

**NEW JERSEY DEPARTMENT OF AGRICULTURE  
RESPONSES TO  
DISCUSSION POINT QUESTIONS**

1. According to data supplied by the Office of Management and Budget (OMB), salary account reductions of \$213,000 and \$85,000 are recommended, respectively, in the Division of Agriculture and Natural Resources and the Division of Plant Industry.

**Question: Please explain how these reductions were calculated. How will they impact program operations and staffing?**

The salary account reductions represent a shifting of state salary expense to non-state funding sources. Since a portion of the work performed by staff in the Divisions of Plant Industry and Agriculture and Natural Resources pertains to programs and services supported by federal and dedicated funds, the proportion of salary expense associated with non-state funded programs for several employees in these two divisions will now be attributable to these non-state programs. No impact on program operations and staffing is anticipated.

2. The State Aid appropriation for the School Breakfast program is recommended to increase by \$642,000, to \$3.85 million. According to the Administration, this increase is in anticipation of greater student participation as a result of the enactment of P.L. 2003, c.4, which mandates certain school participation in the program on a phased basis. The Budget Recommendation also indicates an increase of \$6 million in federal funding for the program.

**Question: Please explain how the appropriation increase was calculated. Will this increase and the federal increase affect the program's per meal cost and subsidy rates? How many additional school breakfasts are being served as a result of Phase I of P.L. 2003, c.4, and how many more breakfasts are expected when Phase II begins this September? In cases where school districts not subject to P.L. 2003, c.4, do not join the program, what steps are being taken to encourage such school districts to participate?**

The appropriation increase was based on current levels of participation by those schools currently offering the program, those schools required to implement the program during Phase I and a projected level of participation by those schools required to implement in Phase 2 for September 05. The increased appropriation will provide a per meal rate of state reimbursement for breakfast meals served under the mandate and by increased participation under the federal program, schools will also increase their rate of return for the per meal rate of federal dollars received. The combined funds received will assist districts in offsetting the cost of providing these meals.

Phase I has increased the level of participation from 99,603 meals per day to 132,576. This Phase also increased the number of schools offering the program to 1,601, an increase of 358 schools. Phase 2 projects an additional 68 schools with an enrollment of 59,478 gaining access to the program. Projected participation levels indicate an additional 35,686 meals served per day.

The Department continues to do aggressive outreach as to the benefits provided to students by district participation. As part of the required compliance monitoring process, districts who currently do not participate are encouraged to pilot the program in one or two schools to see the benefits provided.

3. Federal enactments often impact significantly on State programs and fiscal resources. For example, the Budget Recommendation indicates over \$1 million in new federal grants anticipated by the department, such as \$150,000 for Diagnostic Testing for Johne's Disease; \$784,000 for indemnities for Cattle, Swine, and Fowl Diseases; \$160,000 for Fish Inspection Service, and an increase of \$4.2 million for farmland preservation.

**Question: Please describe the objectives and anticipated impacts of these new or expanded grants. If applicable, describe any State matching requirements. How will these grants be coordinated or integrated with ongoing departmental activities?**

The Department has actually applied for and successfully secured federal grants to augment a number of its state supported programs. Some of these include:

Johne's Disease - a disease of cattle and dairy cows, similar to Crone's disease in humans. Federal funding will allow for an expanded Johne's testing program to help dairy farmers eliminate the disease from their herds.

Brucellosis/Pseudorabies - federal funds are used to maintain New Jersey's disease free status.

Avian Influenza - a serious disease of poultry. Federal funds allow increased surveillance in live poultry markets, rural farm auction markets and backyard flocks throughout the state.

Farmland Preservation - increased federal funds from the Farm and Ranchlands protection program will provide additional financial resources to be used for development easement purchases on New Jersey Farmlands.

Fish Inspection - this funding is not a federal grant. Rather, these funds represent fees generated by the inspection of fish and seafood products performed by our state inspection staff as per a federal - state agreement.

4. The Conservation Assistance Program, a new \$1.5 million Grants-In-Aid program initiated in the current budget, is reduced by \$300,000 in FY 2006. According to the Administration, this program was designed to augment the Conservation Cost Share Program by making grants available for non-point source pollution or related projects not normally covered under the latter activity. In both FY 2006 and the current fiscal year, budget language authorizes up to \$750,000 of the program's appropriation for administrative costs.

**Question: Please discuss the current status of this program, particularly the grants under review or awarded and the future disposition of its funding. How will its reduction affect project awards in FY 2006? How will the program's administrative component be utilized, and why does it comprise such a large portion of the total program budget?**

The Conservation Assistance Program (CAP) was created to augment the Conservation Cost Share Program by providing technical and cost-sharing assistance to farmers over a broad array of conservation practices in a large number of agricultural sectors.

Through a combination of technical services staff and direct grants, the CAP program is broadening the effect of its conservation efforts. Grants for organic production and a dairy milk quality program help provide for improved water quality on farms. Grants for a non-point source pollution demonstration project and educational outreach will improve soil and water conservation efforts throughout New Jersey.

A deer fencing program, vital to the conservation of crop land is being instituted this spring with CAP funding.

Technical assistance staff, funded with CAP dollars, will be placed in the state on a regional basis to assist our federal partner, the National Resource Conservation Service in preparing farm management plans required before soil and water projects can be implemented.

The \$300,000 reduction in CAP funding proposed for FY2006 can be managed without permanent harm to programs supported by this funding.

While budget language permits a maximum of \$750,000 to be used for administrative purposes, the Department does not anticipate reaching that authorized level.

5. A new appropriation of \$200,000 is recommended for Asian Longhorned Beetle Monitoring in the Division of Plant Industry. The Budget Recommendation also indicates two increases in federal funding for this activity, from \$721,000 to \$1.1 million in the Department of Agriculture and from \$100,000 to \$800,000 in the Department of Environmental Protection. Last, State legislation appropriating \$1.3 million in federal funds for the same purpose has passed both houses and is currently awaiting the Governor's signature.

**Question: Please clarify the federal funding sources cited above and total amount of federal funding anticipated from them in both FY 2005 and FY 2006. How will the department use State and federal funding for this program in both years? What is the DEP's role in this program and how do the two departments coordinate their activities?**

Federal funding for the New Jersey Department of Agriculture and the DEP for FY 2005 and FY 2006 is as follows:

New Jersey Department of Agriculture to receive \$1.957 million in FY 2005 and \$1 million in FY 2006 from the USDA's Animal Plant Health Inspection Service.

DEP to receive \$800,000 in FY 2005 and \$2.0 million in FY 2006 from the USDA Forest Service.

When the New Jersey Department of Agriculture requested federal funds in its FY 05 budget, the Middlesex County outbreak of Asian Longhorned Beetle had not yet been discovered. Additional FY 2005 federal funds were requested for this outbreak. In order to receive and expend these \$1.3 million in added federal funds, the FY 2005 appropriations Act had to be amended. A legislative federal supplemental was recently enacted by Acting Governor Codey.

The Department of Agriculture is the lead agency in coordinating state, county, federal and local government activities in the Asian Longhorned Beetle Eradication Program control effort. The Department's role is in plant pest detection and control. The Department of Agriculture, in cooperation with the USDA APHIS, are/will be using these funds to identify infested trees and determine the extent of the infested area using ground survey crews, tree climbers and aerial bucket truck crews (surveys); to prevent the spread of the pest by man through the movement of infested wood, firewood or nursery stock (quarantine regulations); controlling the pest by removing infested and exposed host trees, and overseeing preventative treatments (eradication).

NJ DEP's role in the Asian Longhorned Beetle Eradication Program is outreach and reforestation. The State Forest Service conducts training sessions on the threats posed by the Asian Longhorned Beetle to shade and forest trees - and how to identify signs of the beetle - for shade tree commissions, public works departments, arborists, environmental commissions, landscapers and the general public.

Additionally, the State Forest Service is the lead agency in replacing public and private trees removed in the eradication program - at no cost to homeowners or municipalities (reforestation). This activity is a vital function in winning and maintaining local cooperation in the eradication program. State Forest Service staff works with municipalities (shade tree commissions, public works departments) and homeowners overseeing replanting to ensure good arboricultural practices are employed to provide the highest likelihood of success and tree survival.

The two departments coordinate activities by working together on a daily basis at the ground level. Weekly progress reports are shared between the agencies. Program managers communicate regularly on an as needed basis.

6. New budget language authorizes \$278,000 for the department's Agro-Terrorism program from the Domestic Security Fund, which receives revenues from a surcharge on vehicle rentals pursuant to P.L. 2002, c.34.

**Question: Please describe the department's current agro-terrorism budget and activities. How will the funds authorized by the budget language be utilized?**

The Department's agro-terrorism budget in FY2005 amounts to \$278,000. It supports five positions, training efforts and equipment.

Funds are received from the Department of Health and Senior Services.

New Jersey is considered a high-risk state for bioterrorism due to its geographic location in the northeast corridor, its close proximity to New York City and Philadelphia, its highly concentrated population, traffic flow, and import/export depots including the largest seaport in the Northeast in Elizabeth, an extensive pharmaceutical industry, in addition to a significant food processing industry which receives animals and animal by-products from producers nationwide. Due to the inherent nature of agriculture and related industries in the United States, New Jersey is extremely susceptible to accidental or intentional introduction of foreign animal and plant diseases and pests, despite the comparative size of these industries with more rural agricultural states.

The department will utilize agro-terrorism funds to: developing plans for mitigation and response to an agro-terrorism event; to purchase equipment that will aid in an emergency

situation; to augment the Department's communication and interoperability within NJDA and between NJDA and other Departments and Agencies, allowing the Department to respond to potential and/or actual emergencies throughout the state; to expand and support the diagnostic capability to rapidly detect foreign animal diseases and agents of bioterrorism; to develop and implement best management practices for our constituents and to hire additional personnel needed for program development and implementation; and to train key staff in *Preparedness and Response to Agricultural Terrorism*. The department also provides third party audits for fresh produce. These auditors will help ensure that NJ's fresh produce is safe.

7. In the "Position Data" section of the department's Budget Recommendation, an increase of 21 federally funded positions and seven off-budget or non-State funded positions are indicated for FY 2006.

**Question: Please describe the funding source, titles, location and utilization of the new positions. Are any of these positions replacing State funded positions, and, if so, where?**

The seven non-State funded positions (from dedicated funds) are supported from the agro-terrorism grant (5 positions); transfer of development rights program (1 position); and organic certification program (1 position).

The 21 federally funded positions are supported from Child Nutrition (2 positions); domestic security preparedness (1 position); Avian influenza (6 positions); Animal identification (2 positions); Asian Longhorned beetle (8 positions); and Johne's disease (2 positions).

These positions represent funded vacancies at the time of the budget analysis (i.e. September 2004).

8. In January 2005, Secretary Kuperus announced the establishment of the Garden State Dairy Alliance. According to the Secretary, this public-private partnership would provide one-stop information to dairy farmers in need of assistance with the management of their farms. It would also focus on helping dairy farmers with issues concerning animal health, herd management, milk quality and marketing.

**Question: Please explain the department's role in the Alliance, particularly its staffing and fiscal obligations. Please identify the other agencies or organizations involved with this initiative and their level of participation.**

The department's role in the Dairy Alliance project at this point is to serve as an initiator and facilitator. Several of the department's divisions have programs which target aspects of our state's dairy industry. The Dairy Alliance better coordinates these efforts and adds the Rutgers University Cooperative Extension Service and New Jersey Farm Bureau as participants.

Through better coordination of services, greater focus can be placed on improving milk quality, milk production and marketing.

The department is providing seed money into the project to faster its initial efforts while private sector and federal funds are sought out.