

EVENTS CONNECTED WITH 1960-61 NEW FEDERAL MONEY (\$150,638)

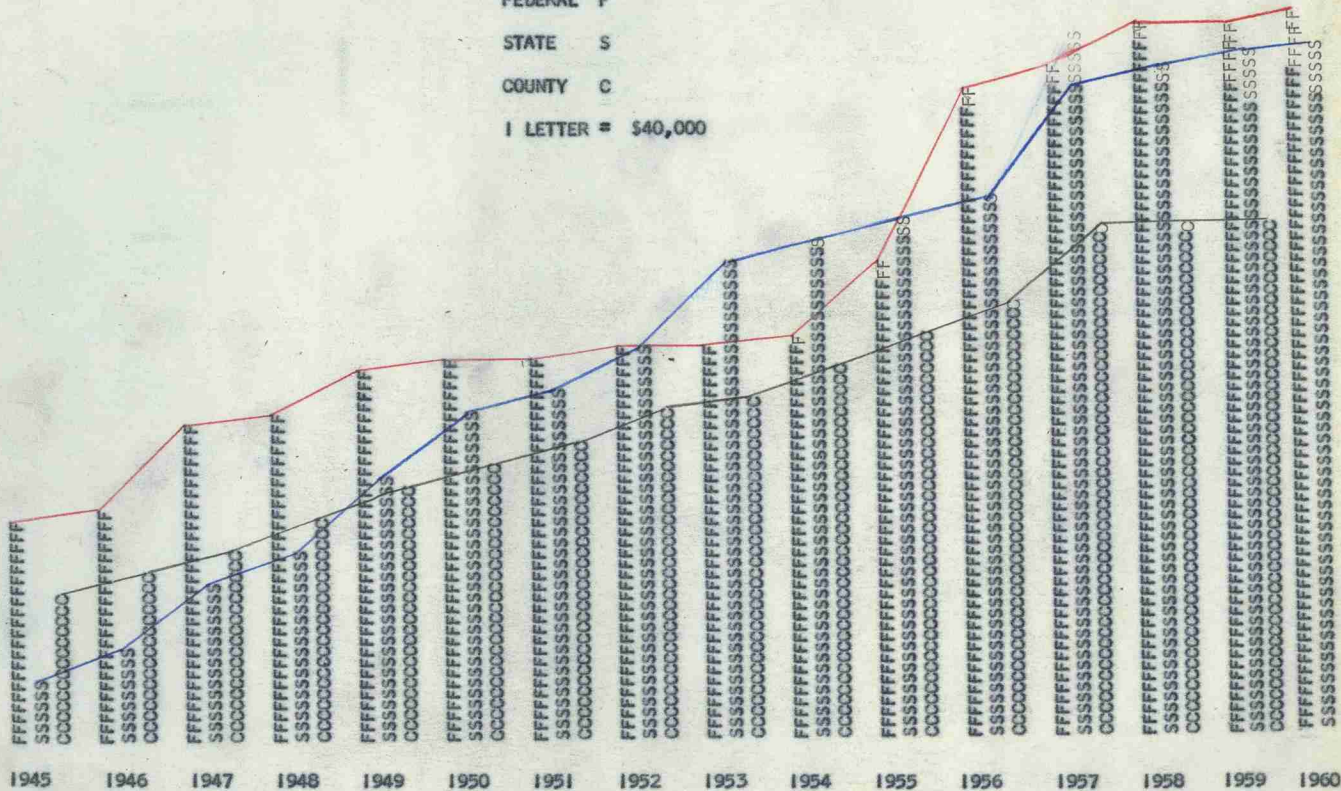
1. State always accepted for Extension's use all additional Federal Funds (see Chart).
2. State always approved new personnel made possible by increased Federal Funds.
3. In July 1958 - State used New Federal Funds as receipts (see Paul Johnson's letter).
4. Letter of July 16, 1958 - "salaries of Extension workers are the responsibility of the State".
5. Board of Higher Education does not recommend any salary increases for Extension - the only one of the 14 agencies it supervises (see chart).
6. Budget recommendations for 1959-61 contain no salary increases for Extension workers (all other agencies - Board of H. E. have recommendations).
7. Near the end of 1959 General Assembly - \$436,000 (less (1) an increase in printing; (2) a wildlife specialist and a beef cattle testing specialist).
8. 1960-61 New Federal Money (\$150,638) available.
9. " " " " accepted by Executive Committee - Board of Trustees July 1960.
10. Request to include \$150,638 in 1960-61 Budget given to Advisory Budget Commission on July 19, 1960.
11. A.B.C. prohibited use of NFM to raise Extension salaries in 1960-61.
12. A.B.C. suggested listing "Non-salary items" and present to it in August.
13. Letter of August 13, 1960 outlining non-salary items written to A.B.C. by Mr. Carmichael.

COMPARISON OF REQUESTED SALARY INCREASES AND THOSE RECOMMENDED
1959-1960 Biennium

	Page	Amount Requested	Amount Recommended	% Increase
Elizabeth City State	312	18,838	19,600	104.0
Pembroke	300	12,150	12,150	100.0
Winston Salem Teachers	305	31,999	27,389	85.5
Appalachian Teachers	295	69,000	33,445	77.4
Western Carolina	288	50,880	34,124	67.0
A. & T.	279	99,371	58,704	59.0
State College	245	415,450	145,714	35.1
Eastern Carolina	269	131,896	53,680	33.1
N. C. College-Durham	333	81,203	24,634	30.3
Fayetteville Teachers	321	60,000	18,130	30.2
Womans College	258	163,900	43,323	26.4
UNC - Chapel Hill	217	694,862	147,724	21.2
N. C. Agr. Exp. Station	558	193,632	12,500	6.5
N. C. Agr. Ext. Service	572	399,432	0	0

SOURCES OF FUNDS FOR AGRICULTURAL EXTENSION
 NORTH CAROLINA
 (For Years Beginning July 1 of Years Shown)

FEDERAL F
 STATE S
 COUNTY C
 I LETTER = \$40,000



PERCENT SALARY INCREASES

Agency	1958-59 Base		1959-60 & 1960-61 EPA Salary Increases	Percent Available For Salary Increases
	Year	Salaries		
N. C. State College	1958-59	4,005,030	683,033 1/	14,228 (minimum) 4/ to 19.039 (minimum)
	2 years	<u>x2</u> 8,010,060	<u>842,115</u> 2/ 1,525,148	
N. C. Agr'l. Experiment Station	1958-59	1,760,297	133,440 1/	7.64
	2 years	<u>x2</u> 3,520,594	<u>135,585</u> 2/ 269,025	
N. C. Agricultural Extension Service	1958-59	3,631,203	198,864 1/	5.163
	2 years	<u>x2</u> 7,262,406	<u>236,136</u> 2/ 435,000 <u>60,000</u> 3/ 375,000	

1/. 1959-60

2/. 1960-61

3/. Less \$60,000 required by Legislature for beef cattle specialist & wildlife specialist plus \$20,000 printing.

4/. Variation is due to way in which money was allocated to the College as follows:

Designated for salary increases	<u>1959-60</u> 496,333	<u>1960-61</u> 646,955
Designated for EITHER salary increases or new positions	<u>186,700</u>	<u>195,160</u>
	683,033	842,115

Good

6/7/61

3,840,574

Mr. Shefferson:

Mr. Charles Williams called to give you the following information:

Extension Service Salary increases requested in the B Budget amounted to \$257,308 per year. This represents an increase of 6.1%.

The Department Station Salary increases requested in B Budget amounted to 8.9% of base salaries.

U. S. State College salary increases requested in B Budget amounted to 8.1% of base salaries; however the request for State College was not the same for each year of the biennium. If approved as requested EPA salaries for college teaching faculty would be increased 10.3% during the biennium.

Mr. Williams said he had given this information to Dr. James also.

TC.

8.92
6.18
2.74

8.92
6.45
2.47

3,840,000
2.74
15,360,000
268,800
768,000
9,421,600.00

287,308
14,916
331,524

1,230,938 - all new

3,840,574
160,500
3,680,074 - Base
82

7,360,148
294,405.92
3,017,660.68

COPY

STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION
Raleigh, N. C.

July 16, 1958

Mr. W. D. Carmichael
Vice President and Finance Officer
University of North Carolina
Chapel Hill, North Carolina

Dear Mr. Carmichael:

This is to advise you of the action by the Advisory Budget Commission on Wednesday morning, July 8, with respect to the increased Federal funds made available to the Extension Program and the Experiment Station Program. The Commission adopted a motion directing that these funds be used to increase the receipts of these two programs and reduce State appropriations by a like amount for the present fiscal year, and all future years in which the funds continue to be available. It was generally understood by the Commission that to the extent the Federal law prohibited this use of these funds, the motion would not apply.

It was also understood that the responsible officials connected with these programs would submit to the Department of Administration any laws requiring the use of these funds for specific projects or in any way other than that contemplated by the motion.

In response to your inquiry, it has been my understanding that the Commission adopted this course of action pursuant to the principle that Federal funds made available for these programs are true grants-in-aid, and employees' salaries and other needs connected with these programs are the responsibility of the State. This is in line with the Commission's understanding of what was told to some of them when they were serving as members of the Appropriations Committees in the 1957 General Assembly and the question arose as to whether or not the Federal Government would contribute increased funds to provide salary raises necessary for those portions of salaries being paid out of Federal funds.

Sincerely,

Paul Johnson
Director

NORTH CAROLINA STATE COLLEGE
OF AGRICULTURE AND ENGINEERING OF THE UNIVERSITY OF NORTH CAROLINA
RALEIGH

JOHN T. CALDWELL, CHANCELLOR

23 May 1960

Dean D. W. Colvard:

We have reserved a total sum of money to be included in "B" Budget requests for salary increases. This total will be available to each appropriation request from the College in strict conformity with the present proportionate shares of salary appropriations.

The shares to be included for units in the School of Agriculture are as follows:

Experiment Station	\$176,887
Extension Service	237,306

Please incorporate these amounts in your "B" Budget proposal.

John T. Caldwell

cc: J. G. Vann
J. W. Shirley

NORTH CAROLINA COOPERATIVE AGRICULTURAL EXTENSION SERVICE

CONDENSED SUMMARY - "B" BUDGET REQUEST

- - - - -

I. Salary Adjustments \$237,308

II. Personnel - Salaries and Wages

4 Specialists:

1. In Community & Area Development	\$6,910
2. Home Management Specialist	6,910
3. Entomology Specialist	8,000
4. Veterinarian	9,000

1 Assistant County Agent (1/2 salary)	3,250	
3 Secretaries (for present staff and above)	9,300	
Temporary Labor	<u>8,000</u>	51,370

III. All Non-Salary Items (for present staff & above):

Travel	3,200	
Transportation	500	
Contractual	7,000	
Supplies	6,300	
Communications	1,750	
Equipment	<u>9,000</u>	<u>27,750</u>

TOTAL		\$316,428
-------	--	-----------

- - - - -

SUMMARY OF "B" BUDGET REQUESTS
1961-63
Agricultural Extension Service

1. Salary Adjustments	\$ 237,308
2. New Positions (Specialists)	30,820
3. New Positions (Asst. Co. Agt.)	3,250
4. New Position (Secretaries)	9,300
5. Non-Salary Items (Maintenance)	<u>35,790</u>
TOTAL	\$ 316,428

STANLY COUNTY

As an example of the Extension program in operation at the local level, let's take a look at Stanly County -- the personnel, their workload, cost of operation and some of the accomplishments that have occurred since 1940.

I. Personnel (Listed on the chart)

II. Workload (Listed on the chart)

III. How Financed (Listed on the chart): It is interesting to note that the required costs in 1959 are about six times greater than those in 1940. This reflects the addition of personnel and essential salary increases similar to those experienced by other segments of the College due to inflation, an expanding economy and the increased demand for services.

IV. Accomplishments: During the period from 1940 to 1959, Stanly County farmers increased their income from crops from 548 thousand to 2 1/2 million dollars (an increase of five times over 1940). The increase in income from livestock and poultry is even more spectacular. It went from 259 thousand to 6.9 million dollars -- an increase of 27 times. The increase from forest products and other commodities went from \$40,614 to 1.3 million or an increase of 30 times the amount received in 1940. Now let's look at the total income. In 1940 it amounted to \$847,904 -- by 1959 the income had risen to 10.6 million, an increase of more than 11 times.

While the cost for operating the county Extension program today is 6 times the amount required in 1940, the total farm income has increased a fraction more than 11 times. In 1940, the operating cost was 80/100 of 1 percent; in 1959 it is only 4/100 of 1 percent.

These changes have come about because: (1) Much needed research was available from the Experiment Stations, (2) Extension provided the leadership in interpreting and getting the research into practice by the farm people, and (3) the people were willing to take advantage of new opportunities.

MAJOR ACCOMPLISHMENTS OF COMMUNITY DEVELOPMENT

There are nine organized Area Development Associations including 70 counties. These associations are organized with four basic divisions: industrial development, agricultural development, travel and recreation, and community development. Community development is being carried on in 81 counties (11 counties in addition to the ones in organized areas) with 776 organized communities, involving approximately 70,000 families.

1. The development of individual leadership, which is evidenced by the fact that many of the community leaders taking the lead in community development work are people who two or three years ago would have been frightened if they had been called on to exert leadership. Today, these can be numbered in the hundreds as a result of the participation in organized community programs.

2. The development of a spirit of cooperation. An example of this has been the coming together of people in building or developing facilities on a community basis needed by the people, the sponsoring and promoting of recommended farm and home practices and the supporting and contributing to the things that would make for stronger youth programs.

3. The understanding and the support of business people and business groups in working with rural leaders in developing both stronger communities and stronger areas as they affect the betterment of the total people, which is evidenced by the fact that financial support both on a county and an area basis is amply provided; also by the fact that there has been an increased interest and development in the organization of Area Development Associations of which community development is a major objective.

4. Increase in individual income. A specific example of this is a Negro community of 29 families that increased their family income by \$530 as a result of carrying out recommended practices in connection with income-producing projects.

THE DUPLIN COUNTY STORY

	<u>1953</u>	<u>1958</u>
Gross Farm Income	\$ 23,000,000	\$ 44,705,647
% Income from Crops	90%	57%
% Income from Tobacco	75%	35%
% Income from Poultry & Livestock	10%	43%
Dollar Income from Poultry	\$500,000	\$14,655,000

Industries Added as Result of This Shift:

- 17 Feed Mills
- 6 Hatcheries
- 2 Egg Markets
- 1 Processing Plant - costing \$350,000
 - (a) Employs 200 people
 - (b) Handles 25,000,000 birds per year

DUPLIN COUNTY STORY

In 1953, Duplin County farmers began to concern themselves with their farming income, with 90% of their income dependent upon crops and 75% of this from tobacco, whose acreage had been cut 37%. With these simple facts before them a few progressive leaders, working with the County Agricultural Agent, began discussing what enterprises might be added to their 5,605 farms to diversify and increase their income. The adjoining county of Pender had employed an Assistant County Agricultural Agent to work on poultry. Pender County was making considerable progress producing broilers and eggs. With this in mind a few of the leaders, with the County Agricultural Agent, visited some of the poultry producing states to secure some ideas about the broiler business.

They were impressed by what they learned. They planned a 5-year program with the hope of increasing their farm income 10 million dollars per year. Many of the county people felt this was a wild dream. In the year 1954 they produced 41,000 broilers, and in the 5th year, 1958, they were producing over 20 million broilers, and had over 100,000 laying hens in houses.

In 1953 the county's gross income was 23 million dollars; 90% from crops; 75% of this from tobacco; and only 10% from poultry and livestock enterprises. \$500,000 of this came from poultry, primarily turkeys. By the end of 1958, which ended their 5-year planned program, they had increased their county farm income to \$44,705,647 -- \$14,655,000 of this came from poultry, turkeys and eggs. In 1958, 57% of the income came from crops -- only 35% from tobacco, and 43% from poultry and livestock of which swine affords a sizeable amount.

By increasing poultry and livestock such as broilers, turkeys, eggs, and swine, other industries came to the county to support these enterprises. There were 17 feed mills established; 6 hatcheries, one of which produces turkey poults; 2 egg markets, one poultry and turkey processing plant -- costing \$350,000, employing over 200 people -- a capacity of 25,000,000 birds per year.

County property valuation for Duplin County was \$35,212,251; in 1958 this had climbed to \$55,792,572 -- an increase in valuation of \$20,580,321 -- a sizeable taxable wealth.