

Administrative Guidance for Multistate Extension Activities and Integrated Research and Extension Activities

(Originally published in Federal Register in 2000)

ACTION: Final Notice.

SUMMARY: The National Institute of Food and Agriculture (CSREES) is implementing the Administrative Guidance for Multistate Extension Activities and Integrated Research and Extension Activities. This guidance prescribes the procedures to be followed by the eligible institutions to meet the requirements of sections 105 and 204 of the Agricultural Research, Extension, and Education Reform Act of 1998, Pub. L. No. 105-185 (AREERA). Section 105 of AREERA amended the Smith-Lever Act to require that a specified amount of agricultural extension formula funds be expended on multistate activities. Section 204 of AREERA amended the Hatch Act and Smith-Lever Act to require that a specified amount of agricultural research and extension formula funds be expended on integrated research and extension activities.

SUPPLEMENTARY INFORMATION:

Background and Purpose

The National Institute of Food and Agriculture (CSREES) published the Guidelines for State Plans of Work for Agricultural Research and Extension Formula Funds in the *Federal Register* on July 1, 1999 (64 FR 35910-35919) to implement the new reporting requirements enacted in the Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA), Public Law 105-185. The AREERA amendments added new and consistent plan of work requirements for agricultural research and extension formula funds provided under the Hatch Act of 1887, the Smith-Lever Act, and sections 1444 and 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (NARETPA).

Section 202 of AREERA amended the Hatch and Smith-Lever Acts to require a plan of work that included descriptions of the following: (1) the critical short-term, intermediate, and long-term agricultural issues in the state and the current and planned research and extension programs and projects targeted to address the issues; (2) the process established to consult with stakeholders regarding the identification of critical agricultural issues in the State and the development of research and extension projects and programs targeted to address the issues; (3) the efforts made to identify and collaborate with other colleges and universities that have a unique capacity to address the identified agricultural issues in the state and the extent of current and emerging efforts (including regional and multistate efforts) to work with those other institutions; (4) the manner in which research and extension activities funded other than through formula funds will cooperate to address the critical issues in the state, including the activities to be carried out separately, sequentially, or jointly; and (5) for extension, the education and outreach programs already underway to convey available research results that are pertinent to a critical agricultural issue, including efforts to encourage multicounty cooperation in the dissemination of research information. These required descriptions have been incorporated as part of the "Program Descriptions" of the first component of the 5-Year Plan of Work, "Planned Programs."

The Guidelines for State Plans of Work also incorporate the requirements of sections 105 and 204 of AREERA for multistate extension activities and integrated research and extension activities. Section 105 of the AREERA amended the Smith-Lever Act by adding section 3(h) to require that each institution receiving extension formula funds under sections 3(b) and (c) of the Smith-Lever Act to expend for multistate activities in fiscal year (FY) 2000 and thereafter a percentage that is at least equal to the lesser of 25 percent or twice the percentage of funds expended by the institution for multistate activities in FY 1997. Section 204 of AREERA amended both the Hatch and Smith-Lever Acts to add section 3(i) to the Hatch Act and section 3(j) to the Smith-Lever Act to require that each institution receiving agricultural research and extension formula funds under the Hatch Act and sections 3(b) and (c) of the Smith-Lever Act to expend for integrated research and extension activities in FY 2000 and thereafter a percentage that is equal to the lesser of 25 percent or twice the percentage of funds expended by the institution for integrated research and extension activities in FY 1997. These sections also require that the institutions include in the plan of work a description of the manner in which they will meet these multistate and integrated requirements.

These applicable percentages under sections 105 and 204 of AREERA apply to the federal agricultural research and extension formula funds only. federal formula funds that are used by the institution for a fiscal year for integrated activities also may satisfy the multistate activities requirement.

The multistate and integrated research and extension requirements do not apply to formula funds received by American Samoa, Guam, Micronesia, Northern Marianas, Puerto Rico, and the Virgin Islands. Since the Smith-Lever Act is not directly applicable, the multistate and integrated extension requirements do not apply to extension funds received by the District of Columbia, except to the extent it voluntarily complies.

The amendments made by sections 105 and 204 of AREERA also provide that the Secretary of Agriculture may reduce the minimum percentage required to be expended by the institution for multistate and integrated activities in the case of hardship, infeasibility, or other similar circumstance beyond the control of the institution.

As stated in the notice for the Guidelines for State Plans of Work, CSREES is issuing this Final Administrative Guidance to implement sections 105 and 204 of AREERA for multistate extension activities and integrated research and extension activities. The Final Guidance is based on the consultations with the land-grant institutions prior to the publication of the Proposed Administrative Guidance, comments received during the comment period, and discussions during the October 21,

1999, audioconference conducted by Dr. Charles W. Laughlin, CSREES Administrator, on the Proposed Administrative Guidance. Please note that this Administrative Guidance does not apply to the Hatch [multistate research](#) funds, except for the purposes of implementing section 204 of AREERA for integrated research and extension activities. Section 104 of AREERA redesignated the Hatch Regional Research Fund as the Hatch Multistate Research Fund. CSREES is currently administering the Hatch Multistate Research Fund in the same manner as the Hatch Regional Research Fund except that responsibility for recommending research programs is delegated to state agricultural experiment stations. CSREES has adopted the definition of the Hatch Multistate Research Fund as required by law. CSREES is currently drafting, in consultation with the land-grant institutions, Proposed Administrative Guidance for Hatch Multistate Research Funds and expects to publish this Proposed Administrative Guidance for Hatch Multistate Research Funds for notice and comment by July 1, 2000.

Development of the Proposed Administrative Guidance

The Proposed Administrative Guidance was based on the recommendations of a work group comprised of representatives from the fiscal and plan-of-work reporting staffs at the 1862 land-grant institutions, staff from the CSREES Office of Extramural Programs, and plan of work staff from the CSREES Partnerships Unit. This work group met in Washington, DC on June 30-July 1, 1999, to make recommendations on the following three areas: (1) accounting for multistate extension activities and integrated research and extension activities, (2) establishing FY 1997 baselines for multistate extension activities and integrated research and extension activities, and (3) establishing criteria for a reduction in the minimum percentage required to be expended for multistate extension activities and integrated research and extension activities. One of the goals of the work group was to develop recommendations for guidance that places the least amount of administrative and fiscal reporting burden on the states while meeting the intent of the AREERA legislation. In accomplishing this task, the work group also met with a representative from the USDA Office of Inspector General (OIG). This representative advised the work group that the establishment of the FY 1997 baselines and the expenditures used to satisfy the requirements of sections 105 and 204 of AREERA must be documented in accordance with standard accounting procedures. However, the establishment of separate accounts is optional for FY 2000 and thereafter.

While discussing the establishment of the FY 1997 baselines, state representatives stated that for various reasons many institutions will be unable to document at the level recommended by USDA OIG the amount of FY 1997 expenditures (from federal formula funds) for multistate extension activities and integrated research and extension activities. This means that many states will probably be reporting very low percentages (or zero) because the documentation is unavailable in the detail required. State representatives also remarked that had they known about this requirement they would have established procedures for documenting and "accounting" for these activities at USDA OIG's level of specificity. They also stated when one looks at the total portfolio of programs funded by federal, state, and county appropriations and with gifts, user fees, and other grants states are directing a substantial amount of their total financial resources to multistate extension activities and integrated research and extension activities.

In attempting to satisfy the "auditability" of the FY 1997 baselines and the FY 2000 and thereafter expenditures for multistate extension activities and integrated activities as well as the legislative intent of sections 105 and 204 of AREERA, the work group determined that the multistate extension activities and integrated activities used to satisfy these requirements are only a portion of the overall state portfolio of programs dedicated to multistate extension activities and integrated research and extension activities. It was recommended that states should report on all multistate and integrated activities, as related to the federal formula funds, as part of the first component of the 5-Year Plan of Work, "Planned Programs." States will report on those multistate extension activities used to satisfy the requirements of section 105 of AREERA under the fourth component of the 5-Year Plan of Work, "Multistate Activities," and will report on integrated activities used to satisfy the requirements of the section 204 of AREERA under the fifth component of the 5-Year Plan of Work, "Integrated Activities."

The representatives felt that these resulting target percentages may be unusually low due to the difficulty in documenting FY 1997 expenditures for multistate extension activities and integrated activities from a fiscal standpoint. State representatives also indicated that they would like to provide the option of targeting a higher percentage of funds (but less than or equal to 25 percent) for multistate extension activities and integrated activities than twice the percentage resulting from the FY 1997 baselines. The work group members thought that without providing this option the congressional intent of these two sections of AREERA would be not be met.

Public Comment and Guidance Changes in Response

In the Notice of the Proposed Administrative Guidance dated August 17, 1999, CSREES invited comments on the Proposed Administrative Guidance. Twelve comments were received from both the research and extension communities at the 1862 land-grant institutions during the comment period. Based on the nature of the comments received, CSREES conducted an audioconference on October 21, 1999, to allow further discussions and open dialogue with the 1862 land-grant institutions. In addition, CSREES extended the comment period through November 15, 1999. During this extended comment period, three additional comments were received. The comments received included general comments, comments on the process of developing the Administrative Guidance, and specific comments on the Administrative Guidance.

The majority of the comments that CSREES received during the comment period centered on the issue of the unnecessary paperwork burden that would be placed on those institutions willing to commit 25 percent of their funds on either multistate extension or integrated activities. Many of the commenters felt that it was unnecessary to submit this information on FY 1997 multistate extension or integrated expenditures if their institution was willing to commit 25 percent of their funds towards either multistate extension or integrated activities. Another option was recommended for institutions to select in meeting the requirements of sections 105 and 204 of AREERA. This option provides that the requirement for submitting data on FY 1997 baseline data will be waived for those institutions which elect to commit 25 percent of their Smith-Lever Act section 3(b) and (c) funds for multistate extension activities or 25 percent of their Hatch Act or Smith-Lever Act section 3(b) and (c) funds for integrated activities.

General Comments

Six out of 15 commenters felt that the Proposed Administrative Guidance will impose an additional paperwork burden on the states. CSREES recognizes the potential paperwork burden. However, CSREES drafted both the Proposed and Final Administrative Guidance in conjunction with some of the state partners to impose the least amount of administrative burden while meeting the legal requirements of sections 105 and 204 of AREERA and the "auditability" requirements. As mentioned previously, the USDA OIG advised that the land-grant institutions must maintain sufficient documentation to support the expenditures.

Two of the commenters felt that the information requested under the Proposed Administrative Guidance was already reported in the 5-Year Plan of Work. CSREES realizes that some of the plans of work submitted last July included the information that is now being requested by the Proposed and Final Administrative Guidance. However, at the time the Final Guidelines for the State Plans of Work were published, CSREES needed more time to pursue the issue of "auditability" of the fiscal year (FY) 1997 baselines and the FY 2000 and thereafter expenditures for multistate and integrated activities with the USDA OIG and the USDA Office of the General Counsel (OGC) and therefore could not provide complete information at that time. Since the plans of work were required to be submitted and approved by October 1, 1999, and sections 105 and 204 needed to be implemented by September 30, 2000, CSREES did not want to delay any further the publication of the Final Guidelines for State Plans of Work. CSREES also had made a serious commitment to reviewing and approving these plans of work prior to October 1, 1999, so that formula funds could continue to be released each quarter. In the future, this information can be submitted with the 5-Year Plan of Work. CSREES has revised the Final Administrative Guidance to allow institutions to indicate that the information being requested is already reported in the 5-Year Plan of Work, if that is the case.

Two commenters felt that the FY 1997 baseline data are not realistic measures of the funds directed to multistate extension activities and integrated activities. One commenter stated: "If the goal here is to get a realistic measure of the multistate and integrated activities that are currently in place in the various states, then this process will not do that. Many/most states have a significant amount that occurs in both the multistate and integrated activities that are not funded on the federal formula funds. Just by looking at this small part of funding will likely lead to inaccurate conclusions about the number of activities that really occur." CSREES, in conjunction with some of the state partners, realized that in FY 1997 administrative and accounting systems may not have existed to report on multistate extension activities and integrated research and extension activities, and that the activities being reported under sections 105 and 204 of AREERA represent only a portion of the overall state portfolio of programs dedicated to multistate extension activities and integrated research and extension activities. Sections 105 and 204 of AREERA explicitly address federal funds. CSREES is providing guidance to the states so that the use of federal funds is sufficiently documented to satisfy any possible audit inquiry.

However, states can report on other multistate extension activities and other integrated research and extension activities in the plan of work.

Comments on the Process of Developing the Administrative Guidance

Three of the 15 commenters raised concerns about the process for developing the Proposed Administrative Guidance. All three offered assistance in developing the Final Administrative Guidance. Based on these and other comments, CSREES conducted the October 21, 1999, audioconference and extended the comment period through November 15, 1999.

Two of the commenters requested additional information about the workgroup that met in Washington, DC to draft the Proposed Administrative Guidance. The Section 105 and 204 Workgroup was established after the 1999 CSREES Administrative Officers' Meeting in Salt Lake City, UT. At this meeting, fiscal officers were concerned about the availability of the FY 1997 data and potential accounting and administrative burdens of complying with sections 105 and 204 of AREERA. CSREES requested "volunteers" for this workgroup from the 1862 land-grant institutions and all who volunteered were invited to participate. Only two members of the workgroup were not able to participate in the June 30-July 1, 1999, meeting in Washington, DC; however, one member participated via conference call. Both plan of work and fiscal staffs participated, and all geographic regions were represented. This workgroup was mentioned in the Final Guidelines for State Plans of Work (published in the *Federal Register* on July 1, 1999) and in the Agency electronic newsletter, *CSREES Update*, dated August 20, 1999.

Two of the commenters raised concerns about the Paperwork Reduction Act and the approval of this proposed collection of information by the Office of Management and Budget. CSREES will request emergency processing for this proposed information collection. Emergency processing will provide interim approval for this collection of information until the proposed information collection can be published in the *Federal Register* with a 65-day comment period.

One of the commenters felt that the procedures for developing this Administrative Guidance "falls short of the Federal Administrative Procedure Act." The Proposed Administrative Guidance was published on the AREERA Web page on August 17, 1999, to obtain initial comments. Since the Administrative Guidance will affect only the 1862 land-grant institutions in the 50 states and the District of Columbia, CSREES decided to provide actual notice and opportunity for comment to the land-grant institutions by e-mail message, the CSREES AREERA Web page, and the *CSREES Update*. Based on the initial comments during the 30-day comment period, CSREES also conducted an audioconference on October 21, 1999, and extended the comment period through November 15, 1999.

In this Final Administrative Guidance, CSREES has summarized and addressed all the comments received during these comment periods. CSREES felt that this was an appropriate process since the requirements of sections 105 and 204 of AREERA apply to the FY 2000 formula funds and, therefore, these requirements needed to be implemented in FY 2000. CSREES plans to amend through the *Federal Register* process the Guidelines to the State Plans of Work to incorporate this Final Administrative Guidance and both revisions and additional information on the plan of work reporting process, particularly the Annual Report of Accomplishments and Results.

Specific Comments on the Administrative Guidance

"Why do we have to establish FY 1997 baselines, if we are going to commit 25 percent?"

Five commenters raised this question in their comments. One commenter wrote: "I am opposed to the current set of proposed guidelines for the following single reason. I feel strongly that, as presented, the guidelines fail to allow institutions to exercise their right to select the option of 'not less than 25%' of their Hatch formula funds....Those institutions opting for 'not less than 25 percent' would have no need to establish a '97 base, but still would be required to complete the report. I feel that this would be a needless waste of management's time and resources, and I believe it contradicts the obvious intent of Congress...." Based on these comments and the discussions during the October 21, 1999, audioconference, CSREES has revised the Administrative Guidance to include the option of targeting 25 percent of Smith-Lever Act section 3(b) and (c) funds for multistate extension activities and targeting 25 percent of Hatch Act and Smith-Lever Act section 3(b) and (c) funds for integrated activities with the provision that the requirements to report the FY 1997 baseline data for multistate extension activities and integrated activities would be waived.

Formal Agreements for Multistate Extension Activities

One commenter thought that the Proposed Administrative Guidance required that all multistate extension activities be supported by a formal agreement between states. The commenter continued by saying: "...We do so much informal but documentable multistate work that to write MOAs would be counter-productive and stifle faculty innovation and creativity. The law does NOT require us to "prove" we are actually doing this work. We can document it without formal memorandums. The INTENT is to increase the usefulness of this programming and reduce duplication, not make it so complicated that the funds are used up in trying to meet the requirements." CSREES has cited examples of multistate extension activities in the Final Administrative Guidance. A formal agreement is only one option. As long as the activity can be documented and meets the definition as indicated in the Final Guidelines on State Plans of Work, it may be considered a multistate state extension activity meeting the requirement of section 105 of AREERA.

Cross-checking Multistate Extension Activities Between States and Integrated Activities

Two commenters remarked that the bureaucracy of cross-checking each program between states and activities would be needless and time consuming. One commenter stated that the requirement that each state in multistate programming must document the same piece of effort should be dropped and "...to take our word for it if we show clear documentation." CSREES does not plan to "cross-check" Multistate Extension Activities and Integrated Activities between states and/or components of a land-grant institution as the funds from the collaborating state or or institutional component may be using state or county appropriations, gifts, other federal funds, user fees, etc. The expectation is that annual reports will include evidence of the impact of multistate and integrated activities.

Source of Funds to Meet the Requirements of Sections 105 and 204

Two commenters questioned why the requirements of sections 105 and 204 of AREERA were limited to federal funds when a significant amount of funds from other sources were being used to support multistate extension activities and integrated research and extension activities. One commenter stated: "...More often programs are implemented through a partnership of federal, state, and private funding. The purpose of AREERA is to insure that multistate and integrated activities occur. States must have the flexibility to manage to make these programs happen. Imposition of a requirement that the source of the funds must be from federal formula will cause states to be managing to meet the goal rather than meeting the spirit of AREERA." The other commenter focused on the administrative burden of limiting this requirement to federal funds alone by saying: "...Limiting the source of federal formula funds will create an administrative and accounting burden. The actual lineal source of funding going to a particular activity should not be as important as the end result." Sections 105 and 204 of AREERA explicitly address federal funds. In addition, sections 105 and 204 of AREERA specifically exclude matching funds. CSREES is providing guidance to states so that the use of federal funds is sufficiently documented to satisfy any possible audit inquiry. However, states can report on other multistate extension activities and other integrated research and extension activities in the plan of work.

"Programs" and "Activities"

Two commenters were under the impression that the reporting done by the research components of an institution would either have to be redesigned or reconfigured to conform with program-based reporting. One commenter stated: "...No program-based records exist, either within the institutions or within the Current Research Information System (CRIS). Responding to the CSREES-BASE form would require extensive budget analysis..." The Final Administrative Guidance as written provides for both "research" and "extension" reporting. As defined in the Final Guidelines for State Plans of Work, Activities means research projects or extension programs and planned programs means collections of research projects or activities and/or extension programs or activities. The Final Administrative Guidance provides flexibility for reporting at the "activity" level or the "planned program" level.

Separate Reports Defeats the Integrated Approach

One commenter stated the requirement for separate research and extension forms ignores the functionally integrated approach to the 5-Year Plan of Work submitted by their institution. Although it may appear that the forms may not be supporting an "integrated" approach, funds are authorized and allocated under the Hatch Act for research activities and under the Smith-Lever Act for extension activities. Section 204 of AREERA amended both these acts to include integrated activity requirements. Hence, institutions must report on the use of these funds separately.

Separate Accounts Would Be an Administrative and Accounting Burden

One commenter stated: "The acceptable documentation for expenditures in FY 2000 and beyond, for targeted multistate activities and integrated activities, was omitted. States have suggested procedures for estimating the full cost of activities/programs in the plans of work that have been submitted and it is suggested that each state should have the ability, under the director's signature, to verify that the target has been met, without separate accounts. Requiring separate

accounts would be an administrative and accounting burden." The Final Administrative Guidance does not require separate accounts. However, estimating costs of multistate extension and integrated activities would be inappropriate since fund expenditures must be documented in some way.

Difficulty in Establishing FY 1997 Baselines

Four comments focused on the difficulty of establishing FY 1997 baselines for multistate extension activities and integrated activities. One commenter stated that documenting the FY 1997 expenditures for multistate extension activities and integrated activities will be difficult because they did not track expenditures in this manner during FY 1997. Another commenter remarked: "...If forced to go back and construct a 1997 data set, it would require significant time and be an unpaid burden...." Another commenter noted that they would find it extraordinarily difficult to establish the FY 1997 base as required for multistate extension activities and integrated activities and that they would probably be reporting low percentages because the documentation is unavailable. When CSREES met with the state partners in 1999, CSREES realized the difficulty and the administrative burden of providing FY 1997 multistate extension and integrated data. For this reason, the Proposed Administrative Guidance was drafted to provide an opportunity for states to direct more federal funds towards Multistate Extension Activities and Integrated Activities in the future. When drafting the Final Administrative Guidance, CSREES considered carefully all the comments received and decided to waive the requirement of reporting the FY 1997 multistate extension and integrated expenditures for those institutional components which opt to commit 25 percent of their Hatch Act and/or Smith-Lever Act section 3(b) and (c) funds to multistate extension activities and/or integrated activities.

Clarification of Setting a Percentage Higher than 25 Percent

One commenter requested clarification about whether the Proposed Administrative Guidance provided for selecting a target percentage higher than 25 percent for either multistate extension activities or integrated activities. The Final Administrative Guidance provides institutions with options that will result in target percentages that are 25 percent or below. Another two commenters thought that they automatically had to commit 25 percent to multistate extension activities and integrated activities if they could not document their FY 1997 baseline data for multistate extension activities and integrated activities. Under the Final Administrative Guidance, states may opt to commit an amount up to and including 25 percent if their FY 1997 baseline for multistate extension and/or integrated activities is zero or states are unable to document their FY 1997 baseline data.

"Why are these forms submitted to the Partnerships Unit?"

One commenter questioned why these forms will be submitted to the "Partnerships Unit" in CSREES. These forms should be submitted to the "Partnership Unit" because they have the overall responsibility for the 5-Year Plan of Work. The forms will then be reviewed by the appropriate agency personnel.

Definition of "Interwoven"

Two commenters requested further clarification of the word "interwoven" as used in the definition of "integrated activities." The definition of "integrated activities" in the Final Administrative Guidance is the same definition as was published in the Proposed and Final Guidelines for State Plans of Work.

Hatch Multistate Research Fund

One commenter felt that the vague reference to "in the near future" for the publication date of the Administrative Guidelines for Hatch Multistate Research Funds was unacceptable. As stated in the "Background and Purpose" section, CSREES intended to publish the Proposed Administrative Guidelines for Hatch Multistate Research Funds in the *Federal Register* by July 1, 2000.

Reporting on All Multistate and Integrated Activities

One commenter felt that CSREES was going "beyond what the law requires, i.e. 25%, not all" when making the statement: "States should report on all multistate and integrated activities." This is a requirement of section 202 of AREERA regarding the plan of work. However, CSREES has added the clarifying statement, "as related to the federal formula funds," to this sentence.

Recognition of Different Forms of Integrated Activities

One commenter felt that the Proposed Administrative Guidance failed to recognize many forms of integrated activities that presently exist and will continue to exist. The commenter cited joint research and extension appointments, coordinating committees, centers (SARE, Aquaculture, and Rural Development) that are not retrievable via the Current Research Information System (CRIS). CSREES has amended the Administrative Guidance to include these programs as examples of integrated activities.

Due Dates

Five comments out of the fifteen comments were concerned about the due dates for the selection of a target option and the submission of the FY 1997 baseline data and the supplement to the 5-Year Plan of Work to CSREES. CSREES has adjusted the due date for selecting the target option and submitting the FY 1997 baseline data and the supplement to the 5-Year Plan of Work to July 1, 2000.

Paperwork Reduction Act

In accordance with the Office of Management and Budget (OMB) regulations (5 CFR Part 1320) that implement the Paperwork Reduction Act of 1995, as amended (44 U.S.C. Chapter 35), the information and recordkeeping requirements imposed by the implementation of this guidance will be submitted to OMB for approval. These requirements will not become effective prior to OMB approval. The eligible institutions will be notified upon this approval.

Pursuant to the requirements for multistate extension activities and integrated research and extension activities enacted in the Agricultural Research, Extension, and Education Reform Act of 1998, CSREES hereby implements the Administrative Guidance for Multistate Extension Activities and Integrated Research and Extension Activities:

Proposed Administrative Guidance for Multistate Extension Activities and Integrated Research and Extension Activities

I. Preface and Authority

II. Definitions

III. Multistate Extension Activities

- A. Establishment of the Target Percentage
 - B. Submission of the Supplement to the 5-Year Plan of Work
 - C. Annual Report of Accomplishments and Results
 - D. Waivers
- ### IV. Integrated Activities (Hatch Act Funds)

- A. Establishment of the Target Percentage
- B. Submission of the Supplement to the 5-Year Plan of Work
- C. Annual Report of Accomplishments and Results
- D. Waivers

V. Integrated Activities (Smith-Lever Act Funds)

- A. Establishment of the Target Percentage
- B. Submission of the Supplement to the 5-Year Plan of Work
- C. Annual Report of Accomplishments and Results
- D. Waivers

I. Preface and Authority

Section 105 of the Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA) amended the Smith-Lever Act to require that each institution receiving extension formula funds under sections 3(b) and (c) of the Smith-Lever Act expend for multistate activities in FY 2000 and thereafter a percentage that is at least equal to the lesser of 25 percent or twice the percentage of funds expended by the institution for multistate activities in FY 1997 (7 U.S.C. 343(h)). Section 204 of AREERA amended both the Hatch and Smith-Lever Acts to require that each institution receiving agricultural research and extension formula funds under the Hatch Act and sections 3(b) and (c) of the Smith-Lever Act expend for integrated research and extension activities in FY 2000 and thereafter a percentage that is at least equal to the lesser of 25 percent or twice the percentage of funds expended by the institution for integrated research and extension activities in FY 1997 (7 U.S.C. 343(i) & 361c(i)). These sections also require that the institutions include in the plan of work a description of the manner in which they will meet these multistate and integrated requirements.

These applicable percentages apply to the federal agricultural research and extension formula funds only. Federal formula funds that are used by the institution for a fiscal year for integrated activities may also be counted to satisfy the multistate activities requirement.

The multistate extension and the integrated research and extension activities do not apply to the formula funds received by American Samoa, Guam, Micronesia, Northern Marianas, Puerto Rico, and the Virgin Islands. Since the Smith-Lever Act is not directly applicable, the multistate and integrated extension requirements do not apply to extension funds received by the District of Columbia.

The amendments made by sections 105 and 204 of AREERA also provide that the Secretary of Agriculture may reduce the minimum percentage required to be expended by the institution for multistate and integrated activities in the case of hardship, infeasibility, or other similar circumstance beyond the control of the institution.

II. Definitions

For the purposes of implementing sections 105 and 204 of AREERA, the following definitions are applicable:

"Activities" means either research projects or extension programs.

"Formula Funds for the purposes of the multistate extension activities and integrated activities guidance" means formula funding provided to the 1862 land-grant institutions under section 3 of the Hatch Act of 1887, as amended (7 U.S.C. 361c) and sections 3(b)(1) and (c) of the Smith-Lever Act, as amended (7 U.S.C. 343(b)(1) and (c)).

"Integrated activities" means jointly planned, funded, and interwoven activities between research and extension to solve problems. This includes the generation of knowledge and the transfer of information and technology.

"Multistate activities" means collaborative efforts that reflect the programs of institutions located in at least two or more states or territories.

"Planned programs" means collections of research projects or activities and/or extension programs or activities.

III. Multistate Extension Activities

A. Establishment of the Target Percentage

Each institution was required to report by July 1, 2000, the option they have chosen to implement section 204 of AREERA. Institutions have a choice of four options : A) Target 25 percent which will automatically waive the requirement to report on the FY 1997 expenditures for multistate extension activities; B) Target a percentage which is two times the FY 1997 expenditures for multistate extension activities (commonly referred to as the FY 1997 baseline) but less than 25 percent; C) Target a percentage which is greater than two times the FY 1997 baseline but less than 25 percent; or D) Option C with a 3-year phase-in period. Institutions will use Form CSREES-TARG (2/00), Establishment of Target Percentages for Multistate Extension Activities and Integrated Activities, to select their option.

Institutions selecting options B, C, or D were required also to report by July 1, 2000, the amount of FY 1997 funds allocated under sections 3(b) and (c) of the Smith-Lever Act and expended on multistate extension activities during the period from October 1, 1996, through September 30, 1997. These institutions will use Form CSREES-BASE (2/00), Establishment of Fiscal Year (FY) 1997 Baselines for Multistate Extension Activities and Integrated Activities. When completing this form, institutions may opt to report on the planned program level which would be a collection of extension programs or activities. CSREES will provide on Form CSREES-BASE (2/00) the total amount of FY 1997 Smith-Lever Act sections 3(b) and (c) funds that were allocated to the institution. The requirement to submit Form CSREES-BASE is automatically waived for those institutions selecting option A.

Multistate activities means collaborative efforts that reflect the programs of institutions located in at least two or more states or territories. Each participating state or territory must be a collaborator towards objectives and involved in the outcomes. Evidence of this collaboration should have been documented through formal agreements, letters or memorandums, contracts, grants, and other evidence that provide primary evidence that a multistate relationship exists. As mentioned in the Preface, this requirement applies to the federal formula funds only and will apply to all funds authorized and allocated under sections 3(b) and (c) of the Smith-Lever Act which include the regular Smith-Lever Act (sections 3(b) and (c)), penalty mail, special needs, Civil Service Retirement System (CSRS), and Federal Employees Retirement System (FERS) funds. Examples of multistate extension activities may include committees, projects, training, workshops, centers, and meetings that involve more than one state.

B. Submission of Supplement to the 5-Year Plan of Work

Each institution is also required to submit Form CSREES-PLAN (2/00), Supplement to the 5-Year Plan of Work, Multistate Extension Activities and Integrated Activities, for all multistate extension activities that will be supported by the Smith-Lever Act sections 3(b) and (c) funds used to satisfy the AREERA section 105 requirement for multistate extension activities. Under a separate letter from the Funds Management Branch, CSREES will provide the targeted amounts based on the FY 1999 allocations (actual) and institutions should use these targeted amounts for estimating costs for FY 2000 through FY 2004. However, compliance with section 105 of AREERA will be determined by institutions meeting the target percentage of the actual formula allocation for the applicable fiscal year. This form was due to CSREES by July 1, 2000. CSREES approved these multistate extension planned programs or activities by August 15, 2000. A brief statement of each planned program or activity should be attached to this form. However, in lieu of these brief statements, institutions may refer to information on multistate extension activities reported in the 5-Year Plan of Work (which was submitted and approved in 1999); if such information clearly describes multistate extension planned programs and/or activities as listed on Form CSREES PLAN (2/00).

C. Annual Report of Accomplishments and Results

Form CSREES-REPT (2/00), Supplement to the Annual Report of Accomplishments and Results, Multistate Extension Activities and Integrated Activities, will be due March 1 each year and must be submitted as a summary of the multistate extension planned programs or activities that have been used to satisfy the requirements of AREERA section 105. A brief statement of the progress to date on each planned program or activity must be attached to this form. When preparing this report for FY 2001 through FY 2004, all expenditures must be reported cumulatively in the fiscal year column for which the funds were awarded. This form is to be submitted as part of the Annual Report of Accomplishments and Results. The first Annual Report of Accomplishments and Results was due March 1, 2001.

D. Waivers

If needed, a waiver will be granted on an annual basis and may be either a pre-waiver or a post-waiver. A pre-waiver must be submitted prior to October 1 of the fiscal year. A post-waiver must be submitted with the Annual Report of Accomplishments and Results. Institutions must use Form CSREES-WAIVER (2/00), Request for Waiver from Target Percentage for Multistate Extension Activities and Integrated Activities, to request a reduction in the minimum percentage required to be expended for multistate activities. CSREES will approve or disapprove these waivers within 30 days of receipt. Waivers will be granted in cases of hardship, infeasibility, or other circumstances beyond the control of the states.

IV. Integrated Research and Extension Activities (Hatch Act Funds)

A. Establishment of the Target Percentage

Each institution was required to report by July 1, 2000, the option they have chosen to implement section 204 of AREERA for Hatch Act funds. Institutions have a choice of four options : A) Target 25 percent which will automatically waive the requirement to report on the FY 1997 expenditures for integrated research and extension activities; B) Target a percentage which is two times the FY 1997 expenditures for integrated research and extension activities (commonly referred to as the FY 1997 baseline) but less than 25 percent; C) Target a percentage which is

greater than two times the FY 1997 baseline but less than 25 percent; or D) Option C with a 3-year phase-in period. Institutions will use Form CSREES-TARG (2/00), Establishment of Target Percentages for Multistate Extension Activities and Integrated Activities, to select their option.

Institutions selecting options B, C, or D were required also to report by July 1, 2000, the amount of FY 1997 funds allocated under the Hatch Act and expended on integrated research and extension activities during the period from October 1, 1996, through September 30, 1997. These institutions will use Form CSREES-BASE (2/00), Establishment of Fiscal Year (FY) 1997 Baselines for Multistate Extension Activities and Integrated Activities. When completing this form, institutions may opt to report on the planned program level which would be a collection of research programs or activities. CSREES will provide on Form CSREES-BASE the total amount of FY 1997 Hatch Act funds that were allocated to the institution. The requirement to submit Form CSREES-BASE is automatically waived for those institutions selecting option A.

Integrated activities means jointly planned, funded, and interwoven activities between research and extension to solve problems. This includes the generation of knowledge and the transfer of information and technology. As mentioned in the Preface, this requirement applies to the federal formula funds only and will apply to all funds authorized and allocated under the Hatch Act, including the former "Regional Hatch Project" funds. Examples of integrated activities include joint research and extension personnel appointments. In addition, integrated activities may include coordinating committees, workshops, training, centers, projects, and meetings as long as they meet the definition of "integrated activities."

B. Submission of Supplement to the 5-Year Plan of Work

Each institution is also required to submit Form CSREES-PLAN (2/00), Supplement to the 5-Year Plan of Work, Multistate Extension Activities and Integrated Activities, for all integrated research and extension activities that will be supported by the Hatch funds used to satisfy the AREERA section 204 requirement for integrated research and extension activities. CSREES will provide the targeted amounts based on the FY 1999 allocations (actual) and institutions should use these targeted amounts for estimating costs for FY 2000 through FY 2004. However, compliance with section 204 of AREERA will be determined by institutions meeting the target percentage of the actual formula allocation for the applicable fiscal year. This form was due to CSREES by July 1, 2000. CSREES approved these integrated research and extension planned programs or activities by August 15, 2000. A brief statement of each planned program or activity should be attached to this form. However, in lieu of these brief statements, institutions may refer to information on integrated research and extension activities reported in the 5-Year Plan of Work (which was submitted and approved in 1999); if such information clearly describes integrated research and extension planned programs and/or activities as listed on Form CSREES-PLAN (2/00).

C. Annual Report of Accomplishments and Results

Form CSREES-REPT (2/00), Supplement to the Annual Report of Accomplishments and Results, Multistate Extension Activities and Integrated Activities, will be due March 1 each year and must be submitted as a summary of the integrated research and extension planned programs or activities (Hatch Act funds) that have been used to satisfy the requirements of AREERA section 204. A brief statement of the progress to date on each planned program or activity must be attached to this form. When preparing this report for FY 2001 through FY 2004, all expenditures must be reported cumulatively in the fiscal year column for which the funds were awarded. This form is to be submitted as part of the Annual Report of Accomplishments and Results. The first Annual Report of Accomplishments and Results was due March 1, 2001.

D. Waivers

If needed, a waiver will be granted on an annual basis and may be either a pre-waiver or a post-waiver. A pre-waiver must be submitted prior to October 1 of the fiscal year. A post-waiver must be submitted with the Annual Report of Accomplishments and Results. Institutions must use Form CSREES-WAIVER (2/00), Request for Waiver from Target Percentage for Multistate Extension Activities and Integrated Activities, to request a reduction in the minimum percentage required to be expended for integrated research and extension activities. CSREES will approve or disapprove these waivers within 30 days of receipt. Waivers will be granted in cases of hardship, infeasibility, or other circumstances beyond the control of the states.

V. Integrated Research and Extension Activities (Smith-Lever Act Funds)

A. Establishment of the Target Percentage

Each institution was required to report by July 1, 2000, the option they have chosen to implement section 204 of AREERA for Smith-Lever Act sections 3(b) and (c) funds. Institutions have a choice of four options : A) Target 25 percent which will automatically waive the requirement to report on the FY 1997 expenditures for integrated research and extension activities; B) Target a percentage which is two times the FY 1997 expenditures for integrated research and extension activities (commonly referred to as the FY 1997 baseline) but less than 25 percent; C) Target a percentage which is greater than two times the FY 1997 baseline but less than 25 percent; or D) Option C with a 3-year phase-in period. Institutions will use Form CSREES-TARG (2/00), Establishment of Target Percentages for Multistate Extension Activities and Integrated Activities, to select their option.

Institutions selecting options B, C, or D were required also to report by July 1, 2000, the amount of FY 1997 funds allocated under sections 3(b) and (c) of the Smith-Lever Act and expended on integrated research and extension activities during the period from October 1, 1996, through September 30, 1997. These institutions will use Form CSREES-BASE (2/00), Establishment of Fiscal Year (FY) 1997 Baselines for Multistate Extension Activities and Integrated Activities. When completing this form, institutions may opt to report on the planned program level which

would be a collection of extension programs or activities. CSREES will provide on Form CSREES-BASE the total amount of FY 1997 Smith-Lever Act (sections 3(b) and (c)) funds that were allocated to the institution. The requirement to submit Form CSREES-BASE is automatically waived for those institutions selecting option A.

Integrated activities means jointly planned, funded, and interwoven activities between research and extension to solve problems. This includes the generation of knowledge and the transfer of information and technology. As mentioned in the Preface, this requirement applies to the federal formula funds only and will apply to all funds authorized and allocated under sections 3(b) and (c) of the Smith-Lever Act which include the regular Smith-Lever Act (sections 3(b) and (c)), penalty mail, special needs, Civil Service Retirement System (CSRS), and Federal Employees Retirement System (FERS) funds. Examples of integrated activities include joint research and extension personnel appointments. In addition, integrated activities may include coordinating committees, workshops, training, centers, projects, and meetings as long as they meet the definition of "integrated activities."

B. Submission of Supplement to the 5-Year Plan of Work

Each institution is also required to submit Form CSREES-PLAN (2/00), Supplement to the 5-Year Plan of Work, Multistate Extension Activities and Integrated Activities, for all integrated research and extension activities that will be supported by Smith-Lever Act sections 3(b) and (c) funds used to satisfy the AREERA section 204 requirement for integrated research and extension activities. CSREES will provide the targeted amounts based on the FY 1999 allocations (actual) and institutions should use these targeted amounts for estimating costs for FY 2000 through FY 2004. However, compliance with section 204 of AREERA will be determined by institutions meeting the target percentage of the actual formula allocation for the applicable fiscal year. This form was due to CSREES by July 1, 2000. CSREES approved these integrated research and extension planned programs or activities by August 15, 2000. A brief statement of each planned program or activity should be attached to this form. However, in lieu of these brief statements, institutions may refer to information on integrated research and extension activities reported in the 5-Year Plan (which was submitted and approved in 1999); if such information clearly describes integrated research and extension planned programs and/or activities as listed on Form CSREES-PLAN (2/00).

C. Annual Report of Accomplishments and Results

Form CSREES-REPT (2/00), Supplement to the Annual Report of Accomplishments and Results, Multistate Extension Activities and Integrated Activities, will be due March 1 each year and must be submitted as a summary of the integrated research and extension planned programs or activities (Smith-Lever Act funds) that have been used to satisfy the requirements of AREERA section 204. A brief statement of the progress to date on each planned program or activity must be attached to this form. When preparing this report for FY 2001 through FY 2004, all expenditures must be reported cumulatively in the fiscal year column for which the funds were awarded. This form is to be submitted as part of the Annual Report of Accomplishments and Results. The first Annual Report of Accomplishments and Results was due March 1, 2001.

D. Waivers

If needed, a waiver will be granted on an annual basis and may be either a pre-waiver or a post-waiver. A pre-waiver must be submitted prior to October 1 of the fiscal year. A post-waiver must be submitted with the Annual Report of Accomplishments and Results. Institutions must use Form CSREES-WAIVER (2/00), Request for Waiver from Target Percentage for Multistate Extension Activities and Integrated Activities, to request a reduction in the minimum percentage required to be expended for integrated research and extension activities. CSREES will approve or disapprove these waivers within 30 days of receipt. Waivers will be granted in cases of hardship, infeasibility, or other circumstances beyond the control of the states.

VI. Submission of Forms

Separate forms must be completed for the following activities: Multistate Extension Activities, Integrated Activities (Hatch Act), and Integrated Activities (Smith-Lever Act). All reports must be submitted to the Partnerships Unit of the National Institute of Food and Agriculture, U.S. Department of Agriculture, at the following address: Partnerships/POW; National Institute of Food and Agriculture; U.S. Department of Agriculture; Stop 2214; 1400 Independence Avenue, SW, Washington, DC 20250-2214.

Done at Washington, DC, this 28th day of April 2000.

Signed by:

Charles W. Laughlin
Administrator,
National Institute of Food and Agriculture.

For more information, contact Brenda Barnett at bbarnett@nifa.usda.gov