



United States
Department of
Agriculture



Cooperative State
Research, Education,
and Extension Service

Washington, DC
20250

JUN 20 2003

TO: State Extension Directors

FROM: Colien Hefferan *by / Saig J. Pennington*
Administrator

SUBJECT: Fiscal Year (FY) 2003 Penalty Mail Allocation

The attached table reflects your allocation of FY 2003 penalty mail funds. This allocation is for informational purposes only. As you know, payments to the U.S. Postal Service are processed directly by the Department of Agriculture, Cooperative State Research, Education and Extension Service.

The same formula used in the prior years to develop the penalty mail allocation was used this year. The formula is designed to recognize factors which are directly related to the usage of penalty mail. These factors include: (1) total Federal funds, (2) professional full-time equivalents, and (3) population characteristics of the States. Therefore, one-third of the penalty mail funds are distributed on the basis of Federal funds (all Federal funds appropriated to Extension activities for payments to States, except special project funds not distributed under a formula); one-third on the basis of professional FTE's (utilizing data reflected in your latest State Extension Budget); and one-third based on a combination of total, rural, and farm population in each State (using 2000 Census data).

The penalty mail savings will be released in the next funding authorization under the Payment Management System. The savings can be used for any other official penalty mail activity including the cost of purchasing or leasing meters. Any State whose usage exceeded their allocation in FY 2002 will be issued a bill for collection.

Section 203 of the Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA) (Pub. L. No. 105-185) amends section 3 of the Smith-Lever Act (7 U.S.C. 343) by requiring all funds authorized under section 3 (b) and (c) be fully matched out of non-Federal funds. This applies to penalty mail formula programs. These funds used to match penalty mail formula funds may be used for any extension activity approved as part of the Plan of Work.

Please complete and return the original copy of the Certification of Offset form by July 18, 2003, to:

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Regular Mail

Funds Management Branch
Office of Extramural Programs
CSREES, USDA
Stop 2298
1400 Independence Avenue, SW
Washington, DC 20250-2298

Overnight Express

Funds Management Branch
Office of Extramural Programs
CSREES, USDA
Room 2235
800 9th Street, SW
Washington, DC 20024

If you have any questions, please contact Ellen Danus, Chief, Funds Management Branch, Office of Extramural Programs, at (202) 401-4527 or send electronic mail to edanus@csrees.usda.gov.

Attachments:

Allocation Distribution
Certification of Offset

FY 2003 PENALTY MAIL ALLOCATION

<u>INSTITUTIONS</u>	<u>AMOUNT</u>
Alabama	\$ 360,096
Alaska	42,879
American Samoa	20,126
Arizona	124,020
Arkansas	296,643
California	611,036
Colorado	186,524
Connecticut	93,900
Delaware	49,787
Florida	422,921
Georgia	522,873
Guam	24,189
Hawaii	63,288
Idaho	158,879
Illinois	492,075
Indiana	491,088
Iowa	431,484
Kansas	335,608
Kentucky	491,114
Louisiana	295,984
Maine	108,960
Maryland	213,375
Massachusetts	133,745
Michigan	495,910
Micronesia	30,375
Minnesota	428,580
Mississippi	347,092
Missouri	410,202
Montana	131,123
Nebraska	246,113
Nevada	62,517
New Hampshire	81,460
New Jersey	157,103
New Mexico	122,385
New York	651,288
North Carolina	621,442
North Dakota	169,180
Northern Marianas	23,954
Ohio	599,739
Oklahoma	312,377
Oregon	221,742
Pennsylvania	546,185
Puerto Rico	254,621
Rhode Island	37,775
South Carolina	276,845
South Dakota	145,342
Tennessee	467,958
Texas	863,322
Utah	97,637
Vermont	65,736
Virgin Islands	25,327
Virginia	388,725
Washington	223,538
West Virginia	172,782
Wisconsin	458,870
Wyoming	80,140
TOTAL	\$15,187,979