

New York State Agricultural Experiment Station
Federal Formula Fund Allocation Policy
Revised September 21, 2001

Research Funds

Background

Federal Formula Fund allocations at the experiment station are expected to "bear directly on and contribute to the establishment and maintenance of a permanent and effective agricultural industry in the United States." Congress has mandated that this should include "research basic to problems of agriculture in its broadest aspects," encompassing the improvement of rural life, enhancement of environmental quality and the welfare of consumers of agricultural products. National Program Goals of CSREES provide additional guidance.

The five USDA CSREES National Goals considered in decision making by NYSAES are:

Goal 1 - An agricultural system that is highly competitive in the global economy

Goal 2 - A safe and secure food and fiber system

Goal 3 - A healthy, well-nourished population

Goal 4 - Greater harmony between agriculture and the environment

Goal 5 - Enhanced economic opportunity and quality of life for Americans

The latest Farm Bill (Agricultural Research, Extension and Education Reform Act of 1998 or AREERA) requires that "users" or "stakeholders" be consulted in needs identification, priority setting, and decision-making regarding research and extension projects supported by FFFs. We have processes such as the Program Council system and other advisory groups in place to ensure this requirement is met. All FFF Projects, regardless of category, will be reviewed to ensure compliance with the intent of Congress.

State agricultural experiment station and extension programs are required to develop a Plan of Work that articulates their goals and activities over a 5-year period. Annual reports are submitted to USDA by the combined New York experiment stations (CUAES and NYSAES) and Cornell Cooperative Extension. USDA monitors these annual reports for compliance to national goals, integrated activities across research and extension, and collaborations with other states.

FFF are divided into two broad categories: Hatch research projects and multistate research projects. Hatch research projects encompass research activities within an experiment station that are carried out by one or more individuals at that station. Formerly called the Regional Research Fund, the Multistate Research Funds (MRF) are used to support research activities that cannot be accomplished at a single station (for details, see Guidelines for Multistate Research Activities, 2001). The AREERA requires that not less than 25% of all Hatch allocations must be used for multistate research activities, and must be matched by non-federal funds. Both Hatch and MRF have a

formal project submission process, but multistate project development is more complex since it involved several to many experiment stations.

The Facts

The following facts influence how FFF are allocated within NYSAES:

- NYSAES receives nearly equivalent amounts of Hatch and MRF support from USDA. Funding patterns must reflect this division between the two sources.
- The FFF funding line from USDA is separate from that of the funding line to CUAES. NYSAES Hatch and MRF projects are accounted separately from CUAES and joint activities between NYSAES and CUAES are not funded through Hatch projects.
- Normally each faculty member has one project, Hatch or MRF. Participation in two or more projects does not necessarily mean additional FFF support.
- The Hatch and MRF projects serve as an accounting link for the expenditure of funds within college and FFF accounts. Without an active project, faculty may not expend funds from these accounts, even if funds are available. For this reason, it is extremely important for faculty to maintain active projects.
- FFF support is restricted to certain funding categories. In general, capital funds for construction and renovation, as well as graduate student fees are excluded. Information defining allowable and unallowable costs can be found in circular OMB A21 (Cost Principles for Educational Institutions), Section J (available at <http://www.whitehouse.gov/omb/circulars/a021/a021.html>).

How Funds are Disbursed

FFF are disbursed in the following ways:

- **Base support** – All academic faculty and research associates who conduct independent research must have an active FFF project. The project not only serves to document research activities, but it also serves as an accounting mechanism through which organized research accounts and FFF can be managed. Without an active project, organized research dollars and FFF **cannot** be expended.

In discussion with department chairs, Hatch or MRF funds are provided to faculty in support of ongoing research activities related to their project. The funds are provided as long as the faculty member maintains at least one active project, and satisfactory progress has been made toward project objectives.

- **Startup support** – New faculty who have negotiated a startup package may receive some or all of this support through either a Hatch or MRF project. These faculty will be required to develop a Hatch project proposal or join a multistate research project,

and upon final approvals, funds will be made available. Startup funds can be made available over two or three years, after which the funding level will be adjusted to base support.

- **Initiative projects** – A new (2002-03) annual funding opportunity has been created to support new, limited duration research and extension projects on a competitive basis. Faculty submit a preproposal after discussions with the department chair. Program Councils judge relevancy and directors make the final selection. Selected preproposals are developed into a new Hatch project or into an addendum to an MRF project. At the discretion of the extension directors, Smith-Lever funds may be supplied for extension and outreach activities in the project.
- **Grant matches** – FFF may be used to match grants that require an institutional match, as long as the faculty member has an active Hatch or MRF project. Matches are not done automatically, but must be negotiated with the director.
- **Equipment acquisition** – Between the 6th and 9th months of the federal fiscal year, director may choose to expend uncommitted FFF on research equipment identified by departments on their Wish List. The portion of FFF used to purchase research equipment must be tied to Hatch or MRF project activities. Expensive pieces of equipment can be shared across two or more FFF projects.
- **Miscellaneous support** – MRF are used to provide limited support for travel to annual meetings of Multistate Coordinating Committees. FFF can be used to bridge faculty between grants if a Hatch or MRF project is active. FFF are occasionally used to lure faculty into new research areas when appropriate under active Hatch or MRF projects.

Extension Funds

Base support - Cornell Cooperative Extension provides funds to NYSAES in support of extension activities carried out by station faculty. Base funds are provided on a formula basis according to the number of extension full time equivalents (FTEs) at NYSAES. The NYSAES directors, in discussion with department chairs, disburse all S-L base funds to departments. Distribution of funds within the department are at the discretion of the chair.

New initiative support - Until 2002-03, NYSAES faculty were not eligible for CCE's S-L initiative funds. The creation of an FFF initiative program at NYSAES now permits access to S-L initiative funds. These funds are provided by CCE extension directors on a competitive basis, usually in conjunction with a new initiative research project (see Research Funds).