

ANALYSIS OF THE NEW JERSEY  
FISCAL YEAR 2000 - 2001 BUDGET



DEPARTMENT OF AGRICULTURE

PREPARED BY

OFFICE OF LEGISLATIVE SERVICES

NEW JERSEY LEGISLATURE

APRIL 2000

# NEW JERSEY STATE LEGISLATURE

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# DEPARTMENT OF AGRICULTURE

Budget Pages.....C-8; C-16; C-21; D-17 to D-25

## Fiscal Summary (\$000)

	Expended FY 1999	Adjusted Appropriation FY 2000	Recommended FY 2001	Percent Change 2000-01
State Budgeted	\$18,480	\$42,816	\$23,021	(46.2)%
Federal Funds	177,276	206,964	225,682	9.0%
<u>Other</u>	<u>9,425</u>	<u>11,462</u>	<u>9,755</u>	<u>(14.9)%</u>
Grand Total	\$205,181	\$261,242	\$258,458	(1.1)%

## Personnel Summary - Positions By Funding Source

	Actual FY 1999	Revised FY 2000	Funded FY 2001	Percent Change 2000-01
State	143	142	160	12.7%
Federal	40	40	48	20.0%
<u>Other</u>	<u>54</u>	<u>58</u>	<u>43</u>	<u>(25.9)%</u>
Total Positions	237	240	251	4.6%

FY 1999 (as of December) and revised FY 2000 (as of September) personnel data reflect actual payroll counts. FY 2001 data reflect the number of positions funded.

## Introduction

The prime mission of the Department of Agriculture (DOA) is to ensure the continued viability of New Jersey's agriculture and its related industries. The department's regulatory functions and operational programs provide services that support the following objectives: preserving the State's agricultural land base; developing fisheries and aquaculture resources; promoting and expanding domestic and foreign agricultural markets; detecting, controlling, and eradicating animal and plant pests and diseases; conserving soil and water resources; stimulating and expanding the State's agribusiness and equine industry; preventing unfair, illegal, and improper trade practices that may adversely affect the production and sale of agricultural products; and distributing federally donated food commodities and cash reimbursements for child and adult nutrition programs.

## Key Points

- ! A total \$23.0 million General Fund appropriation is recommended for the department, a net decrease of \$19.8 million or 46 percent from the current adjusted funding level.
- ! A General Fund appropriation of \$10.2 million is recommended for **Direct State Services** (DSS), a decrease of \$17,000 or less than one percent from the current adjusted appropriation level. Significant changes in the DSS budget are as follows:
  - ! A new Special Purpose appropriation of \$100,000 is recommended for the Plant Pest Detection program to increase the inspection of domestic plant products imported from other states for the presence of diseases and pests.
  - ! A new Special Purpose appropriation of \$75,000 is recommended to expand the Johne's Disease Control program by offering free testing to dairy farmers to help control this debilitating gastrointestinal bacterial disease in cows.
- ! The State Agriculture Development Committee's (SADC) budget is recommended to increase by \$475,000, to \$1.2 million, to offset declining bond fund support for Farmland Preservation administration costs.
- ! A total of \$470,000 in DSS funding for programs initiated or expanded by the Legislature in the current budget is not included in the recommended budget.
- ! A General Fund appropriation of \$3.2 million is recommended for **Grants-In-Aid**, a decrease of \$19.4 million or 86 percent from the current funding level. Significant changes in the Grants-In-Aid budget are as follows:
  - ! Laws enacted during FY 2000 that appropriated \$20 million for drought relief assistance and \$200,000 for a deer management research grant are not continued in the recommended budget.
  - ! The Soil and Water Conservation Grants program is recommended at \$1.6 million, an increase of \$1.0 million over its current budget, which was funded from a Legislative supplemental appropriation in FY 2000.
  - ! A total of \$225,000 in Grants-In-Aid funding for programs included by the Legislature in the current budget is not continued in the recommended budget.
- ! A General Fund appropriation of \$9.1 million is recommended for **State Aid** programs, an increase of \$200,000 or 2 percent over the current funding level. This increase is attributable to the School Breakfast Program, which is recommended at \$1.9 million.
- ! A General Fund appropriation of \$600,000 is recommended for **Capital Construction**, a decrease of \$553,000 or 48 percent from the current funding level. Two projects are recommended: \$150,000 to replace the boiler and cooling towers at the Beneficial Insect Laboratory, and \$450,000 to replace the data network wiring in the Health and Agriculture Building in Trenton.

**Key Points (Cont'd)**

- ! **Federal** funding is estimated at \$225.7 million, an increase of \$18.7 million or 9 percent over the current authorized level. Most of the increase is anticipated in the various activities funded under the federal Child Nutrition programs. In addition, a new appropriation of \$1.1 million is expected for the Farmland Preservation program.
  
- ! The **All Other Funds** portion of the budget is estimated at \$9.8 million, a decrease of \$1.7 million or 15 percent below the current adjusted level. Over half of this reduction, \$930,000, is attributable to a decrease in bond fund support for the administration of the Farmland Preservation program by the State Agriculture Development Committee.

## Program Description and Overview

The functions and programs of the Department of Agriculture (DOA) are grouped and displayed in the Budget Recommendation under one Statewide Program: Agricultural Resources, Planning, and Regulation. This Statewide Program consists of the following program classifications, which generally correspond to the department's organizational structure and reflect the operating levels at which specific appropriations are recommended:

Animal and Plant Disease Control refers to the budgets of the Division of Animal Health and the Division of Plant Industry. The former provides programs and services that control the introduction and spread of disease in animals. Its major activities include exotic disease surveillance, investigations, regulatory enforcement, SPCA training, and diagnostic laboratory services. The latter protects the ornamental, vegetable, and field crop plants and forested acreage of the State from pest insects and diseases. Its major programs include nursery inspection, seed certification, gypsy moth suppression, apiary inspection, and biological control of plant pests through the operation of the Alampi Beneficial Insect Rearing Laboratory.

Resource Development Services funds the Division of Rural Resources, which encompasses the State Soil Conservation Program, activities related to nonpoint source pollution, waste and stormwater management, the seafood and aquaculture industry, the Future Farmers of America program, and various research projects concerning the agricultural economy. It also is responsible for agricultural statistics, farm management training and financial and technical support for the State's 16 Soil Conservation Districts.

Dairy and Commodity Regulation refers to the Division of Dairy and Commodity Regulation, which is responsible for the inspection and grading of commodities such as fruits, eggs and vegetables (under the Jersey Fresh Quality Grading Program), the regulation of feeds, fertilizers, and liming materials, and the regulation and enforcement of dairy and commodities laws.

Marketing Services funds the Division of Markets, which supports the promotional matching grants and Jersey Fresh programs, the State portion of the Temporary Emergency Food Assistance Program (TEFAP), commodity councils, sire stakes, horse breeding programs, and the Horse Park of N.J. This division also includes the Bureau of Child Nutrition, which administers the federal and State subsidies for the child nutrition, school breakfast and school lunch programs.

Farmland Preservation supports the staff of the State Agricultural Development Committee, an independent agency charged with the administration of the Farmland Preservation program and other related activities, such as right-to-farm and Transfer of Development Rights activities.

Administration and Support Services supports the Division of Administration, the Office of the Secretary, and the State Board of Agriculture. The division provides all the department's support services while the Office of the Secretary is involved with legislative and industry liaison, legal services, policy development and providing support to the State Board of Agriculture.

Commodity Distribution contains only off-budget funds provided by federal and non-State funding sources. This classification encompasses federally-supported programs run by the department that receive and process federal surplus foods which are distributed to schools, food banks, institutions and needy individuals.

## Program Description and Overview (Cont'd)

### FY 2001 Budget Overview

The department's total State-funded appropriation is recommended at \$23.0 million, a net decrease of \$19.8 million or 46 percent below the FY 2000 adjusted appropriation of \$42.8 million. The major difference between the current and recommended amounts is attributable to the inclusion of a supplemental appropriation in the current budget of \$20.0 million authorized under the "Emergency Disaster Relief Act of 1999" for drought relief grants. The recommended budget also includes \$1.9 million for various program expansions, a decrease of nearly \$700,000 in program funds included by the Legislature in FY 2000 that are not continued, and a decrease of \$553,000 in capital construction funding. Notwithstanding these changes, the recommended funding levels of the department's regular operating accounts are not significantly different from existing funding levels.

#### Direct State Services

The recommended Direct State Services (DSS) or operating budget is \$10.2 million, a decrease of \$17,000 or less than one percent from the current adjusted budget. The recommended total reflects the elimination or reduction of the following DSS appropriations added to the current budget by the Legislature: \$60,000 apiece for the Sussex Soil Conservation District and the Hudson-Essex-Passaic Soil Conservation District; \$100,000 for Aquaculture Development; \$150,000 for the Agriculture Education Technology Network; and \$100,000 for Agricultural Right-to-Farm functions. The recommended increases in DSS funding include \$100,000 to expand Plant Pest Detection; \$75,000 to expand the John's Disease Control Program; and \$475,000 for the State Agriculture Development Committee's budget to manage farmland preservation activities.

The funding levels of the department's remaining Special Purpose line items and regular spending accounts are recommended at about the same budget levels as in FY 2000. The Salaries and Wages account, recommended at \$5.8 million, is about \$100,000 less than the current adjusted level.

#### Grants-In-Aid

The recommended Grants-In-Aid budget is \$3.2 million, a decrease of \$19.4 million or 86 percent less than the current funding level of \$22.6 million. As mentioned above, most of this net decrease is due to the one-time appropriation of \$20.0 million from the "Emergency Disaster Relief Act of 1999" P.L. 1999, c.262. These funds were provided to support a grant program for farmers seriously affected by the drought of 1999. Another appropriation, \$200,000 for a deer management research grant to Rutgers, was included in the current budget pursuant to the enactment of P.L. 1999, c.180.

Other Grants-In-Aid accounts affected by proposed funding changes are the Soil and Water Conservation Grants program, increased by \$1.0 million to provide more matching grants to farmers in the farmland preservation program, and the following items included in the current budget by the Legislature that are not continued: Aquaculture Technology Transfer Center, Cumberland Community College (\$125,000); Garden State Agricultural Re-Engineering Initiative, Salem County (\$50,000); and Agriculture Fairs Association of N.J. (\$50,000).

#### State Aid

The total State Aid budget is recommended at \$9.1 million, an increase of \$200,000 or 2

## Program Description and Overview (Cont'd)

percent over the FY 2000 total of \$8.9 million. The entire increase is recommended in the School Breakfast Program account, which now receives \$1.7 million to provide a 10 cents per breakfast subsidy to school districts participating in the federally-funded School Breakfast program. The two other State Aid accounts associated with federal child nutrition programs, \$6.6 million for the school lunch program and \$439,000 for non-public nutrition aid, are recommended at current funding levels.

### Capital Construction

The department's two Capital appropriations for FY 2000, \$153,000 to construct an extension to an existing accessory building at the Beneficial Insect Laboratory, and \$1.0 million to construct a covered work area at the Horse Park of N.J., are replaced by two new appropriations: \$150,000 to replace the boiler and cooling towers at the Beneficial Insect Laboratory, and \$450,000 to replace the data network wiring in the Health and Agriculture Building in Trenton.

### Federal Funding

The department anticipates receiving \$226 million in federal funds in FY 2001, an increase of \$19 million or 9 percent over the current appropriation level of \$207 million. Since about 99 percent of the federal funds administered by the department are associated with the various federal child nutrition programs, most of the projected increase is reflected in these programs. Of particular note is the estimated increase in the school lunch program, from \$128 million to \$140 million. In addition, one new funding activity, \$1 million for farmland preservation from the U.S. Natural Resources Conservation Service, is included in the total recommended funding amount.

### Off-Budget Funds

The department's off-budget or "below the line" funding consists of revenues generated from various sources that are "dedicated" or appropriated directly to the department pursuant to budget language or other statutory authority. These monies are mostly derived from commodity inspection and grading fees, parimutuel betting (to support sire stakes and horse breeding activities), federal surplus food distribution and processing fees, bond administration funds, and commodity council assessments. In the Budget Recommendation, these monies are displayed under "**All Other Funds**" on Page D-24 and are also listed under "**Schedule II--Other Revenues**" on Page C-16.

In FY 2001, the total amount of appropriated revenues is projected at \$9.8 million, a decrease of \$1.7 million or 15 percent below the current level of \$11.5 million. The recommended total reflects a decrease of \$930,000 in bond fund support, from \$1.4 million to \$440,000, for the administration of the Farmland Preservation Program by the State Agriculture Development Committee. The reduction is a result of declining bond fund balances, which are being partially offset by a recommended increase of \$475,000 in State funds for this program cost.

### Positions

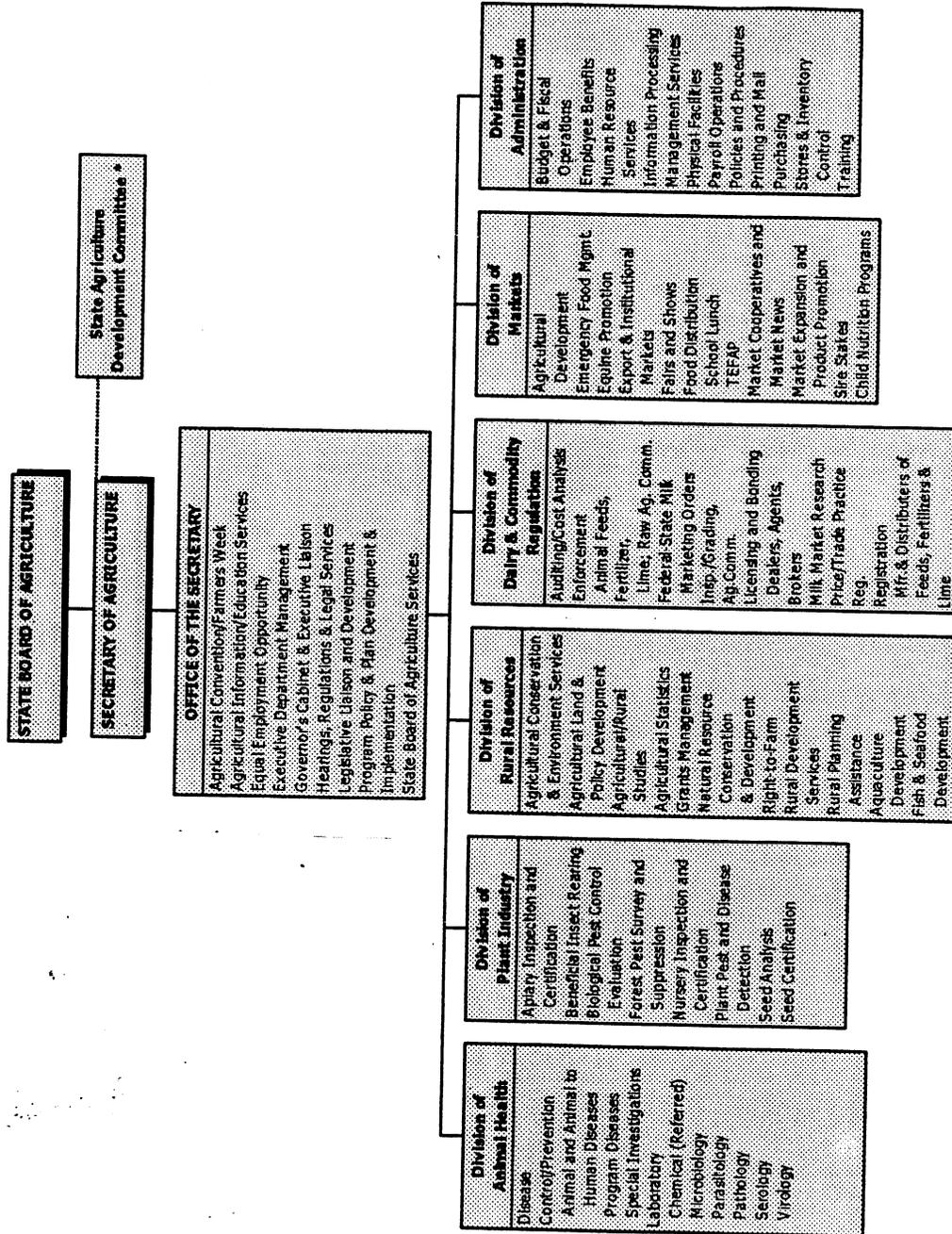
According to data made public by the Administration concerning the Budget Recommendation, no State or federally-funded departmental employees are scheduled to be laid off due to salary account or program reductions in FY 2001.

As displayed in the Recommendation and in the "Fiscal and Personnel Summary" section of this report, the FY 1999 and FY 2000 position data figures reflect the actual number of employees on the department's payroll at a given point in time while the FY 2001 figures reflect the total

**Program Description and Overview (Cont'd)**

number of positions to be funded without regard to vacancy status. The Recommendation lists 142 State-funded positions in FY 2000 and 160 positions in FY 2001. The increase is mostly attributable to State Agriculture Development Committee staff positions being transferred to DSS salary accounts in conjunction with the changeover of funding support for farmland preservation administrative costs and activities from bonds to General Fund sources.

# Organization Chart



\* In, but not of, the New Jersey Department of Agriculture.

# Fiscal and Personnel Summary

## AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 1999	Adj. Approp. FY 2000	Recom. FY 2001	Percent Change	
				1999-01	2000-01
<b>General Fund</b>					
Direct State Services	\$10,549	\$10,167	\$10,150	-3.8%	-0.2%
Grants - In - Aid	910	22,629	3,204	252.1%	-85.8%
State Aid	7,004	8,867	9,067	29.5%	2.3%
Capital Construction	17	1,153	600	3429.4%	-48.0%
Debt Service	0	0	0	0.0%	0.0%
<b>Sub-Total</b>	<b>\$18,480</b>	<b>\$42,816</b>	<b>\$23,021</b>	<b>24.6%</b>	<b>-46.2%</b>
<b>Property Tax Relief Fund</b>					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	0	0	0	0.0%	0.0%
<b>Sub-Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Control Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>State Total</b>	<b>\$18,480</b>	<b>\$42,816</b>	<b>\$23,021</b>	<b>24.6%</b>	<b>-46.2%</b>
<b>Federal Funds</b>	<b>\$177,276</b>	<b>\$206,964</b>	<b>\$225,682</b>	<b>27.3%</b>	<b>9.0%</b>
<b>Other Funds</b>	<b>\$9,425</b>	<b>\$11,462</b>	<b>\$9,755</b>	<b>3.5%</b>	<b>-14.9%</b>
<b>Grand Total</b>	<b>\$205,181</b>	<b>\$261,242</b>	<b>\$258,458</b>	<b>26.0%</b>	<b>-1.1%</b>

## PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 1999	Revised FY 2000	Funded FY 2001	Percent Change	
				1999-01	2000-01
State	143	142	160	11.9%	12.7%
Federal	40	40	48	20.0%	20.0%
All Other	54	58	43	-20.4%	-25.9%
<b>Total Positions</b>	<b>237</b>	<b>240</b>	<b>251</b>	<b>5.9%</b>	<b>4.6%</b>

FY 1999 (as of December) and revised FY 2000 (as of September) personnel data reflect actual payroll counts. FY 2001 data reflect the number of positions funded.

## AFFIRMATIVE ACTION DATA

Total Minority Percent	21.0%	22.0%	22.0%	----	----
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## Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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## DIRECT STATE SERVICES

## Special Purpose:

Plant Pest Detection  
Program

\$0	\$100	\$100	—	D-22
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This appropriation is proposed to bolster the Division of Plant Industry's efforts in inspecting domestic plant and nursery goods for diseases and pests. These inspections would focus on products imported into New Jersey from other states as well as products exported from New Jersey. The recommended amount would enable the division to hire two new employees for this activity.

Aquaculture Develop-  
ment

\$300	\$200	(\$100)	(33.3)%	D-22
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The proposed appropriation restores this line item to the funding level originally included in the FY 2000 Budget Recommendation, which was increased to its current level by the Legislature. These funds support the department's statutory responsibilities in developing this industry.

Sussex Soil  
Conservation District

\$60	\$0	(\$60)	(100.0)%	D-22
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Hudson-Essex-Passaic  
Soil Conservation  
District

\$60	\$0	(\$60)	(100.0)%	D-22
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These appropriations were included in the current budget by the Legislature in order to financially support the districts' efforts in completing comprehensive, multi-year soil surveys. Further funding is not recommended because both surveys are expected to be completed during 2000.

Agriculture Education  
Technology Network

\$150	\$0	(\$150)	(100.0)%	D-22
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This appropriation was included in the current budget by the Legislature to continue a technology grants program begun in FY 1999. Grants of \$7,500 are awarded to high schools to help purchase computers and related technology in order to participate in the Agriculture Education Technology Network, a nationwide organization that promotes agricultural education.

Expanded Johne's  
Disease Control  
Program

\$0	\$75	\$75	—	D-22
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The Johne's disease control program is a joint effort by the department and the Rutgers' Agricultural Experiment Station to control this debilitating gastrointestinal bacterial disease in cows. This is a voluntary, fee-based program that encourages dairy farmers to have their cows tested for the disease.

**Significant Changes/New Programs (\$000) (Cont'd)**

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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It is estimated that farmers with infected herds lose \$200 per head every year. The recommended appropriation would enable the testing program to be offered free to farmers and allow the department to hire one lab technician to handle the expected increase in testing.

<b>Agricultural Right-to-Farm Program</b>	\$200	\$100	(\$100)	(50.0)%	D-22
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The proposed appropriation restores this line item to the funding level originally included in the FY 2000 Budget Recommendation, which was increased to its current level by the Legislature. These funds support the State Agriculture Development Committee in implementing and enforcing the provisions of the State "Right-to Farm Act."

<b>Open Space Administrative Costs</b>	\$350 \$325 S	\$1,150	\$475	70.4%	D-22
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These funds support the State Agriculture Development Committee's (SADC) administration of the farmland preservation portion of the Open Space Preservation program. Since the constitutional dedication of State funds for this program prohibits the use of these funds for administrative purposes, State support was initiated in FY 2000. As displayed above, the \$325,000 supplemental appropriation was authorized by budget language contained in the General Provisions section of the current Appropriations Act, while the \$350,000 sum was included in the Act by the Legislature.

In addition to General Fund support, the SADC currently receives \$1.37 million in off-budget funding from past bond acts to manage the remaining bond-supported farmland preservation projects. The recommended appropriation from this source in FY 2001 is \$440,000 (see **All Other Funds** below). Hence, the SADC's total recommended budget for farmland preservation management is \$1.6 million, a decrease of \$455,000 from the current, combined funding level. The recommended increase in DSS funding, therefore, serves to partially offset the decreased dependence on bond funds as these balances become depleted.

**GRANTS-IN-AID**

<b>Aquaculture Technology Transfer Center, Cumberland Community College</b>	\$125	\$0	(\$125)	(100.0)%	D-23
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This grant was included by the Legislature in the current budget to continue the activities supported by a similar grant provided in the FY 1999 budget. These funds were used by the college to support start-up costs for this facility, which was established to provide education, training and extension services in support of aquaculture development.

**Significant Changes/New Programs (\$000) (Cont'd)**

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Garden State Agricultural Re- Engineering Initiative, Salem County	\$50	\$0	(\$50)	(100.0)%	D-23

This grant was included by the Legislature in the current budget to provide additional support to the Salem County extension service to better serve the dairy farmers of that region. This service is similar to the N.J. Farm Bureau's Dairy Self-Help Program, which assists dairy farmers in improving milk quality and production.

Agriculture Fairs Association of N.J.	\$50	\$0	(\$50)	(100.0)%	D-23
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This grant was included by the Legislature in the current budget to support the association in promoting and financially supporting agriculture fairs throughout the State.

Deer Management	\$200 S	\$0	(\$200)	(100.0)%	D-23
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This supplemental appropriation was authorized by P.L. 1999, c.363 to provide a research grant to the Rutgers' Agricultural Experiment Station Center for Wildlife Damage Control. This study will be conducted to explore methods to help alleviate the growing problem of crop and environmental damage caused by the State's deer herds.

Emergency Drought Assistance Program	\$20,000 S	\$0	(\$20,000)	(100.0)%	D-23
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This supplemental appropriation was authorized by the "Emergency Disaster Relief Act of 1999" (P.L. 1999, c.262) to address the damage caused Statewide by the severe drought in the summer of 1999. The act established the 1999 Drought Relief Dedicated Account in the department to provide grants, zero or low interest loans, or other forms of financial assistance to farmers who had experienced agricultural damage or loss due to the drought.

Pursuant to the legislation, the department has developed a grant program open to all eligible New Jersey farmers. Eligibility is based on a 25% loss of one or more crops, solely as a result of the 1999 drought. This effort also includes a separate Hay Rebate Program to reimburse dairy and livestock producers who normally grow hay and forage crops to feed their own animals but whose crop yields were reduced by the drought.

**Significant Changes/New Programs (\$000) (Cont'd)**

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<b>Soil and Water Conservation Grants</b>	<b>\$600 S</b>	<b>\$1,600</b>	<b>\$1,000</b>	<b>166.7%</b>	<b>D-23</b>

The FY 2000 supplemental appropriation was authorized by P.L. 1999, c.371 to provide new funding for the soil and water conservation grant program, which has traditionally been available to farmers participating in the State's farmland preservation program. The bond acts that had supported farmland preservation normally set aside approximately \$500,000 annually for these matching grants, which were provided as an incentive to farmers who participated in both the 8-year and permanent development easement portions of the program. Since the "Garden State Preservation Trust Fund Act," the enabling legislation for the Open Space Preservation initiative, did not support these grants, new funding was established through P.L. 1999, c.371 and the recommended appropriation.

Of the current appropriation, P.L. 1999, c.371 allocates \$560,000 for grants and \$40,000 for reimbursement to local soil conservation districts for costs incurred in reviewing and approving soil and water conservation projects. The recommended appropriation raises the funding level of the grant program to reflect the anticipated increase in program activity resulting from the State's long-term commitment to farmland preservation under the open space initiative. However, as explained in the **Language Provisions** section of this report, new budget language is recommended that would restrict the grant program to farmers who only have permanent deed restrictions on their land.

**STATE AID**

<b>School Breakfast Program</b>	<b>\$1,738</b>	<b>\$1,938</b>	<b>\$200</b>	<b>11.5%</b>	<b>D-23</b>
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This appropriation was initiated in the current budget to supplement the federal School Breakfast program by subsidizing the costs incurred by schools in providing this service. The subsidy, which provides 10 cents of the cost of each breakfast, is intended to increase the number of breakfasts served Statewide by five percent. The recommended increase would enable this subsidy to be offered to more participating schools. Federal program support, which is based on the number of breakfasts served, is estimated at \$21.2 million for FY 2000 and \$23.1 million for FY 2001.

**CAPITAL CONSTRUCTION****Division of Plant**

**Industry: Renovations  
to Phillip Alampi**

<b>Beneficial Insect Laboratory</b>	<b>\$153</b>	<b>\$150</b>	<b>(\$3)</b>	<b>(2.0)%</b>	<b>D-24</b>
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The current appropriation is for the construction of an extension to an existing accessory building at the laboratory. The recommended appropriation is for the replacement of the boiler and cooling towers at the laboratory.

## Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Division of Marketing: Facility Improvements at Stone Tavern	\$1,000	\$0	(\$1,000)	(100.0)%	D-24

The current appropriation is for the construction of a covered work area at the N.J. Horse Park in Upper Freehold, Monmouth county. This facility is designed to provide a covered staging area where horse show participants can prepare for shows.

Division of Administra- tion: Data Processing- Network Upgrade	\$0	\$450	\$450	—	D-24
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The recommended appropriation is for the replacement of data network wiring on three floors of the Health and Agriculture Building in Trenton. This upgrade is designed to significantly increase the processing speed of database applications and to support newer information technologies.

**FEDERAL FUNDS**

Farmland Preservation	\$0	\$1,050	\$1,050	—	D-24
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The recommended amount is a federal Farmland Protection Program grant awarded to the State Agriculture Development Committee by the U.S. Department of Agriculture, Natural Resources Conservation Service, to support the acquisition of permanent conservation easements on farms throughout the State. These funds will be used in conjunction with the State's farmland preservation program.

**ALL OTHER FUNDS**

Farmland Preservation	\$1,495	\$534	(\$961)	(64.3)%	D-24
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This line item contains off-budget monies from the 1992 and 1995 Farmland Preservation Bond Act Funds that are provided to the State Agriculture Development Committee (SADC) to manage the State's farmland preservation program and related activities. Of the recommended amount, \$440,000 supports the administration of bond-supported farmland preservation projects, a decrease of \$930,000 from the current funding level. This reduction reflects declining balances from the bond accounts and, as previously cited, is being partially offset by a recommended increase in General Fund support.

The balance of the recommended amount, \$94,000, is for the SADC administration of the Transfer of Development Rights (TDR) Bank. This sum is \$31,000 lower than the current budget for this function. The TDR Bank was created by the Open Space Preservation Act of 1989 to reimburse municipalities that have adopted viable development transfer ordinances.

Language Provisions

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In addition to the amount hereinabove for the Conservation Cost Share program, an amount not less than \$850,000 shall be transferred, pursuant to an agreement between the Department of Environmental Protection and the Department of Agriculture, from the Department of Environmental Protection's Water Resources Monitoring and Planning - Constitutional Dedication account to support non-point source pollution control programs in the Department of Agriculture, subject to the approval of the Director of the Division of Budget and Accounting. The unexpended balance of this program as of June 30, 1999 is appropriated for the same purpose.

Same language, except the following sentence is included after "..... Budget and Accounting." Further, such sums as may be necessary shall be transferred pursuant to an agreement between the Department of Environmental Protection and the Department of Agriculture, from the Department of Environmental Protection's Water Resources Monitoring and Planning - Constitutional Dedication account to support non-point source pollution control programs in the Department of Agriculture, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

This language refers to the Grants-In-Aid account that supports Conservation Cost Share grants, a program that provides matching grants to farmers address non-point source pollution problems. The recommended provision allows the two departments to negotiate the transfer of more funding from this source, above and beyond the \$850,000 cited in the language, if the need arises. The amended language also implies that such additional funding could be used for non-point source pollution control projects that are not connected with the Conservation Cost Share program.



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No comparable language.

p. D-25

Notwithstanding the provisions of any other law to the contrary, eligibility for funding from the amount hereinabove for Soil and Water Conservation grants shall be limited to lands which have been preserved with permanent deed restrictions.

Explanation

This language refers to the Grants-In-Aid account that supports the soil and water conservation grants program, which had traditionally been supported by Farmland Preservation bond funds but began receiving General Fund support in FY 2000. Under the bond-funded program, farmers with permanent or 8-year deed restrictions under the Farmland Preservation Program would be eligible to receive these matching grants. The recommended language would limit grant recipients only to those participants whose farms are preserved with permanent deed restrictions.

## Language Provisions (Cont'd)

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No comparable language.

The unexpended balance as of June 30, 2000 in the Soil and Water Conservation Grant account is appropriated for the same purpose.

Explanation

The recommended language authorizes any unexpended monies remaining in the cited Grants-In-Aid account at the end of FY 2000 to be reappropriated or carried forward in the same account in FY 2001. This account was established with a supplemental appropriation of \$600,000 on January 14, 2000 pursuant to the enactment of P.L. 1999, c. 371. As of this writing, none of these funds have been spent.

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No comparable language.

The unexpended balance as of June 30, 2000 in the School Breakfast account is appropriated for the same purpose.

Explanation

As explained above, the recommended language reappropriates unexpended monies in this State Aid account to the same account in FY 2001. This account was established in the current Appropriations Act with an appropriation of \$1,738,000; its funding level is recommended at \$1,938,000 in FY 2001.

## Discussion Points

1. The Budget Recommendation would amend existing budget language concerning the transfer of dedicated Corporation Business Tax (CBT) revenues from the Department of Environmental Protection (DEP) Water Resources Monitoring and Planning account to the Department of Agriculture (DOA) Conservation Cost Share Program (CCSP) account. The current language, which provides up to \$850,000 from the CBT account to augment CCSP funding of non-point source pollution projects on farmlands, would be amended by including a provision authorizing additional sums "as may be necessary" from this source to be transferred to the DOA for the same purpose.

**! Question:** Please explain the nature of the recommended language amendment and how it will be applied. Please describe how the current and previous transfer amounts from the CBT account have been utilized by the DOA. What is the status of the negotiations between the DOA and the DEP regarding the transfer of FY 1999 CBT funding for this purpose?

2. An appropriation of \$1.738 million to supplement the federal School Breakfast program was initiated in the current budget. This State subsidy was provided in FY 2000 to increase the number of breakfasts served Statewide by five percent. The recommended budget proposes to increase this line item by \$200,000. Federal support for this program, which is based on the number of participating schools and students, is currently estimated at \$21.2 million for FY 2000 and \$23.1 million for FY 2001.

**! Question:** Please describe the impact of the State subsidy thus far on student participation levels. Has the five percent goal been met? What is the anticipated goal or impact of the recommended funding increase? Is the higher federal contribution level estimated for FY 2001 a direct result of the recommended increase in State funding?

3. New Special Purpose appropriations of \$100,000 for the regulatory Plant Pest Detection Program, and \$75,000 for the voluntary Johne's Disease Control Program for dairy farmers are recommended to expand these functions, which are currently funded from regular operating accounts.

**! Question:** Please describe the current and proposed functions, budgets, and staff levels of these two programs. What are the anticipated impacts of expanding these programs? Are the recommended funding increases expected to temporarily or permanently expand the scope of these programs?

4. The recommended budget does not include the following items that were added by the Legislature in the current budget: Agriculture Education Technology Network (\$150,000); Sussex Soil Conservation District (\$60,000); Hudson-Essex-Passaic Soil Conservation District (\$60,000); Aquaculture Technology Transfer Center, Cumberland County College (\$125,000); Garden State Agricultural Re-Engineering Initiative (\$50,000); and Agricultural Fairs Association of N.J. (\$50,000).

**! Question:** Briefly describe these programs and the disposition of the related appropriations. For example, do the funds expand existing programs or are they used to provide new or different services? Which of these activities, if any, receive matching federal, local or private funding and in what amounts?

## Discussion Points (Cont'd)

5. The Budget Recommendation includes the second \$98 million appropriation to the Garden State Preservation Trust Fund for open space preservation. When combined with revenues from the projected sale of bonds, nearly \$200 million is expected to be available for these programs in FY 2001. Of this amount, 40 percent is designated for farmland preservation. The State Agriculture Development Committee's (SADC) is given both State funds and revenues from past bond acts for farmland preservation management. Its budget is now \$2.05 million and, despite a recommended increase of \$475,000 in State funding, its total recommended budget is \$1.60 million.

**!** *Question:* Please provide a brief status report on the activity level and programmatic changes, if any, in the Farmland Preservation program over the last year. Please indicate the effects, if any, of the \$455,000 reduction in the SADC's recommended budget. What changes in SADC staffing levels have taken place during FY 2000 and what, if any, changes are expected in FY 2001 or thereafter? As bond balances decline, will greater State support be needed for the SADC budget beyond FY 2001?

6. The "Emergency Disaster Relief Act of 1999" (P.L. 1999, c.262) allocated \$20 million for grants to farmers who suffered at least a 25 percent crop loss due to the drought of 1999. Recent newspaper articles have reported that only about 800 of the 2,000 farmers who were expected to apply for this aid have actually applied as of February 25, 2000.

**!** *Question:* What accounts for the applicant turnout being lower than expected for this program? Please briefly describe the eligibility requirements and application process of the program, including grant amounts and approved uses. What are the program's estimated administrative costs in FY 2000 and FY 2001?

7. The Planning Incentive Grant program was established by law (P.L.1999, c.180) to permit municipalities or counties to submit applications for farmland preservation assistance for several, "reasonably contiguous" farms at one time, with an option to plan easement purchases over a multi-year period. The traditional method of applying for farmland preservation assistance is for individual landowners to submit single applications, which can take up to two years to complete.

**!** *Question:* Please describe the implementation and management of this program and its current activity status. How does this program affect or dovetail with the other, more traditional features of the farmland preservation program? What are the program and administrative funding levels of this activity in FY 2000 and FY 2001?

8. The enactment of P.L.1999, c.371 provided the State Agriculture Development Committee with \$560,000 in new funding for soil and water conservation grants for participants in the farmland preservation program. It also provided \$40,000 to reimburse soil conservation districts for costs incurred in reviewing soil and water conservation projects. The recommended budget continues this appropriation at \$1.6 million in FY 2001. These matching grants, originally provided under past Open Space bond acts, were awarded mostly to farmers in the 8-year development easement program rather than those in the permanent easement program. Recommended budget language would limit new grant recipients to those who are in the permanent easement program.

**!** *Question:* Please explain the rationale for limiting grant recipients to those who will enter into permanent easement restrictions? Will this program be managed differently now that it is State-funded and, if so, how and at what cost? What portion of the recommended appropriation will be allocated to the soil conservation districts?

## Background Paper: Agricultural Education Programs

In addition to the Department of Agriculture's (DOA) regulatory, farmland preservation and promotional responsibilities, it also provides opportunities to young people to enter and succeed in the agriculture industry. To this end, the department is involved with various agricultural education programs that not only raise student awareness of this industry, but also provide resources for students to pursue careers in agriculture. This paper will outline and review the status of agricultural education in New Jersey and the department's budgetary and programmatic efforts in this area.

### General Background

Agricultural education, as promoted by the department and as currently practiced in New Jersey, generally consists of three components that are intended to provide a well-rounded, practical approach to learning. First, students receive classroom and laboratory instruction in a secondary school that offers an agricultural curriculum relating to such topics as plant science, animal science, agribusiness, and natural resources. Second, students apply classroom knowledge and skills gained in the classroom to a work-based, supervised agricultural experience program. Last, the Future Farmers of America (FFA) connects the classroom to the workplace by encouraging students to participate in leadership, personal, and career development events, as well as providing incentives such as awards and scholarships to its members.

### State Budget Support for Agricultural Education

The Division of Rural Resources manages the agricultural education functions of the department. The division's annual budget contains two Direct State Services accounts for agricultural education. First, a Special Purpose line item entitled "Future Farmers' Youth Development" is displayed on page D-22 of the Budget Recommendation with a current and recommended appropriation of \$45,000. Until FY 1996, this sum was annually transferred to the Department of Education (DOE) to help support its efforts in promoting the FFA program in the public schools. In FY 1997, under a Memorandum of Agreement between the two departments, this program was administratively moved to the DOA, thereby making New Jersey the only state in the nation where its agriculture department has jurisdiction over agricultural education. It was thought that this relationship would enable the agricultural education program to establish stronger connections with industry experts.

This program also receives approximately \$70,000 annually in dedicated revenues from money raised by secondary school students who participate in the FFA. These funds, which are included under **All Other Funds** in the "Resource Development Services" program classification on page D-24 of the Budget Recommendation, are used to finance various activities and projects associated with this organization.

The second account for educational purposes is a Special Purpose line item entitled "Agriculture Education Technology Network," which currently receives \$150,000 but is not recommended for funding in FY 2001. This amount was added to the department's budget by the Legislature in FY 1999 and again in FY 2000 to provide grants of up to \$7,500 to selected high schools that participate in the Agricultural Education Technology Network, a nationwide organization that promotes agricultural education. The grants are used toward the purchase of computer equipment necessary for network participation.

## Background Paper: Agricultural Education Programs (Cont'd)

### The Future Farmers of America

The New Jersey FFA Association is part of the National FFA and consists of local chapters of students enrolled in agricultural education classes in high schools and vocational-technical schools. In 1999, FFA membership in New Jersey totaled 2,092 members in 40 school chapters.

The FFA helps students develop leadership skills through various activities, such as leadership training conferences, holding local offices, organizing community service projects, or conducting fundraisers. The FFA offers opportunities for students to further develop skills learned in class and allows students to gain recognition for their achievements. Through team and individual competitions, students compare their skills in agricultural areas against students from other chapters throughout the state.

### Agricultural Education in New Jersey Schools

Statewide, enrollment in 1998-99 in agricultural education programs in secondary schools totaled 2,623 students. Existing agricultural education curricula are generally designed to prepare young people for careers in the production, processing, marketing, and distribution of agricultural products. More specific courses are also offered in some school districts that relate to careers in plant and animal technology, agro-economics, mechanics and engineering, and natural resources management. According to the department, 51 New Jersey schools have approved agricultural education programs. Areas of instruction include horticulture, landscaping, environmental studies, veterinary assistant, agricultural business management, animal science, greenhouse operations, and agricultural biotechnology.

### Reinventing Agricultural Education for the Year 2020

In order to strengthen school-based agricultural education in the 21st century, a three-year project entitled "Reinventing Agricultural Education for the Year 2020" was initiated in 1996 by the National Council for Agricultural Education through a grant from the W.K. Kellogg Foundation. State involvement in this initiative was extensive. Nearly 50 agriculture education teachers, over 25 staff members from the DOA and the DOE, and 1,300 stakeholders organized into county consortia from 14 counties participated in this effort, the results of which are manifested in a report issued in January, 2000. The report developed the following goals and strategic plans:

- ! By 2005, every person in New Jersey will have the opportunity and resources to increase their knowledge and skills concerning food, agriculture, natural resources and the use of production systems for human existence and improved quality of life.
- ! By 2006, regional centers for excellence in food systems, agricultural production and marketing, natural resource management and agricultural science education will be established.
- ! By 2008, resources for education in food, agriculture and natural resources will be shared between states, regions and school districts.
- ! By 1999, the Department of Agriculture, in cooperation with the Department of Education, will establish an office to facilitate and promote agricultural education/FFA initiatives and programs throughout New Jersey.

**Background Paper: Agricultural Education Programs (Cont'd)**

- ! New Jersey's system of learning about food, agriculture, and natural resource management will be recognized nationally and internationally for its effectiveness and visionary delivery systems.
  
- ! New Jersey FFA will be recognized nationally as a model state FFA association.
  
- ! By 2015, agricultural education will help New Jersey be recognized as a model in natural resource management using acceptable management practices for air and water quality, soil conservation, wildlife management and recreation.
  
- ! There will be a direct linkage between all secondary and post secondary education programs in agriculture by 2006.

## OFFICE OF LEGISLATIVE SERVICES

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Individuals wishing information and committee schedules on the FY 2001 budget are encouraged to contact:

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