

Discussion Points

1. The Governor's budget incorporates an estimated \$5.183 billion over two fiscal years in federal stimulus funding provided by the American Recovery and Reinvestment Act (ARRA) of 2009. According to a table on page 42 of the Governor's abbreviated budget, the State will use \$3.074 billion (\$854 million in FY 2009 and \$2.220 billion in FY 2010) from ARRA for budget relief. In addition to these funds which will offset revenue shortfalls, \$2.109 billion will be used for new or expanded programs or initiatives. The ARRA allocates funds to states both by formula and by competitive awards. Most executive departments anticipate stimulus funding in FY 2009, FY 2010 or both.

- **Question:** Please itemize the federal stimulus funding, if any, other than portions of the \$3.074 billion allocated for budget relief, included in the department's budget, by fiscal year and federal program, setting forth program goals and eligible uses together with the amount for state administrative expenses and the amount for allocation to local public and private recipients, respectively. Please identify intended and actual recipients and the process by which the department determines recipients and funding awards. Are there ARRA funds that flow through your department for which the State has no discretion? Please also set forth the timetable for obtaining federal approval of funding, obligation and allocation of funding to recipients, and use by recipients. Could any of this funding be used to offset other State appropriations, and if so, what programs and in what amount? What additional positions, if any, have been and will be hired with these funds? If this money is being used for new or expanded activities, will the new or expanded activities be continued in FY 2011? If so, how will they be funded?
- **Question:** In addition to funding incorporated in the FY 2010 budget, what specific competitive grant opportunities has the department identified that it is eligible to pursue, has applied for, and has been awarded, respectively?

Response:

To date, the Department has received \$4.576 million in additional funding under the American Recovery and Reinvestment Act of 2009. All of these monies are allocated to the Division of Food and Nutrition under its Food Distribution programs.

Additionally, the Department anticipates additional funding directly to the agricultural constituency in the areas of aquaculture and dam site repair.

In general, the Department's federal stimulus funding falls into four main categories, as follows:

- *Funds to purchase food commodity items in the amount of \$2,172,264 for The Emergency Food Assistance Program (TEFAP), plus \$544,427 in administrative funding in support of additional warehousing charges due to increased volume of commodities. Cannot be used to offset other state appropriations.*
- *Funds in the amount of \$1,859,763 to be awarded through a competitive grant process to school districts to purchase food-service equipment, with priority given to districts with 50 percent or more students receiving free or reduced-price meals. Cannot be used to offset other state appropriations.*

Discussion Points (Cont'd)

- *The opportunity for funds (amount unknown at this time) to compensate aquaculture finfish producers for high costs of feed in 2008. NJDA has identified nine (9) producers who may be eligible for these funds and will follow-up by providing that information to the USDA Farm Service Agency by the May 1st deadline to determine if our producers will, indeed, receive funds.*
- *The opportunity for funds (amount unknown at this time) for watershed rehabilitation, including the repair of aging dams, funded by a \$50 million project in the ARRA that will be administered by the USDA's Natural Resources Conservation Service (NRCS). One project in Mercer County has already been identified as being potentially eligible for this program.*

No additional positions will be hired with these funds.

In addition to the funding incorporated in the FY 2010 budget, the Department continues to work with our federal counterparts at the US Department of Agriculture for grants to identify, mitigate and control invasive species of plant pests or animal diseases that present a determinant to our agricultural production in the State and their resultant effects on commerce. These grants are announced on a routine basis and the Department, through its veterinary and laboratory staffs, pursue most opportunities as they arise. With a reduction of almost 18% of our workforce since July, 2008, some opportunities may be missed in order to continue the normal and necessary workflow. The Department does not have a Grants Office or a full time grants writer in its employ.