination of allocation in present federal laws providing grant-in-aid funds to states, including: 1) a flat amount to each state helps provide at least a minimum skeleton setup for each state; 2) division according to farm population, which appears to favor certain states; 3) division according to rural population, which appears to favor certain other states, and 4) a fund appropriated to the Secretary of Agriculture for allocation in accordance with relative need.

In addition to these bases for determination of federal financial assistance, Congress appropriates funds annually for the administration and coordination of Extension work by the Secretary of Agriculture through the Extension Service of the United States Department of Agriculture.

The general policy of the Congress not to "ear-mark" funds for specific purposes makes possible the use of federal Extension funds in the manner considered most important and urgent in each state. This policy has been tested and proven sound by a half-a-century of successful Extension work (8:53).

State Funds

Most state legislatures appropriate funds for Extension work biennially, for the succeeding two-year period, to the Land-Grant institution. These funds are handled by the fiscal departments of the Land-Grant institution at the direction of the state Extension director (9:60).

State appropriations are frequently designated, at least in part, for specific purposes; but this practice was not considered desirable by the Joint Committee on Extension Programs, Policies and Goals in 1948 (8:53, 54). They felt that state Extension funds should be so appropriated as to allow general adjustments freely when warranted.

Baker (1:153) pointed out that "federal funds apportioned to the states are combined with state and college funds and are then alloted to the counties by state Extension authorities" and that "the general practice is to require that the counties contribute a certain minimum before cooperative relations are established, thus making state and federal funds available." The amount of state (and federal) funds contributed to each cooperating county varies from state to state, being a flat sum in some states and varied in an attempt to equalize the total funds available for county Extension work in other states. "The states which are attempting to pay all salaries from state and federal funds vary the amounts according to educational qualifications, experience, size of county, and other factors" (1:153).

County Funds

County Extension appropriations are usually made annually (8:54). They are either appropriated to and administered by a county cooperating group, or are appropriated and administered by the county governing body itself (9:60). Kelsey and Hearne argue that the cooperative principle of Extension work is more nearly complete if the funds are handled by the county cooperating group, in that this permits a local non-

political group of people, interested in Extension work, to deal with county governing bodies in seeking county funds to finance Extension work. They state, further, that this tends to free county Extension agents somewhat from the embarrassing job of asking for funds for themselves and tends to give them opportunity to carry on their work without the undue influence of political implications, also providing lay leaders opportunity to develop and serve.

Regardless of which group has responsibility for administration of county Extension funds, the fact that the individuals constituting such groups change rather frequently imposes a continuing task in keeping them informed of Extension's purposes and needs. Rather frequently county appropriating officials are more interested in one phase of Extension work than in others and, therefore, are inclined to appropriate more adequately for a particular line of work. Another problem sometimes encountered when county funds are relied upon for county Extension workers' salaries is that of personnel retention and replacement when county funds diminish. There also may be less freedom of action in personnel placement, even when badly needed, in some counties with low tax revenues (8:54). However, in view of these and other problems, the Joint Committee felt that the advantages occurring from local participation in the financing of county Extension work usually far outweighed the accompanying disadvantages, and furthermore, that many of these problems might be avoided or minimized if county funds were used primarily for county operating costs rather than for salaries (8:54).

Kelsey and Hearne say that

> . . . in some states county funds are turned over to the state Extension service for administration. These states either pay all county costs from such funds, or make allotments to a county sponsoring groups for administrative approval (9:61).

Nongovernmental or Private Funds

"The use of funds from private sources in the development of Extension work dates back to its origin under a grant from the General Education Board" (9:61). Funds from farm organizations and other contributions of this character are considered a part of the county Extension budget just as are funds from tax origin, and the administration of such funds should have the same general safeguards that surround the administration of public money. Kelsey and Hearne also say that it is entirely proper to encourage and accept such financial gifts from businessmen, industrialists and others, when these funds are used in a broad educational program devoted to the total public interest, and that these funds make it possible to accomplish work for which no public money has been appropriated (9:61). Baker (1:155) reported that criticism of the acceptance and use of such funds was sometimes expressed by opposition organizations and by individuals who claimed that the contributing individual or group dominated the county Extension work.

The 1948 Joint Committee Report on Extension Programs, Policies and Goals (8:48), pointed out that at that time only 20 states reported having any nongovernmental Extension funds and that in only four of these states did funds from these sources equal five percent or more of their

total budget. In nine of the states the amounts so provided were less than one percent of the total funds.

Future Needs

Both the Joint Committee Report of 1948 (8:54,55) and the "Scope" report of 1957 (12:13) point out that Extension's educational programs in the future must encompass a much broader scope of responsibilities and a much more varied clientele than in the past, and imply the need for increased funds to do this.

IV. SPECIFIC STUDIES IN DEVELOPMENT OF COUNTY FINANCING PROCEDURES

Thompson Study

Thompson made a study in 1957 (13) for the purpose of developing a system for determining the appropriate amount of funds which counties should provide for Extension work in Kentucky. He felt that such a system was needed because Extension's financial support from counties was inadequate and unbalanced due to: 1) the wide variance in county size, wealth, population and dependency upon agriculture, and 2) the absence of a statewide plan to procure funds and assign personnel on an equitable basis from county to county. He proposed that it should meet the following requirements and satisfy these major criteria: 1) it should account for the size of the Extension work load by counties; 2) it should be realistic with respect to the county's ability to appropriate funds for Extension work; 3) it should have a "built-in" inter-

relationship between the Extension work load and the ability of a county to appropriate which is consistent between counties; 4) it should be stable yet flexible to meet basic socio-economic changes; 5) the data should be readily available, and 6) it should be easy to calculate and understand (13:56). The system was expressed in terms of a formula: [index of work load x $24] + [assessment evaluation x 0.00019 ± (-0.00001 x ± for each 10 variation in the index from 100)] - [bonded indebtedness x 0.0021] = amount the county should appropriate.

Thompson used nine factors in developing this system: 1) census farms; 2) commercial farms; 3) rural youth ages 10-19; 4) total population; 5) rural population; 6) total land area; 7) acres in farm; 8) assessment valuation, and 9) bonded debt.

The first part of the three-part formula has to do with the index of Extension work load. The first seven factors were used in figuring the index of Extension work, used by the administration at that time to determine the needs for Extension work in Kentucky.

The method of computation was as follows: 1) determined data for each of the seven factors for each county; 2) calculated the state average for each of these factors; 3) calculated the percentage each county was of the state average; 4) weighted the percentage factors, 2,2,2,1,1,1, and 1 respectively, and 5) determined the average of the seven factors so weighted for each county. The resulting figure was considered the index of Extension work load in each county and was used to determine the number of county workers needed according to the figures below:

Index	Number Agents Per County
Under 70	2
70 - 129	3
130 - 189	4
190 - 249	5
250 - Over	6

Thompson stated that the ability of a county to pay was not necessarily indicated by the size of its work load, and that the system should adequately include the relationship between the job load and ability to pay and provide a consistent pattern between counties for determining the financial support for Extension. He used the index above to establish a minimum base for the county appropriation. He reasoned that an index of 100, the median of all counties, would require three agents and necessitate an office, secretary, travel for each agent and certain other basic needs. Thus, allowing $800 per professional worker for these operating costs, an index of 100 would call for a $2400 county base or $24 per unit in the index. Thompson pointed out that a county with a small work load would have a relatively smaller base per worker; while counties with a heavy work load would appropriate proportionally a little higher per worker.

Thompson thought that appropriations, in addition to these minimums, must relate the interaction between the work load and the ability of the county to finance and also measure the ability of the county to contribute financial support for Extension. Thus, the second portion of

the formula added the interrelationship of the index to the ability of the county to pay. To accomplish this, he used a rate factor, which was determined from the then current median relationship of total funds received from county fiscal courts in Kentucky to the total assessed valuations of all counties within the State. This rate factor was established at 0.00019 per million dollars assessment value, or equal to $190 for each million dollars. According to Thompson's thinking, it must be adjusted as the index of work load changes. He figured that as the index varies plus or minus 10 points from the median index of 100, it is accompanied by a change in the rate factor of plus or minus 0.00001. As the index rises above 100, the rate goes down. For example, at an index of 110 the rate is 0.00018 (110 is 100-10 or 0.00019-0.0001 = 0.00018). As the index drops below 100, the rate increases. At an index of 90, the tax rate is 0.00020 (90 is 100+10 or 0.00019+0.00001 = 0.00020).

The third and final portion of the formula has to do with bonded debtedness, a factor often used by counties as a basis for lowering appropriations according to Thompson. The amount considered in his system to be deducted from Extension appropriations is 0.21 per $100 indebtedness or as concerning the formula 0.0021.

Thompson felt that his system met the specified requirements and that its execution seemed to show promise as a valid Extension financing procedure for counties in Kentucky.

Pfannstiel Study

Another study which relates to this one was carried out by Pfannstiel in 1959 (10). Pfannstiel's objectives were twofold. First, he undertook the development of a uniform formula, using appropriate and applicable criteria, for administrative use, whereby the allocation of federal and state Extension funds to counties in Texas and the determination of the recommended level of county financial participation in support of each local Extension program would be fair and consistent. Secondly, his purpose was to recommend how to place the formula in operation so that there would be as little as possible disruption in the current county programs, and so that the continuance of harmonious relationships between county governments and the Texas Agricultural Extension Service would be ensured.

Pfannstiel stated that in the absence of a specific formula for either the allocation of federal-state funds to counties or the recommended level of county financial participation, there were wide and hard-to-explain differences in both (10:25). This problem was of increasing concern to Extension administrators, county governing officials, state legislators, and others in Texas.

The then current fiscal administration of the Texas Agricultural Extension Service had resulted principally from requirements set forth by federal and state laws, but also from the traditions of 50 years of operation. Nothing in these laws indicated how federal or state funds were to be distributed to the counties. This had been determined by

Extension administration. Nor had anything been specified as to the rate or amount of local county support, which was decided through negotiations between representatives of the Texas Extension Service and the cooperating county commissioners' courts. Though no legal barriers existed to prohibit the use of a formula to prescribe the amount of financial participation of each cooperating partner, other barriers to the use of such a formula were anticipated (10:51-53).

Pfannstiel's procedure was, first, to identify criteria which might be used for determining support levels. He reviewed literature pertaining to grants-in-aid at all levels in order to identify the criteria which have been employed as bases for fund apportionment to and fund assessment of participating subordinate governmental units. He also designed and used a questionnaire to obtain the opinions of district fiscal agents in Texas since they are directly involved in the continuing problems of federal-state Extension fund allocation and county financial participation in support of local Extension work.

After thus identifying various criteria which might be employed, Pfannstiel then evaluated the criteria by means of a special test constructed for this purpose which he developed from study of the literature and of information received from persons experienced and knowledgeable of the operation of public grant programs. By use of this test, which consisted of a set of assumptions concerning the attributes of a criterion, a basis was established for accepting or rejecting each of the criteria which had been identified.

Following the selection of the most suitable criteria, they were utilized in the construction of a specific and comprehensive formula for establishing the recommended level of federal-state and county financial participation in a total Extension budget for each Texas county (10:11-13,25).

Pfannstiel's extensive investigation of criteria which could be applicable for inclusion in an Extension fund apportionment formula revealed many such criteria, which he grouped generally into six categories:

1. Relative financial capability of the county
2. Extension program need, or workload size, of the county
3. Kind of county Extension program and present volume of Extension work done in relation to potential teaching load
4. Job performance of county Extension agents
5. County Extension agent salary situation
6. Other criteria (10:145-149).

An analysis of the desirable characteristics chosen for determining the appropriateness of previously identified criteria showed two characteristics to be of greatest importance--those relating to county ability to pay for Extension work and to county program need. Specifically they were: 1) to "provide for the employment of federal-state funds so as to ensure a minimum Extension program level for all counties in the state, based on actual county need for the program;" and 2) to "relate the amount of indicated financial participation to equalized

fiscal effort among counties, based on each county's ability to pay" (10:173). This meant that the formula should include criteria which would effectively show both relative program need and ability to pay for each county in the state. Furthermore, Pfannstiel assumed that criteria that would measure county ability to pay should reflect total county ability to pay, since Extension is considered to be in the general public interest, and that ability to pay criteria should be those which directly relate to indices of wealth subject to county taxation. He also determined that program need criteria should indicate the number of people to be served, as well as reflect the varying degrees of responsibility Extension has to different segments of the population.

Other desirable characteristics established for the fund apportionment formula were:

> . . . that it should be economical to operate and easy to understand; local responsibility should be clearly identified; the indicated amounts of financial participation for both the county and the Texas Extension Service should ideally remain stable from year to year; the formula should permit the determination of each county's financial participation independently of other counties; and the amount of participation indicated by the formula should be the same for counties having identical measures of the criteria used in the formula (10:173,174).

Still other attributes which Pfannstiel considered important to facilitate computation were:

> Criteria should be quantitatively measurable; data required should be readily obtainable and publicly accessible; if two or more criteria were selected, similar units of measurement should be used;--also if two or more criteria were used, the categories of each should preferably be mutually exclusive;--the amounts of financial participation indicated for the cooperating partners should not deviate greatly from the present amounts of contribution, either in the aggregate or for individual county Extension budgets (10:174).

In evaluating previously identified criteria by means of the special test, Pfannstiel found that no single criterion possessed all the desirable characteristics and that most criteria had both inherent strengths and weaknesses. His problem was to decide which criteria had the most desirable attributes while possessing a minimum of undesirable features (10:175).

It was established that the two main criteria to be considered in a fund apportionment formula were ability to pay and program need of counties, which were also found to be basically conflicting. It became evident that it would be impossible to achieve both attributes to the extent desired in a single formula. However, there seemed to be good reason for trying, and it became necessary to re-state the main purposes sought in the formula--namely, that the formula should ensure that: 1) the services of Extension be reasonably accessible to everyone needing and desiring such services; 2) the services be distributed among counties in general accordance with legislative intent, and 3) a degree of equalization of county fiscal effort be provided for by the formula (10:212).

Pfannstiel classified the criteria selected for use in the fund apportionment formula for Texas into three groups. One group related to population classes and was used in measuring size of the Extension workload in each county to ascertain county personnel needs. Another group related to county Extension expenditures and was used to determine the minimum county Extension budget required to carry out the program. The

third group related to county assessed valuations and was ued to apportion each individual minimum county budget between federal-state and county funds (10:214,215).

The Extension workload was measured in terms of farm family equivalents. This was based on the assumption that Extension's primary responsibility is to full-time farm people and that its responsibility diminishes regressively as population groups are removed from full-time farming. The number of families in different population groups equivalent to six full-time farm families were established as shown below.

Population Class	Number of Families
Rural farm, living on:	
Full-time farms	6
Part-time farms	10
Residential and other farms	15
Rural non-farm, living in:	
Open county	37
Villages	42
Suburbs	88
Urban, living in:	
Cities 2,500 - 4,999	80
Cities 5,000 - 9,999	176
Cities 10,000 - 24,999	252
Cities 25,000 - 49,999	294
Cities 50,000 - 99,999	353
Cities 100,000 - 249,999	441
Cities 250,000 - 499,999	588
Cities 500,000 - 999,999	883
Suburbs	88 (10:229)

The number of farm family equivalents was used to determine the number of Extension workers needed in each county according to the figures below (10:232). In order that Extension programs be available to all the people in every county, it was decided that there should be a minimum staff of two agents in each county. Counties having 950 or fewer farm

family equivalents should be assigned two Extension workers.

Farm Family Equivalents	Size of County Staff
951 - 1,500	3 agents
1,501 - 2,200	4 agents
2,201 - 3,050	5 agents
3,501 - 3,950	6 agents
3,951 - 5,000	7 agents
5,001 - 6,200	8 agents
6,201 - 7,500	9 agents
7,501 - 8,900	10 agents
8,901 - 10,400	11 agents

The determination of the minimum county Extension budget for each county, which was needed to support the number of agents indicated by the number of farm family equivalents, was made by applying minimum schedules of personnel salaries and travel allotments, and considering other necessary costs to a county in support of the county program.

The apportionment of the minimum county Extension budget between federal-state and county funds was effected by a scale indicating varying rates of financial participation according to county assessed evaluations. The indicated rates of participation increased as county evaluations increased as shown in the figures below.

> . . . 1) Counties having valuations of $1,000,000 to $20,000,000: The indicated rate of county participation is 26 per cent for counties of $1,000,000 valuations. The rate increases 1.0 per cent for each additional $1,000,000 valuations over $1,000,000. At valuations of $20,000,000, the indicated county rate is 45 per cent.

> . . . 2) Counties having valuations of $20,000,000 to $40,000,000: The indicated rate of county participation increases 0.5 per cent from 45 per cent for each additional $1,000,000 valuations over $20,000,000. At valuations of $40,000,000, the indicated rate is 55 per cent.
>
> . . . 3) Counties having valuations of $40,000,000 to $150,000,000: The indicated county rate increases 0.2 per cent from 55 per cent for each additional $1,000,000 valuations over $40,000,000. At $150,000,000, the rate is 77 per cent.
>
> . . . 4) Counties having valuations of $150,000,000 to $250,000,000: The indicated county rate increases 0.1 per cent from 77 per cent for each additional $1,000,000 valuations over $150,000,000. At $250,000,000, the rate is 87 per cent.
>
> . . . 5) Counties having valuations of $250,000,000 to $510,000,000 and over: The indicated county rate increases 0.05 per cent from 87 per cent for each additional $1,000,000 valuations over $250,000,000. At $510,000,000 valuations and over, the rate is 100 per cent (10:5).

Also, a five percent adjustment was established for differences in size of county staff. The indicated rate of participation for counties having more than two agents decreased by five percent for each additional agent over two. The indicated rate of participation for counties having only one agent increased by five percent. In order that use of both federal-state and county funds be ensured in every county, the maximum rate of county financial participation was set at 70 percent, and the minimum rate fixed at 20 percent (10:257-259).

Pfannstiel suggested that every effort be made to obtain full understanding and acceptance of the formula prior to actual implementation. He recommended that implementation should be made gradually in a series of progressive steps. This would provide opportunities to modify the formula if and when deemed necessary (10:259).

It was Pfannstiel's belief that successful use of the formula he developed would enable state and county officials to make an exact determination of the amount of funds to be contributed from federal-state and county sources and would assure the Texas Agricultural Extension Service that it was dealing fairly and consistently with counties in cooperatively financing county Extension work in Texas (10:259).

Cavender Study

John M. Cavender studied the relationship of 23 selected factors to county Extension appropriations in Arkansas in 1957, and made some interesting findings (2). He stated that the chief problem in county appropriations for Extension work in Arkansas was that of maintaining county funds comparable to the level of other states and adequate in amount required to receive matching federal funds. Furthermore, he said this problem was made increasingly acute by three factors: 1) growing competition for the limited local monies by other agencies and services; 2) increasing demands for more and different services by county Extension staffs, and 3) higher and higher cost of operation (2:9).

Cavender had the following purposes for carrying out his study: 1) to determine the degree or extent which some selected factors might have on the quorum courts in making appropriations for county Extension work in the 75 counties in Arkansas; 2) to select important factors which appeared to have influence on the quorum court in their determination and willingness to make such appropriations; 3) to test these factors to determine the significance which they might have to county Extension

appropriations, and 4) to offer conclusions and recommendations based on the results of the study for use of Extension personnel in Arkansas or any other state where applicable to their work with quorum courts or other similar bodies (2:14).

The 75 counties were ranked according to the county Extension appropriation per capita of the rural population because it was considered in Arkansas that Extension's primary responsibility was to serve the rural people (2:20).

Cavender found the strongest relationship of the factors he tested to be between the county Extension appropriation per farm and the county Extension appropriation per capita of rural population (2:77). He found that substantial relationships existed between the county Extension appropriation per rural capita and: 1) total assessed valuation; 2) county Extension appropriation per capita; 3) average value of farm products sold per farm; 4) total cropland harvested; 5) total number of farms; 6) percent of farm tenancy; 7) total general tax revenue; 8) total value of farm products sold; 9) average value per farm of land and buildings, and 10) farm bureau membership (2:77,78).

Cavender drew these conclusions from his results: 1) as the general tax revenue increased, county Extension appropriations had a tendency to increase, however, not in the same proportion to the increase in the total tax revenue; 2) the total resources of a county, and the agricultural resources in particular, had a considerable influence on the county's ability and willingness to more adequately finance Extension

work; 3) farm tenancy probably had no positive relationship to Extension appropriations; 4) the better a county is organized, the better opportunity it had to get county funds, and 5) counties having the smallest general tax revenue appropriated a larger percentage of their total revenue for Extension (2:85).

Among the general recommendations made by Cavender was that for additional research on this subject, as indicated by his study findings. He thought that factors needing consideration included: 1) quality of Extension programs; 2) degree of involvement of court members in the county Extension program; 3) willingness of the court to approve budget requests from newer services and agencies; 4) effectiveness of Extension public relations; 5) influence of industrialization; 6) background, training, and experience of court members, and 7) influence of salary levels of elected county officials.

Other general recommendations were for study of modernization of county courts, improvement of tax assessment systems so that all property would be assessed fairly, and more effort on the part of Extension personnel to keep the public informed on the program of work (2:87).

Cavender made several specific recommendations. One was that effort should be made to classify counties according to ability to pay in the development of a formula whereby a county might be asked to pay a certain percent of county Extension salaries based on assessed valuation, rural and urban population and agricultural resources.

He recommended salary promotions for agents of higher performance; Extension help in strengthening rural organizations, such as 4-H, farm

bureau, home demonstration clubs; Extension assistance in developing rural leadership; help of county leadership in determining and presenting Extension budget needs to county courts; development by Extension of a program to meet the needs of the people; maintenance by Extension of effective public relations, and county court awareness of the joint financing concept of Extension work (2:88).

Heitland Study

F. J. Heitland made a study in 1955-56 to determine the nature and extent of financial support of 4-H work in South Dakota. He stated that the primary sources of support for 4-H programs are public tax funds and voluntary contributions from interested individuals, businesses and professional groups (7:2).

He believed that 4-H project enrollment tended to follow a systematic pattern from county to county. Furthermore, he felt that the lack of definite fiscal policy concerning the financial support of 4-H projects has tended to result in project support occurring in a capricious manner dependent upon the interest of the administrative staff and the interest or pressure exerted by voluntary donors (7:3).

Heitland explored the following general areas:

1. The influence of county assessed valuations upon the amount of voluntary support received from private funds
2. The current amount of potential support of resources used
3. The possible relationship between support and enrollment

4. Influence exerted by donors relative to the expenditure of contributions (7:4).

He obtained his data from responses to a questionnaire sent to county Extension staff and from records in the state Extension office (7:5).

Findings of the South Dakota study indicated that: 1) a greater proportion of financial support for 4-H work was provided by tax funds than was furnished by voluntary sources; 2) there was no relationship between the assessed valuations of a county and the voluntary support received; 3) about half of the counties felt that present support for 4-H work was adequate; 4) there was no apparent relationship between total 4-H enrollment and the amount of voluntary support, and 5) the majority of donors permit much freedom in use of contributed funds (7:10, 56).

Heitland drew the following conclusions: 1) the amount of financial support for 4-H work varied from county to county; 2) counties varied greatly in the extent to which full use was made of existing sources of financial support, and 3) all projects did not receive the same proportion of support (7:57).

He offered as recommendations: 1) more consideration to allocating more financial support for 4-H activities in comparison to projects; 2) a definite and uniform system of accounting for financial support received; 3) familiarization by Extension agents with the fiscal structure of 4-H club work in adjoining counties in order that they might improve

and expand their own programs, and 4) creation of a 4-H Club Foundation or similar organization at the county and state levels to facilitate the administration of voluntary financial support (7:58,59).

Edwards Study

Charles Henry Edwards made a study of the composition, organization and functions of the County Agricultural Extension Committee (4), using data from the 1955 and 1962 nationwide federal Extension surveys, which gives some information relating to this study. His findings revealed that in 1962 the Agricultural Extension Committees in one or more of the states like Tennessee reported responsibility of a fully or jointly administrative or advisory nature for one or more of the following functions pertaining to county financing procedures: 1) formulation of the county Extension budget; 2) reviewing and approving the county Extension budget; 3) serving as liaison between Extension and the local appropriating body on financial matters, and 4) approving expenditures of county source funds. When the responsibility was of a jointly administrative nature it was shared with one or both of the following groups: 1) the Land-Grant College in that state, and 2) the county Extension staff (4:35-42).

CHAPTER III

RESULTS OF THE STUDY

The growth and changes in Extension over the years have necessitated expansion and revision in financing procedures to provide adequate funds for carrying out county Extension programs. County financing procedures have varied from state to state and often among counties within a given state. A nationwide survey to obtain information on county financing procedures was made in 1955 (6). A similar survey was made in 1962 (3) to bring this information up to date (see Appendix D). Summary findings of these two surveys are presented in this chapter in terms of numbers and percents to meet the two purposes of this study: 1) to review the financing procedures of the Cooperative Extension Service used in counties throughout the United States, and 2) to compare the financing procedures in states having a similar county organizational pattern to that in Tennessee with those states showing different county organizational patterns.

I. BASES FOR DISTRIBUTION OF FEDERAL AND STATE EXTENSION FUNDS TO THE COUNTIES

One or more bases have been used by states for distributing federal and state funds to the counties for financing county Extension work. The six bases identified in the 1955 national survey were used again in 1962. However, three additional bases were included in the 1962 survey. Both

surveys listed "other" with blank spaces for the states to use in specifying other bases than those listed. As shown in Table I, 36 (75 percent) of the 48 states reported using more than one basis for the distribution of federal and state funds to the counties in 1962; while the remaining 12 (25 percent) used only one basis. Fourteen (29 percent) used two bases, 10 states (21 percent) used three bases, six states (13 percent) used four bases, four states (eight percent) used five bases, and two states (four percent) used six bases, the most reported in any one state. In comparing states like Tennessee with states not like Tennessee, the mode for the former group was in the two base category and the mode for the latter in the one base category.

As shown in Table II, the most frequently used basis in both 1955 and 1962 was the "amount based on the ability of the county to appropriate money and pay for Extension work." Nineteen states (41 percent) used this basis in 1955 compared with 27 states (56 percent) in 1962. There was a change from 1955 to 1962 in the second most frequently used basis, it being the "amount allocated on the basis of need" in 1955, mentioned by 16 states (35 percent); while it was the "amount based on factors determining salaries and promotions" in 1962, used by 22 states (46 percent). The next most frequently used bases in 1955 were the "amount based on factors determining salaries and promotions" and the "amount based on the volume of Extension work being done in relation to the potential teaching load," each used by 13 states (28 percent). The "amount allocated on the basis of need" and the "amount based on

TABLE I

NUMBERS AND PERCENTS OF ALL STATES, STATES LIKE TENNESSEE AND STATES NOT LIKE TENNESSEE BY NUMBERS OF BASES MENTIONED FOR DISTRIBUTION OF FEDERAL EXTENSION FUNDS TO THE COUNTIES IN 1962[a]

	All States (N=48)		States Like Tennessee (N=14)		States Not Like Tennessee (N=34)	
Number of Bases	Number	Per-cent	Number	Per-cent	Number	Per-cent
1	12	25	1	7	11	32
2	14	29	6	43	8	24
3	10	21	3	22	7	20
4	6	13	0	--	6	18
5	4	8	3	21	1	3
6	2	4	1	7	1	3
Totals	48	100	14	100	34	100

[a]Percents rounded to nearest whole number.

TABLE II

NUMBERS AND PERCENTS OF STATES REPORTING VARIOUS BASES FOR DISTRIBUTION OF FEDERAL AND STATE EXTENSION FUNDS TO THE COUNTIES IN 1955 AND 1962 AND CHANGES[a]

Basis	States in 1955 (N=46)		States in 1962 (N=48)		Changes in State from 1955 to 1962	
	Number	Percent	Number	Percent	Number	Percent
1. Ability of County to Pay (Including Valuation of County for Taxation)	19	41	27	56	+8	+15
2. Factors Determining Salaries and Promotions (Staff Performance)	13	28	22	46	+9	+18
3. Amount Allocated on Basis of Need of the County	16	35	18	38	+2	+ 3
4. Volume of Extension Work Being Done in County in Relation to Potential Teaching Load	13	28	18	38	+5	+10
5. Farm Population of the County[b]	0	--	11	23	0	--
6. Number of Extension Workers Per County	4	0	11	23	+7	+14
7. Rural Population of the County[b]	0	--	9	19	0	--
8. Geographical Area of the County[b]	0	--	3	6	0	--
9. Other Population of the County[b]	0	--	3	6	0	--
10. Uniform Amount to all Counties	4	9	3	6	-1	- 3
11. Percentage of County Extension Budget County Pays[b]	0	--	1	2	0	--

[a]Percents rounded to nearest whole number.

[b]Basis not listed in 1955 survey.

the volume of Extension work being done in the county in relation to the potential teaching load" were the next most frequently used bases in 1962, being used by 18 states (38 percent) each.

Reference to Table III shows that the basis reported by the largest number of states like Tennessee in 1962 was the "amount allocated on basis of need of the county" mentioned by nine states (64 percent) while the "ability of the county to pay (including valuation of county for taxation)" was reported by the most states not like Tennessee (19 states, 56 percent). The second most frequently used basis in the states like Tennessee was the "ability of the county to pay (including valuation of county for taxation)," reported by eight states (57 percent). The "amount based on factors determining salaries and promotions (staff performance)" was reported by the second greatest number of states not like Tennessee (17 states, 50 percent). The next most frequently used bases in states like Tennessee were the "amount based on factors determining salaries and promotions (staff performance)," the "farm population of the county," and the "volume of Extension work done in the county in relation to potential teaching load," each used by five states (36 percent). The amount based on the "volume of Extension work done in the county (staff performance)" was the third most frequently used basis in the states not like Tennessee (13 states, 38 percent).

Table IV shows the numbers and percents of states reporting various combinations of two or more bases. Twenty-five different combinations were reportedly used by 36 states.

TABLE III

NUMBERS AND PERCENTS OF ALL STATES, STATES LIKE TENNESSEE AND STATES NOT LIKE TENNESSEE REPORTING BASES FOR DISTRIBUTION OF FEDERAL AND STATE EXTENSION FUNDS TO THE COUNTIES IN 1962[a]

Basis	All States (N=48)		States Like Tennessee (N=14)		States Not Like Tennessee (N=34)	
	Number	Percent	Number	Percent	Number	Percent
1. Ability of County to Pay (Including Valuation of County for Taxation)	27	56	8	57	19	56
2. Factors Determining Salaries and Promotions (Staff Performance)	22	46	5	36	17	50
3. Amount Allocated on Basis of Need of the County	18	38	9	64	9	26
4. Volume of Extension Work Being Done in County in Relation to Potential Teaching Load	18	38	5	36	13	38
5. Farm Population of the County	11	23	5	36	6	18
6. Number of Extension Workers Per County	11	23	3	21	8	24
7. Rural Population of the County	9	19	4	29	5	15
8. Geographical Area of the County	3	6	1	7	2	6
9. Other Population of the County	3	6	1	7	2	6
10. Uniform Amount to all Counties	3	6	1	7	2	6
11. Percentage of County Extension Budget County Pays	1	2	1	7	0	--

[a]Percents rounded to nearest whole number.

TABLE IV

NUMBERS AND PERCENTS OF STATES REPORTING USE OF TWO OR MORE BASES FOR DETERMINATION OF STATE AND FEDERAL FUND ALLOCATION TO COUNTIES FOR EXTENSION WORK BY COMBINATIONS REPORTED FOR ALL STATES, STATES LIKE TENNESSEE AND STATES NOT LIKE TENNESSEE IN 1962[a]

Combination of Bases	All States (N=36)		States Like Tennessee (N=13)		States Not Like Tennessee (N=23)	
	Number	Percent	Number	Percent	Number	Percent
Two Bases						
1. Amount Allocated on Basis of Need of the County and Number of Extension Workers Per County	3	8	2	15	1	4
2. Factors Determining Salaries and Promotions (Staff Performance) and Number of Extension Workers Per County	3	8	0	--	3	13
3. Ability of County to Pay (Including Valuation of County for Taxation) and Amount Allocated on Basis of Need of the County	2	6	1	8	1	4
4. Amount Allocated on Basis of Need of the County and Volume of Work Done in the County in Relation to Potential Teaching Load	2	6	1	8	1	4
5. Ability of County to Pay (Including Valuation of County for Taxation) and Factors Determining Salaries and Promotions (Staff Performance)	1	3	0	--	1	4
6. Ability of County to Pay (Including Valuation of County for Taxation) and Volume of Extension Work Done in County in Relation to Potential Teaching Load	1	3	0	--	1	4
7. Amount Allocated on Basis of Need of the County and Percentage of County Extension Budget County Pays	1	3	1	8	0	--

TABLE IV (CONTINUED)

Combination of Bases	All States (N=36)		States Like Tennessee (N=13)		States Not Like Tennessee (N=23)	
	Number	Percent	Number	Percent	Number	Percent
8. Farm Population of the County and Amount Allocated on Basis of Need of the County	1	3	1	8	0	--
Three Bases						
1. Ability of County to Pay (Including Valuation of County for Taxation), Amount Allocated on Basis of Need of the County and Factors Determining Salaries and Promotions (Staff Performance)	3	8	2	15	1	4
2. Ability of County to Pay (Including Valuation of County for Taxation), Factors Determining Salaries and Promotions (Staff Performance), and Volume of Extension Work Done in County in Relation to Potential Teaching Load	3	8	0	--	3	13
3. Ability of County to Pay (Including Valuation of County for Taxation), Amount Allocated on Basis of Need of the County and Volume of Extension Work Done in County in Relation to Potential Teaching Load	2	6	0	--	2	9
4. Ability of County to Pay (Including Valuation of County for Taxation), Amount Allocated on Basis of Need of the County and Number of Extension Workers Per County	1	3	1	8	0	--
5. Ability of County to Pay (Including Valuation of County for Taxation), Number of Extension Workers Per County and Volume of Extension Work Done in County in Relation to Potential Teaching Load	1	3	0	--	1	4

TABLE IV (CONTINUED)

Combination of Bases	All States (N=36)		States Like Tennessee (N=13)		States Not Like Tennessee (N=23)	
	Number	Percent	Number	Percent	Number	Percent
Four Bases						
1. Ability of County to Pay (Including Valuation of County for Taxation), Amount Allocated on Basis of Need of the County, Factors Determining Salaries and Promotions (Staff Performance) and Volume of Extension Work Done in County in Relation to Potential Teaching Load	1	3	0	--	1	4
2. Ability of County to Pay (Including Valuation of County for Taxation), Factors Determining Salaries and Promotions (Staff Performance), Farm Population of the County and Volume of Extension Work Done in County in Relation to Potential Teaching Load	1	3	0	--	1	4
3. Ability of County to Pay (Including Valuation of County for Taxation), Factors Determining Salaries and Promotions (Staff Performance), Number of Extension Workers Per County and Volume of Extension Work Done in County in Relation to Potential Teaching Load	1	3	0	--	1	4
4. Ability of County to Pay (Including Valuation of County for Taxation), Farm Population of the County, Rural Population of the County and Volume of Extension Work Done in County in Relation to Potential Teaching Load	1	3	0	--	1	4

TABLE IV (CONTINUED)

Combination of Bases	All States (N=36)		States Like Tennessee (N=13)		States Not Like Tennessee (N=23)	
	Number	Percent	Number	Percent	Number	Percent
5. Amount Allocated on Basis of Need of the County, Farm Population of the County, Other Population of the County and Rural Population of the County	1	9	0	--	1	4
6. Factors Determining Salaries and Promotions (Staff Performance), Farm Population of the County, Geographical Area of the County and Rural Population of the County	1	3	0	--	1	4
Five Bases						
1. Ability of County to Pay (Including Valuation of County for Taxation), Amount Allocated on Basis of Need of the County, Farm Population of the County, Other Population of the County, and Rural Population of the County	1	3	0	--	1	4
2. Ability of County to Pay (Including Valuation of County for Taxation), Amount Allocated on Basis of Need of the County, Farm Population of the County, Rural Population of the County and Volume of Extension Work Done in County in Relation to Potential Teaching Load	1	3	1	8	0	--
3. Ability of County to Pay (Including Valuation of County for Taxation), Factors Determining Salaries and Promotions (Staff Performance), Farm Population of the County, Rural Population of the County and Volume of Extension Work Done in County in Relation to Potential Teaching Load	1	3	1	8	0	--

TABLE IV (CONTINUED)

Combination of Bases	All States (N=36)		States Like Tennessee (N=13)		States Not Like Tennessee (N=23)	
	Number	Percent	Number	Percent	Number	Percent
4. Ability of County to Pay (Including Valuation of County for Taxation), Farm Population of the County, Geographical Area of the County, Rural Population of the County and Uniform Amount to All Counties	1	3	1	8	0	--
Six Bases						
1. Ability of County to Pay (Including Valuation of County for Taxation), Factors Determining Salaries and Promotions (Staff Performance), Farm Population of the County, Geographical Area of the County, Rural Population of the County and Volume of Extension Work Done in County in Relation to Potential Teaching Load	1	3	0	--	1	4
2. Ability of County to Pay (Including Valuation of County for Taxation), Factors Determining Salaries and Promotions (Staff Performance), Farm Population of the County, Other Population of the County, Rural Population of the County and Volume of Extension Work Done in County in Relation to Potential Teaching Load	1	3	1	8	0	--

[a]Percents rounded to nearest whole number.

Three states reported using a two-base combination of the "amount allocated on basis of need of the county" and "number of Extension workers per county" for determination of state and federal fund allocation to counties for Extension work.

Three other states reported using a two-base combination of "factors determining salaries and promotions" and "number of Extension workers per county."

Three states reported using a three-base combination of "ability of county to pay," "amount allocated on basis of need of the county" and "factors determining salaries and promotions."

Three more states reported a three-base combination of "ability of county to pay," "factors determining salaries and promotions" and "volume of Extension work done in county in relation to potential teaching load."

All other combinations were reported by only one or two states at most.

As shown in Table V, 20 states reported having a formula for distribution of federal and state funds to carry Extension work in 1962. Seven of the states like Tennessee (50 percent) and 13 of the states not like Tennessee (38 percent) reported having such a formula.

Considerable differences exist among the formulas reported.

Four states, all states not like Tennessee, reported that federal and state funds were used for all county Extension agent salaries only, with county funds providing for all other operating expenses, such as county travel, office supplies, and secretarial help.

TABLE V

NUMBERS AND PERCENTS OF ALL STATES, STATES LIKE TENNESSEE AND STATES NOT LIKE TENNESSEE REPORTING HAVING A FORMULA FOR DISTRIBUTION OF FEDERAL AND STATE FUNDS TO COUNTY EXTENSION WORK IN 1962[a]

	All States (N=48)		States Like Tennessee (N=14)		States Not Like Tennessee (N=34)	
	Number	Per-cent	Number	Per-cent	Number	Per-cent
Yes	20	42	7	50	13	38
No	28	58	7	50	21	62
Totals	48	100	14	100	34	100

[a]Percents rounded to nearest whole number.

Three states, two states like Tennessee, and one state not like Tennessee, reported that federal and state funds were used for a specified amount of the salary for each county Extension agent position.

Three states, all states not like Tennessee, reported that federal and state funds provided a specified percentage of the county Extension budget.

Two states, both states not like Tennessee, reported that federal and state funds were used for county Extension agent salaries, based on factors determining salaries and promotions.

One state like Tennessee reported that the formula for distributing federal and state funds to county Extension work reflected the need of the county.

A state not like Tennessee reported that its formula was based on county property valuation.

One state like Tennessee reported that the formula was based on county property valuation, population (both rural and farm), need of the county and the demand for Extension work in the county.

A state not like Tennessee reported that the formula for distributing federal and state funds to counties was based on the ability of the county to pay county Extension staff performance and the need of the county.

A state like Tennessee reported that its formula allocated one-third of the funds on equal distribution and two-thirds by the use of a formula based on several factors: a uniform amount to all counties;

amounts based on rural and farm population; an amount based on geographical areas, and an amount based on the ability of the county to pay.

One state not like Tennessee reported that the formula for distributing federal and state funds to county Extension work was based on "farm family equivalents as computed farm population and county tax valuations."

Tennessee's formula for allocation of federal and state funds to the counties also utilizes farm family equivalents, based on county property valuations and population (see Appendix E).

II. DEVELOPMENT OF A FORMULA FOR ARRIVING AT A RECOMMENDED RATIO OF STATE TO COUNTY FUNDS FOR FINANCING COUNTY EXTENSION WORK

Table VI reveals the numbers and percents of states providing a written formula outlining suggested procedures for the ratio of state to county funds for financing Extension work in the counties in 1962. Six states (13 percent) provided a written formula showing a recommended ratio of state to county funds. Forty-one states (85 percent) did not provide this written material. One state did not reply to the question. Two states like Tennessee (14 percent) provided written formulas while 11 states like Tennessee (79 percent) provided no written formula. One state like Tennessee did not reply to the question. Four states not like Tennessee (12 percent) provided written material indicating their recommended formula of state to county funds. Thirty states not like Tennessee (88 percent) provided no written formula.

TABLE VI

NUMBERS AND PERCENTS OF ALL STATES, STATES LIKE TENNESSEE AND STATES NOT LIKE TENNESSEE PROVIDING OR REPORTING WHETHER OR NOT A FORMULA HAD BEEN DEVELOPED SHOWING A RECOMMENDED RATIO OF STATE TO COUNTY FUNDS FOR FINANCING EXTENSION WORK IN COUNTIES IN 1962[a]

	Providing a Formula						Reporting a Formula					
	All States (N=48)		States Like Tennessee (N=14)		States Not Like Tennessee (N=34)		All States (N=48)		States Like Tennessee (N=14)		States Not Like Tennessee (N=34)	
	Number	Per-cent	Number	Per-cent	Number	Per-cent	Number	Per-cent	Number	Per-cent	Number	Per-cent
Yes	6	13	2	14	4	12	16	33	4	29	12	35
No	41	85	11	79	30	88	31	65	9	64	22	65
No answer	1	2	1	7	0	--	1	2	1	7	0	--
Totals	48	100	14	100	34	100	48	100	14	100	34	100

[a]Percents rounded to nearest whole number.

The six states providing written materials outlining their recommended formula indicated that the factors given primary consideration in the developing of the formula were: assessed valuation; population, and need for the work in the county.

Table VI also shows the numbers and percents of states reporting whether or not a formula had been developed showing a recommended ratio of state to county funds for financing Extension work in the counties in 1962. Sixteen states (33 percent) had developed a formula while 31 states (65 percent) had not. One state did not reply to the question.

About the same percentage of states like Tennessee (64 percent) and states not like Tennessee (65 percent) reported that a formula had not been developed. Twenty-nine percent of the states like Tennessee reported that such a formula had been developed, compared to 35 percent of the states not like Tennessee reporting the development of a formula. South Dakota was a state like Tennessee not replying to the question.

III. PLACE OF DEPOSIT OF COUNTY APPROPRIATED FUNDS

The number of states reporting that county appropriated funds were deposited in the state or college treasury for disbursement on order of Land-Grant College authorities increased from six (13 percent) in 1955 to 10 (21 percent) in 1962 (see Table VII). However, five states did not reply to the question in the 1955 survey. One of the 10 states depositing county appropriated funds in the state or college treasury for disbursement on order of Land-Grant College authorities in 1962 was

TABLE VII

NUMBERS AND PERCENTS OF STATES REPORTING WHETHER OR NOT COUNTY APPROPRIATED FUNDS WERE DEPOSITED IN STATE OR COLLEGE TREASURY FOR DISBURSEMENT ON ORDER OF LAND-GRANT COLLEGE AUTHORITIES IN 1955 AND 1962 AND CHANGES[a]

	States in 1955 (N=46)		States in 1962 (N=48)		Changes in States from 1955 to 1962	
	Number	Per-cent	Number	Per-cent	Number	Per-cent
Yes	6	13	10	21	+4	+ 8
No	35	76	38	79	+3	+ 3
No Answer	5	11	0	--	-5	-11
Totals	46	100	48	100	+2	--

[a]Percents rounded to nearest whole number.

a state not like Tennessee, whereas the other nine were states not like Tennessee (see Table VIII).

IV. BASES FOR COUNTY APPROPRIATIONS FOR EXTENSION WORK

The 1955 survey did not include specific bases for county appropriations. Therefore, that particular information is not available for comparison. However, as seen in Table IX, the survey findings did reveal that in 35 (76 percent) of the states the basis for appropriation of county government funds for conducting Extension work was optional. It was mandatory in five states and was partly mandatory and partly optional in five others (11 percent each).

The bases for the amount appropriated in the counties in 1962 are shown in Table X. Twelve (25 percent) of the states reported basing the appropriation of county funds for Extension work on property valuation within the county. Of these states, three were states like Tennessee and nine were states not like Tennessee. No states reportedly based the amount of county funds appropriated on population (rural, farm or total, etc.). Thirty-seven states (77 percent) reported using some basis or bases other than property valuation within the county or population. Of these states, 11 were states like Tennessee (79 percent of the states like Tennessee); whereas 26 of the states not like Tennessee (76 percent) used another basis. Two states (four percent) did not reply to the question. Three states, Georgia, North Carolina and North Dakota used two bases each.

TABLE VIII

NUMBERS AND PERCENTS OF ALL STATES, STATES LIKE TENNESSEE AND STATES NOT LIKE TENNESSEE REPORTING WHETHER OR NOT COUNTY APPROPRIATED FUNDS WERE DEPOSITED IN STATE OR COLLEGE TREASURY FOR DISBURSEMENT ON ORDER OF LAND-GRANT COLLEGE AUTHORITIES IN 1962[a]

	All States (N=48)		States Like Tennessee (N=14)		States Not Like Tennessee (N=34)	
	Number	Percent	Number	Percent	Number	Percent
Yes	10	21	1	7	9	26
No	38	79	13	93	25	74
Totals	48	100	14	100	34	100

[a]Percents rounded to nearest whole number.

TABLE IX

NUMBERS AND PERCENTS OF STATES REPORTING BASES PROVIDED IN STATE LAW FOR APPROPRIATION OF COUNTY GOVERNMENT FUNDS IN 1955[a]

Bases	Numbers	Percents
Mandatory	5	11
Optional	35	76
Part Mandatory and Part Optional	5	11
No Report	1	2
Totals	46	100

[a]Percents rounded to nearest whole number.

TABLE X

NUMBERS AND PERCENTS OF ALL STATES, STATES LIKE TENNESSEE AND STATES NOT LIKE TENNESSEE REPORTING BASES FOR AMOUNT APPROPRIATED IN EACH COUNTY IN 1962[a]

Basis	All States (N=48)		States Like Tennessee (N=14)		States Not Like Tennessee (N=34)	
	Number	Percent	Number	Percent	Number	Percent
Property Valuation	12	25	3	21	9	27
Population	0	--	0	--	0	--
Other	37	77	11	79	26	76
No Answer	2	4	0	--	2	6
Totals[b]	51	106	14	100	37	109

[a]Percents rounded to nearest whole number.

[b]Numbers and percents add up to more than totals because three states (Georgia, North Carolina and North Dakota) checked both property valuation and some other basis.

Table XI gives the various bases specified by the 37 states reporting using some basis other than property valuation and population.

The basis used by the largest number of states using another basis (13 or 35 percent) was the discretion of the county governing body. This was true for states like Tennessee (three or 28 percent) as well as states not like Tennessee (10 or 38 percent). In nine states (24 percent) the county appropriations were based on the county's ability to pay, along with the need for Extension work and acceptance of the Extension program by the people. Only one of these was a state like Tennessee. Most of the other bases reported were at least slightly different from each other.

V. SPECIFIC SOURCES OF COUNTY APPROPRIATIONS

The greatest source of county funds for financing Extension work in the counties was the general fund or general tax levy in both 1955 (42 states or 91 percent) and 1962 (43 states or 90 percent), as seen in Table XII. The states using a special tax levy on all property increased from five (11 percent) in 1955 to nine (19 percent) in 1962. Only one state (two percent) used any other source in 1955; whereas six states (13 percent) reported using some other source in 1962. For example, in 1962, Florida listed "race tracks and perhaps other sources." Two states each reported two sources of county appropriations in 1955. In 1962, eight states listed two sources each; while Utah reported three.

As shown in Table XIII, the general fund or general tax levy was used by a majority of states like Tennessee and states not like Tennessee

TABLE XI

NUMBERS AND PERCENTS OF ALL STATES, STATES LIKE TENNESSEE AND STATES NOT LIKE TENNESSEE REPORTING VARIOUS BASES FOR AMOUNT APPROPRIATED IN EACH COUNTY IN 1962 OTHER THAN PROPERTY VALUATION AND POPULATION[a]

Basis	All States (N=37)		States Like Tennessee (N=11)		States Not Like Tennessee (N=26)	
	Number	Percent	Number	Percent	Number	Percent
Discretion of County Governing Body	13	35	3	28	10	38
County's Ability to Pay, Need for Extension Work, Acceptance of Extension Program	9	24	1	9	8	31
Assessed County Valuation, Population, Gross Farm Income, Number of Farms	3	8	2	18	1	4
Discretion of County Governing Body with Recommendation of Land-Grant College	3	8	2	18	1	4
Discretion of County Governing Body with Recommendations of County Extension Advisory Group and Land-Grant College	2	5	1	9	1	4
Extension Director's Request, Based on Number of County Extension Staff	1	3	0	--	1	4
Amount Appropriated by State Treasurer to Sponsoring Organization	1	3	1	9	0	--
County Funds Provide One-third of County Extension Budget	1	3	0	--	1	4
Matching Funds to Annual State Appropriation to Cooperating Farm Bureau	1	3	1	9	0	--

TABLE XI (CONTINUED)

Basis	All States (N=37)		States Like Tennessee (N=11)		States Not Like Tennessee (N=26)	
	Number	Percent	Number	Percent	Number	Percent
Recommended Guide of Farm Family Equivalents as Computed from Population and County Tax Valuation	1	3	0	--	1	4
Bases Reported but Not Described	2	5	0	--	2	7
Totals	37	100	11	100	26	100

[a]Percents rounded to nearest whole number.

TABLE XII

NUMBERS AND PERCENTS OF STATES REPORTING SPECIFIC SOURCE OF COUNTY APPROPRIATIONS IN 1955 AND 1962 AND CHANGES[a]

Source	States in 1955 (N=46)		States in 1962 (N=48)		Changes in States from 1955 to 1962	
	Number	Percent	Number	Percent	Number	Percent
General Fund	42	91	43	90	+1	- 1
Special Tax Levy on All Property	5	11	9	19	+4	+ 8
Other	1	2	6	13	+5	+11
Totals[b]	48	104	58	122	c	c

[a]Percents rounded to nearest whole number.

[b]Since some states checked two or more sources, numbers and percents add up to more than totals. In 1955, North Carolina used two sources and Alabama used money from the general fund as well as a portion of the sales tax. In 1962, eight states reported two sources; while Utah reported three.

[c]Not appropriate.

TABLE XIII

NUMBERS AND PERCENTS OF ALL STATES, STATES LIKE TENNESSEE AND STATES NOT LIKE TENNESSEE REPORTING SPECIFIC SOURCE OF COUNTY APPROPRIATIONS IN 1962[a]

Source	All States (N=48)		States Like Tennessee (N=14)		States Not Like Tennessee (N=34)	
	Number	Percent	Number	Percent	Number	Percent
General Fund	43	90	11	79	32	94
Special Tax Levy on All Property	9	19	4	29	5	15
Other	6	13	1	7	5	15
Totals[b]	58	122	16	115	42	124

[a]Percents rounded to nearest whole number.

[b]Numbers and percents exceed totals since some states reported more than one source. Eight states reported two sources and Utah reported three.

(79 and 94 percents respectively). Also, it can be seen that the same percentage of states not like Tennessee (15 or five states) used a special tax levy on all property as used "other" sources of county appropriations. States like Tennessee reported that four (29 percent) used a special tax levy on all property; while only one (seven percent) used some other source. It should be noted that a total of nine states used more than one source of county appropriations.

VI. SPECIFIC ALLOCATIONS TO LOW RESOURCE COUNTIES

As noted in Table XIV, only three states reported appropriating some money to the Land-Grant College for specific allocation to low resource counties to equalize Extension educational opportunities in 1955, and this number had decreased to one (Wisconsin) in 1962.

As seen in Table XV, Wisconsin was a state not like Tennessee.

VII. DIRECT ALLOCATION OF STATE FUNDS TO COUNTIES

As noted in Table XVI, only one-half as many states reported allocating part of the money appropriated by the state directly to the counties for financing county Extension programs in 1962 (four or eight percent) as did in 1955 (eight or 17 percent). About 83 percent of those responding in 1955 gave no answer to this question.

Among states like Tennessee, a larger percentage (21 percent or three states) allocated part of the money appropriated by the states directly to the counties for financing county Extension programs than was

TABLE XIV

NUMBERS AND PERCENTS OF STATES REPORTING WHETHER OR NOT MONEY WAS APPROPRIATED BY THE STATE TO THE STATE COLLEGE FOR SPECIFIC ALLOCATION TO LOW RESOURCE COUNTIES IN ORDER TO EQUALIZE EXTENSION EDUCATIONAL OPPORTUNITIES IN 1955 AND 1962 AND CHANGES[a]

	States in 1955 (N=46)		States in 1962 (N=48)		Changes in States from 1955 to 1962	
	Number	Percent	Number	Percent	Number	Percent
Yes[b]	3	7	1	2	- 2	- 5
No	0	--	47	98	+47	+98
No Answer	43	93	0	--	-43	-93
Totals	46	100	48	100	+ 2	--

[a]Percents rounded to nearest whole number.

[b]The number and percentage of states reporting that such money was appropriated is the only information on this question given in the 1955 survey summary (6:22).

TABLE XV

NUMBERS AND PERCENTS OF ALL STATES, STATES LIKE TENNESSEE AND STATES NOT LIKE TENNESSEE REPORTING WHETHER OR NOT MONEY WAS APPROPRIATED BY THE STATE TO THE STATE COLLEGE FOR SPECIFIC ALLOCATION TO LOW RESOURCE COUNTIES IN ORDER TO EQUALIZE EXTENSION EDUCATIONAL OPPORTUNITIES IN 1962[a]

	All States (N=48)		States Like Tennessee (N=14)		States Not Like Tennessee (N=34)	
	Number	Percent	Number	Percent	Number	Percent
Yes	1	2	0	--	1	3
No	47	98	14	100	33	97
Totals	48	100	14	100	34	100

[a]Percents rounded to nearest whole number.

TABLE XVI

NUMBERS AND PERCENTS OF STATES REPORTING WHETHER OR NOT ANY PART OF THE MONEY APPROPRIATED BY THE STATE WAS ALLOCATED DIRECTLY TO THE COUNTIES FOR FINANCING COUNTY EXTENSION PROGRAMS IN 1955 AND 1962 AND CHANGES[a]

	States in 1955 (N=46)		States in 1962 (N=48)		Changes in States from 1955 to 1962	
	Number	Percent	Number	Percent	Number	Percent
Yes[b]	8	17	4	8	- 4	- 9
No	0	--	44	92	+44	+92
No Answer	38	83	0	--	-38	-83
Totals	46	100	48	100	+ 2	--

[a]Percents rounded to nearest whole number.

[b]The number and percentage of states reporting that some money was so allocated is the only information on this question given in the 1955 survey summary (6:22).

true for states not like Tennessee (three percent or only one state) in 1962 (see Table XVII).

The four cases mentioned above were all different. For example, Connecticut, a state like Tennessee, appropriated $10,000 per county, plus the amount formerly appropriated by the counties. Massachusetts, another state like Tennessee, reported that all local funds were appropriated by the State directly to the counties. Rhode Island, a state like Tennessee, made an annual appropriation to the cooperating Farm Bureau which required matching funds from the counties. In the state not like Tennessee following this practice (Oregon), state law provided a basic appropriation of $2,000 per annum for counties with a geographical area of 5000 square miles or less and $4,000 per annum for larger counties.

VII. USE OF FUNDS FROM LOCAL GRANTS, GIFTS AND BEQUESTS

As seen in Table XVIII, a majority of states in both 1955 (28 or about 61 percent) and 1962 (27 or 56 percent) reported that counties were permitted to accept and use funds from local grants, gifts and bequests. The number of states not permitting this increased from 15 in 1955 to 18 in 1962. Three states did not reply to the question in 1955 and the same number did not reply in 1962.

Table XIX shows that in states like Tennessee, 10 (71 percent) reported that funds from local grants, gifts and bequests were permitted to be accepted and used by the cooperating county groups in 1962. At the same time, 17 (50 percent) of the states not like Tennessee permitted the acceptance of such funds.

TABLE XVII

NUMBERS AND PERCENTS OF ALL STATES, STATES LIKE TENNESSEE AND STATES NOT LIKE TENNESSEE REPORTING WHETHER OR NOT ANY PART OF THE MONEY APPROPRIATED BY THE STATE WAS ALLOCATED DIRECTLY TO THE COUNTIES FOR FINANCING COUNTY EXTENSION PROGRAMS IN 1962[a]

	All States (N=48)		States Like Tennessee (N=14)		States Not Like Tennessee (N=34)	
	Number	Percent	Number	Percent	Number	Percent
Yes	4	8	3	21	1	3
No	44	92	11	79	33	97
Totals	48	100	14	100	34	100

[a]Percents rounded to nearest whole number.

TABLE XVIII

NUMBERS AND PERCENTS OF STATES REPORTING WHETHER OR NOT FUNDS FROM LOCAL GRANTS, GIFTS AND BEQUESTS WERE PERMITTED TO BE ACCEPTED AND USED BY THE COOPERATING COUNTY GROUP IN 1955 AND 1962 AND CHANGES[a]

	States in 1955 (N=46)		States in 1962 (N=48)		Changes in States from 1955 to 1962	
	Number	Percent	Number	Percent	Number	Percent
Yes	28	61	27	56	-1	-5
No	15	33	18	38	+3	+5
No Answer	3	6	3	6	0	--
Totals	46	100	48	100	+2	--

[a]Percents rounded to nearest whole number.

TABLE XIX

NUMBERS AND PERCENTS OF ALL STATES, STATES LIKE TENNESSEE AND STATES NOT LIKE TENNESSEE REPORTING WHETHER OR NOT FUNDS FROM LOCAL GRANTS, GIFTS AND BEQUESTS WERE PERMITTED TO BE ACCEPTED AND USED BY THE COOPERATING COUNTY GROUP IN 1962[a]

	All States (N=48)		States Like Tennessee (N=14)		States Not Like Tennessee (N=34)	
	Number	Percent	Number	Percent	Number	Percent
Yes	27	56	10	71	17	50
No	18	38	4	29	14	41
No Answer	3	6	0	--	3	9
Totals	48	100	14	100	34	100

[a]Percents rounded to nearest whole number.

Table XX shows the results of an analysis of how the funds were used in the states permitting their acceptance in 1955 and 1962. The main way used by counties in most states in both 1955 and 1962 was for special uses, the number of states reporting special uses of these funds increasing from 12 (43 percent) to 13 (48 percent) in those years. There was a decrease of from 11 states (39 percent) in 1955 to nine (33 percent) in 1962 reporting county use of such funds for general expenses. Although four states (14 percent) in 1955 permitted local acceptance and use of grants, gifts and bequests, none had been received. Three states (11 percent) had no such funds in 1962, but counties were not forbidden from accepting and using them when offered.

As shown in Table XXI, in states like Tennessee, five of the 10 states (50 percent) accepting such funds used them for special uses and five (50 percent) for general expenses. Among the states not like Tennessee, eight states (47 percent) assigned the funds to special uses while four (24 percent) used them for general expenses.

TABLE XX

NUMBERS AND PERCENTS OF STATES REPORTING THE ACCEPTANCE AND USE OF FUNDS FROM LOCAL GRANTS, GIFTS AND BEQUESTS BY THE COUNTY GROUP IN 1955 AND 1962 AND CHANGES[a]

Use	States in 1955 (N=28)		States in 1962 (N=27)		Changes in States from 1955 to 1962	
	Number	Percent	Number	Percent	Number	Percent
Special Uses	12	43	13	48	+1	+5
General Expenses	11	39	9	33	-2	-6
Had No Such Funds	4	14	3	11	-1	-3
No Report on Use	1	4	2	8	+1	+4
Totals	28	100	27	100	-1	--

[a]Percents rounded to nearest whole number.

TABLE XXI

NUMBERS AND PERCENTS OF ALL STATES, STATES LIKE TENNESSEE AND STATES NOT LIKE TENNESSEE REPORTING THE ACCEPTANCE AND USE OF FUNDS FROM LOCAL GRANTS, GIFTS AND BEQUESTS BY THE COUNTY GROUP IN 1962[a]

Use	All States (N=27)		States Like Tennessee (N=10)		States Not Like Tennessee (N=17)	
	Number	Per-cent	Number	Per-cent	Number	Per-cent
Special Uses	13	48	5	50	8	47
General Expenses	9	33	5	50	4	24
Had No Such Funds	3	11	0	--	3	17
No Report on Use	2	8	0	--	2	12
Totals	27	100	10	100	17	100

[a]Percents rounded to nearest whole number.

CHAPTER IV

SUMMARY AND CONCLUSIONS

This study was a benchmark effort to bring together related information on selected aspects of county Extension financing procedures. The specific purposes were: 1) to review the financing procedures of the Cooperative Extension Service used in counties throughout the United States, and 2) to compare the financing procedures in states having a similar county organizational pattern to that of Tennessee with those having different county organizational patterns.

The methods of procedure followed were: 1) to review available published and unpublished literature related to this study, and 2) to tabulate, describe, analyze and interpret data from 1955 and 1962 nationwide Extension surveys.

The available literature indicated that differences in county Extension financing procedures existed among the states and, sometimes, from county to county within states. Nongovernmental or private funds appear to have played a relatively minor, though not unimportant, role in county Extension financing.

Implicit in both the Joint Committee Report of 1948 (8:54,55) and the so-called "Scope Report" of 1957 (12:13) was the fact that there will be a continuing need for increased funds to carry out adequate and expanding Extension programs in the future.

Specific studies related to the development of county financing procedures conducted by Thompson (13), Pfannstiel (10), Cavender (2) and Heitland (7) were reviewed. A general agreement appeared to prevail among the researchers that more definite and uniform procedures for determining county Extension budgets were needed. They seemed to feel that relatively inadequate and unbalanced systems were in use prior to and at the times of their studies.

Thompson and Pfannstiel both developed a specific formula for use in their respective states (Kentucky and Texas). Each considered various factors for use in their formula. Both gave considerable weight to the ability of the county to pay and the need of the county for Extension work, though they used slightly different methods in developing the formulas.

Brief Summary of Findings

The below-stated findings are based on the analysis of 1955 and 1962 national survey data.

1. As a general rule, most states used more than one basis for distribution of federal and state funds to the counties in 1962. Three-fourths of the states used from two to six bases, with a total of 25 different combinations being reported. Most states like Tennessee and not like Tennessee used two or more bases.

2. Most states had not developed a specific formula for the distribution of federal and state funds to the county by 1962. Twenty states (seven like Tennessee and 13 not like Tennessee) reported having

a formula for distribution of federal and state funds for financing county Extension work. The most frequently used basis in all states (in both 1955 and 1962) was the "amount based on the ability of the county to appropriate money and pay for Extension work." This was true for the states not like Tennessee in 1962; while the states like Tennessee reported using the "amount allocated on basis of need of the county" most frequently as a basis.

3. Most states had not developed a formula showing a recommended ratio of state to county funds for financing county Extension work in 1962. Only 16 states reported the development of a formula showing a recommended ratio of county funds for financing county Extension work. Twenty-nine percent of the states like Tennessee and 35 percent of the states not like Tennessee reported that such a formula had been developed. Only six states (two like Tennessee and four not like Tennessee) provided copies of such written formulas.

4. Most states did not deposit county appropriations in the state or college treasury for disbursement on order of Land-Grant College authorities in 1955 or 1962. The number of states depositing county appropriated funds in the state or college treasury for such purposes increased from six in 1955 to 10 in 1962. Only one of the 10 states using this practice in 1962 was a state like Tennessee.

5. Various bases were used by the different states to help determine what the proper or suggested county share of the county Extension budget should be in 1962. Approximately three-fourths of all states,

states like Tennessee and states not like Tennessee, reported using some basis other than "property valuation" or "population" as the basis for county Extension appropriations. The one "other basis" reported used most frequently by both states like Tennessee and states not like Tennessee was "the discretion of the county governing body," being used by 13 of the 36 states mentioning some "other basis." Although the 1955 survey did not give this information, it did reveal that the basis used for appropriation of county government funds for conducting Extension work in 1955 was optional in counties in a majority (76 percent) of the states.

6. As a general rule the source of county funds for financing Extension work in the counties in both 1955 and 1962 was the "general fund" or "general tax levy." Ninety-one percent of the states in 1955 and 90 percent in 1962 reported the "general fund (or general tax levy)" as the source of county appropriations. A majority of both states like Tennessee and states not like Tennessee reported this source in 1962.

7. Most states did not make specific allocation to low resource counties in order to equalize Extension educational opportunities in either 1955 or 1962. Only three states made such appropriation in 1955; while only one had done so in 1962. This latter state was Wisconsin, a state not like Tennessee.

8. Most states did not follow a policy of allocating funds directly to the counties for financing Extension work in either 1955 or 1962. Eight states reported allocating part of the money appropriated

by the state directly to the counties in 1955. Only four states reported this practice in 1962, three of which were states like Tennessee.

9. A majority of the states were permitted to accept and use funds from local grants, gifts and bequests in both 1955 and 1962. Sixty-one percent of the states were permitted to accept and use such funds in 1955 while 56 percent were permitted to do this in 1962. Seventy-one percent of the states like Tennessee and 50 percent of the states not like Tennessee reported this practice in 1962. The main purpose for which such monies were used in both 1955 and 1962 was "special uses." About half of both states like Tennessee and states not like Tennessee reported using such funds for "special uses."

Implication

Findings of the study tend to imply that none of the few complete sets of financing procedural rules for dealing with the needs of county Extension programs that are available from states where counties share in the support of county Extension work appears to have more than limited value for probable application in other states. Six states did provide written formulas including facets meriting the possible attention and consideration of those in other states where applicable.

Suggestions for Further Study

1. Facts provided by this study might be used to serve as a basis for case and other studies of county Extension financing procedures used in individual states like Tennessee and/or other states as well.

2. Studies could be conducted to evaluate the comparative effectiveness of formulas found to be in use (in a few states) for arriving at a recommended figure or percent that the county might accept as its fair share of the county Extension budget.

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APPENDIXES

APPENDIX A

Group "A" states in which the county group with whom the Land-Grant College deals on official matters is the group of county governing officials (3:1,2,3).

State	Name of County Group
Alabama	County Governing Body
Arizona	County Board of Supervisors
Arkansas	County Judge and County Agricultural Committee
California	Board of Supervisors
Colorado	Board of County Commissioners
Florida	Board of County Commissioners
Georgia	County Boards of Commissioners and/or Board of Education
Idaho	County Commissioners
Louisiana	(1) Police Jury, and (2) School Board
Maryland	Board of County Commissioners or County Council
Michigan	Board of Supervisors
Mississippi	Board of Supervisors
Montana	County Commissioners
Nevada	County Commissioners
New Mexico	Board of County Commissioners
North Carolina	Board of County Commissioners
North Dakota	County Commissioners

State	Name of County Group
Oklahoma	County Commissioners
Oregon	County Court
South Carolina	County Legislative Delegation
Texas	County Commissioners Court
Utah	Board of County Commissioners
Virginia	County Board of Supervisors and City Council
Washington	Board of County Commissioners
Wisconsin	Agricultural Commissioners of County, Board of Supervisors
Wyoming	Board of County Commissioners

Total - 26

APPENDIX B

Group "B" states in which the county group with whom the Land-Grant College deals on official matters is another group provided for under state law but not the general governing officials (3:1,4).

State	Name of County Group
Connecticut	County Extension Council
Iowa	County Extension Council
Kansas	County Agricultural Extension Council
Kentucky	County Extension Board and County Fiscal Court
Maine	County Extension Association
Massachusetts	Trustees for County Aid to Agriculture
Minnesota	County Extension Committee
Missouri	County University of Missouri Extension Council
Nebraska	County Extension Board
New York	County Extension Service Association
Rhode Island	Farm Bureaus (not AFBF affiliates)
South Dakota	County Extension Board
Tennessee	Agricultural Extension Committee
West Virginia	County Agricultural Extension Service Committee

Total - 14

APPENDIX C

Group "C" states in which the county group with whom the Land-Grant College deals on official matters is a group not provided for under the laws of the state (3:1,4).

State	Name of County Group
Delaware	County Program Advisory Committee
Illinois	Agriculture and Home Economics Extension Councils approved by Director
Indiana	County Extension Committee
New Hampshire	County Extension Service Council
New Jersey	Executive Committee of County Board of Agriculture
Ohio	County Extension Advisory Committee
Pennsylvania	Agricultural Extension Association
Vermont	County Cooperative Extension Service Advisory Board

Total - 8

APPENDIX D

Part III -- Financing of Extension Within Counties

Distribution of state and federal funds to counties.

1. What is your basis or formula for distribution of federal and state Extension funds to counties for financing Extension work? (Please check those that apply.)

____ a. Uniform amount to all counties.

____ b. Amount based on geographical area of the county.

____ c. Amount based on rural population of the county.

____ d. Amount based on farm population of the county.

____ e. Amount based on the volume of Extension work now done in the county in relation to the potential teaching load (population).

____ f. Amount based on the ability of the county to appropriate money and pay for Extension work.

____ g. Amount based on factors determining salaries and promotions.

____ h. Uniform amount according to number of Extension workers per county.

____ i. Amount allocated on basis of need. (Indicate below the basis used for determining need.)

____ j. Other (please specify): _____

_____

(If this basis or formula for distribution of federal and state Extension funds showing allocations to the counties is available in duplicated or printed form, please attach a copy.)

_____

2. If a combination of the items in 1 above constitutes the basis or the formula for distribution of federal and state Extension funds disbursed to counties, please state briefly how this is done.

_____

_____

_____

3. Has a formula been developed showing a recommended ratio of state to county funds for financing Extension work in the counties?

a. Yes_____ b. No_____

(If available in duplicated or printed form, please attach a copy.)

4. Are county appropriated funds deposited in state or college treasury for disbursement on order of Land-Grant College authorities?

a. Yes_____ b. No_____

5. The amount appropriated in each county is: (Please check.)

____ a. Based on property evaluation within the county.

____ b. Based on population (rural, farm or total, etc.).

____ c. Other (Please specify) _____

_____

6. What is the source of county appropriations in your state? (Please check.)

____ a. General fund or general tax levy.

____ b. Special tax levy for Extension with tax base on all property.

____ c. Special tax levy for Extension with tax base on all agricultural property only.

____ d. Other (Please specify) _____

_____

7. Is money appropriated by the state to the state college for specific allocation to low resource counties in order to equalize Extension educational opportunities?

   a. Yes_____ b. No_____

8. Is any part of the money appropriated by the state allocated directly to the counties for financing county Extension programs?

   a. Yes_____ b. No_____

9. If your answer to question No. 8 above was Yes, please explain:

   _____

10. In your state are funds from local grants, gifts, bequests, etc. permitted to be accepted, and used by the county group named in Part I, question No. 2?

    a. Yes_____ b. No_____

11. If your answer to question No. 10 above is Yes, for what purpose are such monies used? (Please specify.)_____

    _____

APPENDIX E

CRITERIA FOR DETERMINING FINANCIAL SUPPORT OF COUNTY AGRICULTURAL EXTENSION WORK IN TENNESSEE

The proposed county budgets and allocations of county and University funds are based on uniformly applied criteria as explained below.

I. Determination of County Extension Worload and Size of County Staff

The workload was calculated in terms of farm family equivalents. This measure of workload was based on the assumption that Extension's first responsibility is to full-time farm families and diminishes as families become further removed from full-time farming.

In calculating the number of farm family equivalents in each county a full-time farm family was counted as one. Part-time, residential, rural non-farm, and city families were included in the calculation of farm family equivalents but decreasing weight was given each of these categories in the order named.

The number of farm family equivalents was used to establish the number of professional Extension workers required to service the program in each county. In order to provide a full Extension program for the people in every county, the budgets include a minimum of one agricultural agent and one home demonstration agent in any county. All counties having 950 farm family equivalents or less were assumed to require the services of two agents as a minimum. Additional agent positions beyond the minimum staff of two were added in the budgets according to the size of the workload as measured in farm family equivalents.

In 45 counties there was no change in the present number of agents. In 31 counties there was an indicated need for an increase in size of staff of from one to two members, and in 19 counties a decrease of from one to two members was indicated.

II. Calculation of County Budgets

In calculating county budgets the salaries of agents were adjusted to equal the average salaries of agents in the southern states as of September 1, 1959. This required an upward adjustment of 9.1 percent in salaries of county agents, 10 percent for home demonstration agents, 4.7 percent for assistant county agents, 3 percent for

assistant home demonstration agents, 4.1 percent for Negro assistant agricultural agents, and 1 percent for Negro assistant home demonstration agents.

The cost of supplies and publications furnished by the State Extension Service was included in the budgets. The value of these items was calculated on the basis of average cost per agent in fiscal year 1959--$169.61 per agent for supplies and $163.95 per agent for publications.

III. Determination of County Portion of Budget

Apportionment was based on a scale indicating varying rates of financial participation according to the estimated value of taxable property in 1959 as reported by the Tennessee Taxpayers Association.[1] This scale was designed such that the sum of all county appropriations would equal approximately 25 percent of the sum of all county budgets if counties are staffed as suggested.

County rate of participation based on estimated value of taxable property:

Value of Taxable Property	County Percentage of Budget
$5,000,000 to $28,000,000	20
$28,000,000 to $40,000,000	20 to 26
(Increases 0.5 percent for each additional $1,000,000 valuation over $28,000,000.)	
$40,000,000 to $100,000,000	26 to 38
(Increases 0.2 percent for each additional $1,000,000 valuation over $40,000,000.)	
$100,000,000 to $200,000,000	38 to 48
(Increases 0.1 percent for each additional $1,000,000 valuation over $100,000,000.)	
$200,000,000 and over	48 to 50

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[1]Tennessee Taxpayers Association, A Report Upon the 1958 or Twenty-Third Annual Survey of County, City and Town Government in Tennessee, May 1, 1959.

(Increases 0.05 percent for each additional $1,000,000 valuation over $200,000,000 up to 50 percent. Fifty percent is the upper limit of participation.)

Some counties are presently staffed in excess of the number of positions indicated by the workload formula. In such counties the county's percentage of budget applying to positions in excess of the suggested number is increased by 50 percent.