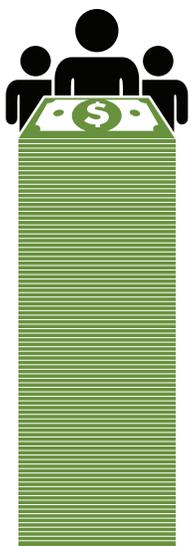


Understanding the MU Extension Budget for FY2017

MU Extension is a people-based organization. More than 90 percent of MU Extension's general operating (GO) revenue is used to cover employee-related costs. Consequently, any impact on extension funding affects extension's ability to maintain staffing levels.



EMPLOYEE-RELATED COSTS ARE **91.5%** OF REVENUE

For fiscal year 2017, MU Extension will experience a significant reduction in funding. All campus units at the University of Missouri, including MU Extension, will see a 5 percent reduction in general operating (GO) revenue.

Additionally, long-term trends in other revenue streams that extension relies on are limiting extension's ability to maintain

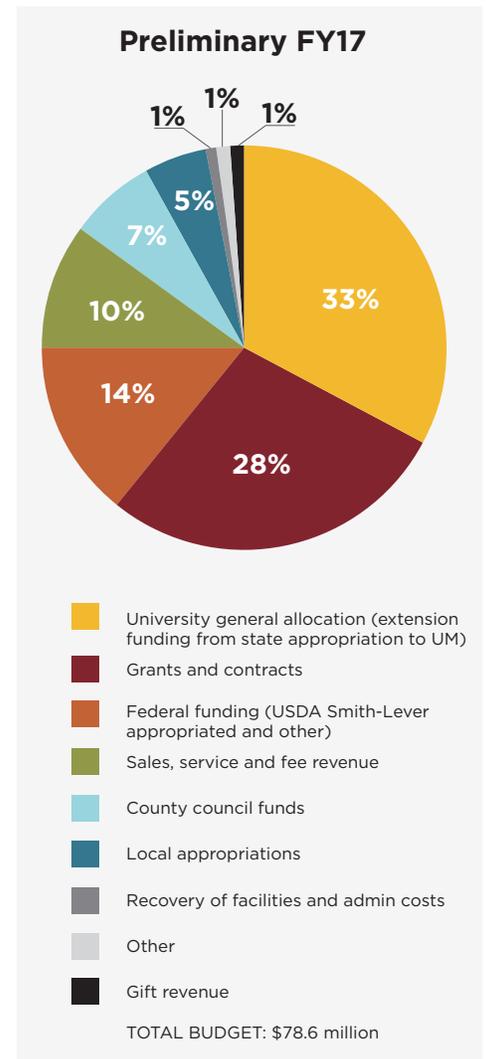
staffing levels. The net result is extension will eliminate 21 full-time positions out of the current 775 full-time equivalent positions.

Overview of MU Extension funding

Funding for MU Extension comes from a variety of sources. The largest fund source is the university general allocation that comes from state appropriations. It represents 33 percent of extension funding. The remaining 66 percent comes from numerous revenue streams. In recent decades, funds from government sources have not kept pace with inflation. Extension has proactively worked to minimize the impact of this long-term trend through the expansion of grant and contract work as well as sales, service and fee revenue, as appropriate.

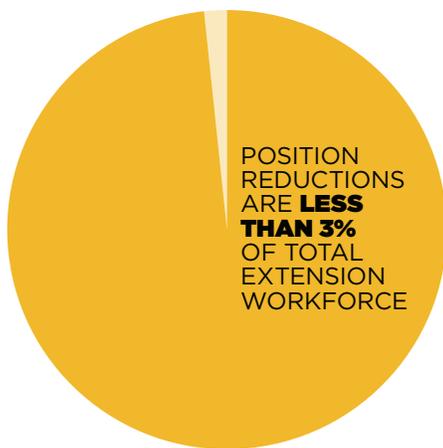
For FY17, state legislators approved an increase in the appropriation rate for the university. However, the university's budget is also highly dependent on student enrollment. Due to a variety of factors the University of Missouri will experience a significant reduction in enrollments this fall.

As an integral part of the University of Missouri campus in Columbia, MU Extension, along with all other campus units, will feel the financial impact of reduced student enrollment.



Overview of extension staffing reductions

FY17 funding reductions of 5 percent will result in the elimination of 21 full-time positions out of 775 full-time equivalent positions. Of these 21 eliminated positions, 10 are located on campus. The other 11 eliminated positions are located within extension regions. Some eliminated positions were vacant. These position reductions represent less than 3 percent of the total extension workforce. All employees in positions that are to be eliminated have been notified.



Because this is a painful experience, steps were taken to ease transitions during this difficult time. Affected faculty with August 2016 end dates on contracts were provided contracts with an end date of Dec. 31, 2016. Employees in full-time staff positions were provided an opportunity to participate in an existing transition assistance program.

Overview of decision process for staffing changes

Decisions related to staffing changes were based on the goal of preserving program capacity and coverage across all state regions. To realize this goal, all program coverage was considered along with the geographic placement of existing faculty and current position vacancies.

Additionally, in the interest of maximizing educational reach with reduced funds, the following were considered and explored:

- collaborating across service areas
- partnering with other UM System campuses
- working with external agencies offering comparable program delivery

This additional review provided a viable solution to program coverage in some locations.

Although a hiring freeze is in place, there are exceptions for high-priority and mission-critical positions. Some positions may be filled using non GO revenue sources, such as grants and fees.

What's next?

Using input from stakeholders, valued county council members and constituents, MU Extension will continue to take necessary steps to be a good steward of the public and private investments that support its work. On Aug. 15, 2016, MU Extension will have new leadership when Dr. Marshall Stewart assumes the role of vice chancellor of extension and engagement and director of MU Extension. You can learn more about Dr. Stewart at <http://extension.missouri.edu/about/vicechancellor.aspx>.

For more information

A detailed view of the extension budget is available online at <http://extension.missouri.edu/staff/2017budget.aspx>.