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Extension Economics Notes Overview *Extension Economics Notes # 2012-0*

Extension Economics Notes discuss economic issues in developing and delivering Cooperative Extension Service outreach programs. While the *Notes* are based on economic principles and business practices, they are written for non-economists. A few tables are used, but there are neither graphs nor equations. Since program teams will need to reach a consensus on these issues, all of the *Notes* end with a set of questions for team discussion. Each *Note* is 4 pages or less. All of these are available online at <http://ageconsearch.umn.edu/handle/127142>

2011-1 Guidelines for Extension Program Business Planning

This *Note* outlines ten guiding principles for using the program business planning process to achieve a successful transition to an entrepreneurial Extension Service in a new regional delivery model. Surveys of Minnesotan educators and state specialists discovered this planning process helped to clarify their audience, identify the program team, prepare plans of work, build teamwork, clarify costs and public value, and encourage field specialization. However, the respondents and program leaders suggested a few ways that the process could be simpler and more practical and these adaptations are included. Click on: <http://purl.umn.edu/129276>

Staff Paper P12-5: FAQs on Guidelines for Extension Program Business Planning

This staff paper, written primarily for Extension administrators, addresses frequently asked questions about the business planning process and complements the four page *Guidelines for Extension Program Business Planning (Notes # 2011-1)*. The length (17 pages of text and 9 of glossary, appendices, references and notes) of this staff paper implies the guidelines are extremely prescriptive. On the contrary, as the FAQs explain, the guidelines provide broad parameters and follow the maxim that if you want something adopted, keep it as simple as

Extension Economics Notes may not reflect the views of the University of Minnesota or its units. I appreciate the feedback from several colleagues but any errors or omissions are my responsibility. From 1974 to 2002 I was a faculty member and Extension economist at South Dakota State University, Ohio State University, and University of Minnesota. From 2002 to 2007 I served as the Associate Dean and Director for the University of Minnesota Extension.

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possible. A key focus of the FAQs is to help administrators see the value of allowing program teams to have great flexibility in the specific components of their program business plan and their planning process. *Click on:* <http://purl.umn.edu/127141>

2012-1 *Which Type of Cost Recovery Fits Our Extension Program?*

This *Note* explores the pros and cons of five types of cost recovery (grants, gifts, contracts, event sponsorships, and user fees). It compares these five on twelve different features. No one type of cost recovery works best for all programs and often the most appropriate type changes as the program matures. A method is suggested for program teams to discuss the pros and cons of each cost recovery option and developing modifications to fit a specific program. *Click on:* <http://purl.umn.edu/129280>

2012-2 *Should We Charge User Fees for Our Extension Program?*

In this *Note* more detail is provided on the differences in private to public value ratios for programs and how that influences the ability to charge fees. It also addresses many common questions on fees in Extension. Finally, it suggests the types of questions teams must address themselves. *Click on:* <http://purl.umn.edu/129286>

2012-3 *Estimating the Cost of an Extension Event*

To build public acceptance of user fees, your team must know the cost per person of the program and/or event. This *Note* provides an example of estimating the delivery cost for an event. Also covered are tips for estimating the development cost for this event and for estimating the total cost per person as the number of participants changes. The importance of sharing the cost per person with the public is discussed with an example of a potential text. *Click on:* <http://purl.umn.edu/129289>

2012-4 *Agreeing on Practical Extension User Fees*

Assuming your program team decides to charge user fees (or to increase them) for at least a part of the cost recovery, this *Note* tells you how to do it in a practical way. It covers programs which have either “market-set fees” or a “unique fee.” It introduces a means of estimating “willingness to pay” for programs where there is no benchmark. While the ultimate decision will be a subjective one, this *Note* gives some guide posts from economics and experience. *Click on:* <http://purl.umn.edu/129292>

2012-5 *Factors Influencing the Willingness to Pay User Fees*

Eight factors which influence the willingness to pay (WTP) in a particular program are discussed. Even without the formal WTP estimates, this *Note* will help teams evaluate the potential for increasing their fees. This *Extension Economics Note* gives greater depth to the discussion on WTP in *Note # 2012-4*. Click on: <http://purl.umn.edu/129295>

2012-6 *Travel Costs in User Fees and Equal Access to Extension*

Travel costs can be covered in all cost recovery options for programs with face to face meetings. Yet, they need to be treated very differently from the way that a private consulting firm would since Extension promises equal access to people throughout the state. If the actual cost of travel is charged, people living longer distances from the educator or specialist will have to pay more. In the private sector this alters who participates and would in Extension as well. This *Note* describes several publicly acceptable ways to include travel costs while charging the same user fee for a given program event everywhere in the state. Click on: <http://purl.umn.edu/129298>

2012-7 *Resources for Setting User or Sponsorship Fees*

This *Note* explores nine resources, ranging from peers who are already charging fees to webinars and workshops on cost recovery. The supplemental readings are listed by published articles for non-economists, state policies and tools for calculating costs, and more technical articles for economists. Click on: <http://purl.umn.edu/129299>

Future Extension Economic Notes

Other *Extension Economics Notes*, which are in draft form now, include the following topics:

- summaries of the alternative state policies on cost recovery;
- layperson summaries of selected professional articles on cost recovery and user fees;
- alternative ways that states have interpreted USDA regulations on user fees.

If you have suggestions for other topics, write me at morse001@umn.edu. Also I welcome specific questions, comments or examples that support or contradict the *Notes*.

For copies of all the Extension Economics Notes and future ones, go to:
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