

**MSU Extension Service
Executive Summary
FY 2006-07 Proposed Adjustments and Initiatives**

OUR MISSION – The Montana State University Extension Service is an educational resource dedicated to improving the quality of people’s lives by providing research-based knowledge from the Land-Grant University to strengthen the social, economic and environmental well-being of families, communities and agricultural enterprises. With offices located in 54 counties and seven reservations, the state is our campus. We reach out to all of Montana’s people through a network of county and reservation based offices. Faculty in these offices are supported by a cadre of specialists housed on the Montana State University-Bozeman campus, plus Forestry Specialists housed at the School of Forestry and Conservation at the University of Montana-Missoula campus.

Present Law Adjustment Requests:

Statewide Adjustments (PL-61)

Annualization of the 2005 biennium cost increases
FY 06 \$331,182
FY 07 \$375,532

Payroll Benefits Including Medical Insurance (PL-82)

FY 06 \$417,821 - \$282,636 benefits and \$135,185 medical
FY 07 \$380,915 - \$245,730 benefits and \$135,185 medical

Overhead Charges (PL-66) (including institutional support, facilities, and utilities)

FY 06 \$62,452
FY 07 \$78,145

In summary, total present law adjustments of \$811,455 for FY 06, and \$834,592 for FY 07 have been requested. The Governor’s Budget has recommended State general fund increases of \$325,788 for FY 06 and \$348,933 for FY 07. Cumulatively, State general fund is recommended to cover 41% of these costs. Federal Smith-Lever funds will be used to fund the balance, \$485,667 for FY 06 and \$485, 659 for FY 07.

Pay Plan & Promotion Increases:

Projected Cost of 3 ½% and 4% salary increase:	FY 06 undetermined	FY 07 undetermined
Health Insurance Increases: \$46/month for FY 06 and \$51/month for FY 07	FY 06 \$ 76,055	FY 07 \$160,376
Projected Promotion Increases	FY 06 \$19,503	FY 0 \$ 24,687

The Extension Service requests a State general fund base increase to provide full funding for these costs, including proposed salary increases, when amounts are determined.

Special Initiative Requests:

Increasing Agricultural Profitability and Sustainability-Livestock Specialist (NP-16)

As a result of the 2003 special session budget reduction, a livestock specialist position has been left vacant since early FY 03. The Montana livestock industry continues to place a high priority on this position, requesting that the position be refilled and located at the Ag Research Center in Miles City.

Selected Examples of Return:

- This is a critical position in the MSU Extension program. This is the only specialist located in eastern Montana devoted exclusively to livestock Extension programming.
- Not only are educational programs necessary in livestock management for eastern Montana livestock producers, this individual also serves as a resource for USDA-ARS at Ft. Keogh, NRCS employees, Montana Stockgrowers, Farm Bureau and local county livestock committees.
- This position is a partnership between MSU Extension and USDA-ARS-LARRL, with the federal station contributing significant resources in support of the position.
- The position will be work with on-going partnerships between MSU and the livestock industry such as the Montana Beef Network.

Required Investment: FY 06 - \$82,000 (\$60,000 salary, \$16,000 benefits and \$6,000 operations); FY 07 - \$82,000 (same breakdown as for FY 06). Office space and administrative support will be provide by the Agricultural Research Center at Miles City.

The Martz Budget recommended \$65,600 State general funds for each year of the biennium as part of the Shared Leadership package. Extension Service will match \$16,400/year from Federal Smith-Lever funds. Governor Schweitzer removed the Shared Leadership initiatives in his Executive Budget recommendations.

Increasing Agricultural Profitability/Sustainability-Cropping Systems Specialist (NP-8)

MSU Extension has not had a cropping systems agronomist for over ten years. This has been a result of budget constraints, rather than lack of recognized need for Montana producers. The Montana grain growers continually express concern over this and request a position to support their industry. Montana cropping systems have shifted fundamentally to no-till systems presenting new pest and soil management issues. Montana producers have an opportunity to acquire increased market share with management-intensive organic production. This Extension position is critical to reducing costly mistakes based on inexperience for new crops such as canola, mustard, sunflower, peas, lentils and chickpeas.

Selected Examples of Return:

- Basic cropping systems extension will prevent many avoidable mistakes with pulse and oilseed crop production. Each year there are numerous examples throughout Montana where producers growing a new crop lose some or all of that crop's production, costing from \$10 to \$200/acre. Common errors relate to fertility practice, improper inoculant use, seeding rate, seeding depth, seeding date, harmful herbicide residues in the soil, improper herbicide use, poor variety choices, etc. These errors are largely preventable with a Cropping Systems Extension program.
- As fuel prices increase, the price of nitrogen follows. Producers are looking at pulse crop production to reduce N fertilizer costs and to provide N benefits to wheat crops. Pulse crops can fix up to 100 lb/ac of N with a fertilizer equivalent value of \$20/ac and greater. Pulse crops commonly cycle 10 to 15 lb of N/ac to wheat crops, adding further value. Extension support is critical to managing fertility in pulse crops and in ensuring that a proper N credit is used for following crops.

Required Investment: FY 07 - \$82,000 (\$60,000 salary, \$16,000 benefits and \$6,000 operations); Producer groups may contribute some start-up equipment like vehicle(s), farming equipment, etc.

The Martz Budget recommended \$65,600 State general funds for each year of the biennium as part of the Shared Leadership package. Extension Service will match \$16,400/year from Federal Smith-Lever funds. Governor Schweitzer removed the Shared Leadership initiatives in his Executive Budget recommendations.