

Talking Points for RCE Stakeholders Regarding Cost Recovery/Revenue Enhancement and Membership/Program/Service Fees

This document was developed to help RCE faculty and staff respond to questions from clientele regarding RCE cost recovery and revenue enhancement initiatives.

Problem Statement:

Unreliable and shrinking financial support from our traditional federal, state and, in some cases, county funders are pressing reasons for RCE to diversify funding sources and continue conducting high quality programs constituents have come to expect. Our traditional funding supports faculty and staff delivering programs. As some of our funding sources switch from formula funds to competitive grants, our financial strength to conduct base programs declines. Therefore we need to broaden sources of funding through strategic cost recovery and fee increases. For many RCE programs unified, state-wide fee and cost recovery policies do not exist.

Goal:

Deliver high quality, mission-oriented, extension programs, highly valued and relevant to residents of New Jersey. We can assure the longevity of our programs by taking program cost recovery seriously when deciding to deliver our programs. We are asking all RCE program faculty and staff to use the Cost Analysis Template in calculating, BEFORE HAND, the cost of program development and its delivery. Please refer back to what we mean by a program versus a lecture or activity. In all we do, RCE must be highly pro-active in its accountability efforts, mission-oriented, and transparent. In this way RCE will translate program success into funding success.

Defining Fees:

Many people are confusing the term user fees for other opportunities for intrapreneurship. RCE departments may decide to collect **Membership Fees** for membership in a state wide program such as Master Gardeners or 4-H. Membership fees are those charged for participation in statewide programs which would be utilized to support local programming as well as the RCE departmental state staff that is needed to manage these large programs.

Program Related Fees are fees related to the cost of a program. Program fee examples include: cost of meeting rooms, marketing, activities, events, publications, program-related items. This will help recoup program costs and also help determine, with a needs assessment, whether there is enough “demand” for the program.

Service Fees are fees charged for a specific service or assistance which is more comprehensive than base service provided to all constituents. These fees are to be determined by RCE departments with uniformity across the state. Examples include: training for professionals, development of comprehensive nutrient management plans for a farm, development of a school wellness plan, etc. Regardless, RCE customers need to feel that his/her investment was worthwhile, and to that end, RCE must therefore provide uniform, high quality and responsive service to these clientele.

Some colleagues are concerned that charging a price for extension program efforts, when we are publicly supported, will alienate clientele. Rather than fear fees we should embrace pricing some of our important efforts, not only to stabilize our ability to deliver extension programs, but also as a measure and communicator of how extension clientele truly value our work. The price people pay communicates to us in the most immediate, sensitive way about how clientele value our efforts and will help direct our time and priorities accordingly.

1. Why is RCE implementing strategies for cost recovery/revenue enhancement?

Unreliable and shrinking financial support from our traditional federal, state and in some cases county funding are pressing reasons for RCE to diversify funding sources and continue conducting high quality programs constituents have come to expect. Our traditional funding is utilized to support faculty and staff who deliver such programs. As some of our funding sources switch from formula funds to competitive grants, our financial ability to conduct base programs declines, and therefore the need to recover costs increases.

2. What effect does cost recovery and revenue enhancement expectations have on RCE faculty and staff?

Our faculty and staff will have to be more creative and do more to secure support of their programming, but good quality programming has an excellent chance of being funded if it meets the most important needs of our clientele. Faculty and staff will be expected to identify the quality of their work and relevant programs that are both cost effective and that address critical issues for residents of the state. Faculty and staff will be asked to use a cost analysis template to gauge the costs of individual and statewide programs prior to program implementation.

3. Why have membership/program/service fees been recommended as a way to diversify our revenue sources?

Fees have been identified as just one method being used to increase RCE's operating dollars. Other methods include the procurement of grants, in-kind donations, and other monetary resources from government, agencies, foundations and businesses. Like schools and colleges, all residents should receive a base level of service or education, but those using specific services or materials beyond base-level programming should pay a fee that covers the costs.

4. What specific types of membership/program/service fees would be charged?

Membership, program and service fees are some examples. Specific examples include: continuing education training credits for professionals, development of comprehensive nutrient management plans for farms, development of school wellness plans, detailed consulting analysis reports, etc.

5. Would membership/program/service fees be consistent statewide?

Fees will be consistent for "statewide" services and products when they are standardized, e.g. soil test kits, pesticide training manuals, publications. However there may be variability if the service or product varies on a local level (e.g., 10 week Master Gardener training vs 20 week program), or when certain services and products in some areas are subsidized by an outside source.

6. When would an RCE fee structure go into effect?

The fee structure would go into effect no later than July 1, 2007. However, RCE departments are encouraged to implement fees earlier AS POLICIES ARE DEVELOPED.

7. Would any of the fees collected remain locally with county RCE offices?

The simple answer is yes. It will be up to the county based faculty and staff, who are being asked to garner 10% of their salary value, to decide whether or not to use any of the locally collected fees towards their 10%.

8. How would RCE handle situations where people who cannot afford to pay membership/program/service fees?

RCE's operating approach is to provide a base level of support to all who seek extension educational opportunities. This base level of support includes phone calls, written or electronic correspondence, technical information (e.g., fact sheet), in the areas where we have programs and/or referrals. An enhanced level of service may be provided to residents for a fee. Things such as return visits to address a constituents needs would be regarded as an enhanced level of service. If a constituent cannot afford the cost of a program, membership fee, or enhanced level of service, he/she may request that the fee be waived in writing due to financial hardship.

9. Why does RCE ask stakeholders to support its budget and then still want to charge them a fee?

Quite simply, there are inadequate resources from state, federal, and county dollars alone to enable RCE to continue providing the high quality, relevant programs that our constituents expect.

10. What benefits and services will RCE clientele receive in exchange for fees that are paid?

Fees will help assure the continued delivery of high quality, relevant programming from RCE. This would also include: enhanced educational materials, quality of research, increased timeliness and professionalism in technical support advising, etc. RCE clientele will continue to receive the base level of access to extension programs and service unless there are additional services contracted for. RCE continues to remain a good value for the cost.