BUDGET QUESTIONS FOR ALL DEPARTMENTS AND UNITS

1. For each line item reduction in the department’s or unit’s budget, specify the change, if any, in the nature, breadth or level of service or benefit that will be provided and identify and quantify the population that may be affected.

NJDA Response: The following programs have been impacted in the FY11 Governor’s budget:

School Breakfast Program: Eliminate $3.0 M State Aid funding.

Impact: State funding currently set at $3 million for FY 2010 equates to an additional $.10 cents being added on top of the federal reimbursement rates for every free, reduced or paid rate breakfast served. Currently the average daily participation in this Program is 167,689 in 1,813 school buildings. Participating schools will continue to receive federal reimbursement to operate the National School Breakfast Program equating to $1.40 for every free breakfast served, $1.10 for every reduced price breakfast served and $.25 cents for every paid rate breakfast served at FY 2010 reimbursement levels. Significant increases to the federal reimbursement rates for FY 2011 have been proposed by both the Obama administration and various members of Congress including Senator Blanche Lincoln’s Healthy, Hunger-Free Kids Act of 2010 that adds $4.5 billion. Based on current federal reimbursement rates, New Jersey schools will receive in excess of $42 million to support the operational costs associated with the Program in FY 2011. Schools will also adjust the price charged for the paid rate meal to compensate if necessary.

School Lunch Program: Reduce program by $2.446 M State Aid funding.

Impact: The state match for FY 2011 will be adjusted from $8,059,000 to $5,613,000. This budget proposal equates to an adjustment of the state reimbursement rate per meal to the free and reduced price categories for lunch from $.10 to $.05. State reimbursement rate for the paid price category remains constant at $.04. This will impact all 2,363 public and charter school buildings participating in the Program. As noted above, federal reimbursement rates for FY 2011 have not been announced, but significant increases to the per meal reimbursement rates are anticipated. New Jersey anticipates receiving in excess of $170 million in federal funding to support the continued operation of the National
School Lunch Program feeding 675,000 school children every day. If necessary, schools will adjust the meal price for the paid rate lunch to make up the difference.

**School Lunch Program – Non Public School/Institution Aid:** Elimination of $439 K State Aid funding.

**Impact:** Elimination of appropriation of $439,000 in State aid to the non-public private schools participating in the National School Lunch Program would impact 200 participating schools.

**NOTE:** ALL PROGRAMS WILL CONTINUE TO RECEIVE FULL FEDERAL REIMBURSEMENT FOR BOTH THE SCHOOL BREAKFAST AND SCHOOL LUNCH PROGRAMS.

**Payments in Lieu of Taxes:** Reduce program by $15K in State Aid funding

**Impact:** Funds not necessary in FY 11 as the inventory of farms held for auction is reduced.

**State Board of Agriculture:** Eliminate $18K in DSS funding

**Impact:** Funds utilized to offset the expenses of the State Board, including reimbursement of one support position paid by federal funding. State Board will operate without reimbursement in FY11 and Department will reimburse federal account from DSS salary budget line.

**AA/EEO Program:** Eliminate $28K in DSS funding

**Impact:** The AA/EEO function will continue. Savings will be absorbed through Departmental salary accounts.

**Operational Accounts:** Reduction of $15K in general administrative expenses Department – wide.

**Impact:** Reduction in material, supplies and general administrative expenses.

2. For each line item reduction in the department’s or unit’s budget, please indicate the number of positions (budgeted, funded and filled or unfilled) that will be eliminated and the number of individuals whose employment will be ended. If appropriate distinguish between staffing actions that may occur before and after January 1, 2011.

**NJDA Response:** No positions have been impacted with the proposed budget cuts to the Department.
3. Please identify any reductions in the department’s or unit’s budget that constitute one-time savings that are not likely to recur in Fiscal Year 2012.

**NJDA Response:** The Department has not included any one time savings requests as part of the planned budgetary reduction.

4. Please identify each Fiscal Year 2010 mid-year reduction that is recommended for continuation in Fiscal Year 2011.

**NJDA Response:** The Department has not included any mid reductions that would be restored or continued into the FY 2011 budget.

5. Are any of the appropriations recommended for Fiscal Year 2011 required to compensate for the effects of Fiscal Year 2010 reductions? If so, please identify and explain.

**NJDA Response:** No.

6. Please list any anticipated increase in fees, fares or co-payments that are reflected in the FY 2011 budget recommendation, including the amount of revenue or cost reduction, and the intended effective date.

**NJDA Response:** The Department does not project any increase in fees, fares or co-payments to supplement the projected budgetary cuts to the Department. Most of the fees that the Department charges are competitive in nature to surrounding states.

7. If additional revenues were to become available during the budget process, which one or two reductions proposed for the department or unit should be top candidates for restoration? Please justify your selections.

**NJDA Response:** The Governor’s proposed Fiscal year 2011 budget represents the culmination of many tough choices that had to be made in order to balance spending and revenues for next year. The funding proposed for the Department of Agriculture, while reduced, will allow it to meet its core missions and provide vital services to residents and businesses in the State.

In the event that additional revenues become available during the budget process, the Department would welcome the opportunity to work closely with the Legislature to restore funding for important programs. The Department believes that any such restorations should be considered in the context of programs and spending needs throughout the State budget, not only those administered by the Department. The Department looks forward to consulting with the Legislature to ensure that only the programs of greatest value are restored.

8. Please identify proposed budget reductions which require Federal approvals, waivers or similar actions, and the timetable for seeking and obtaining approvals in order to
achieve the projected savings. Please indicate whether approvals/waivers have been previously sought and not obtained, and explain why approvals should be expected in this case. If federal approval is not received, what alternative actions may have to be taken to achieve savings of comparable value? Please also identify proposed budget reductions that may reduce the receipt of federal funds, and the estimated loss of federal funds that would result from such reductions.

**NJDA Response:** The Department does not foresee any federal approvals, waivers or similar actions necessary to achieve the projected savings recommended in the FY11 budget.

9. Please describe how the department or unit implemented mandatory workforce furloughs in FY 2010, identifying the amount saved and the proportion of the workforce exempt from furloughs, and detailing the impact on individuals or firms served by or regulated by the department.

**NJDA Response:** All employees, regardless of funding source or position, were furloughed during the past year as required. This includes the Executive Management team, including the Cabinet position. Through cross utilization of staff, we have been able to continue to service the agricultural community, though our turnaround time to respond to requests is not as expeditious as it once was.

10. The Budget in Brief references savings to be achieved both through privatization and “insourcing.” Please identify savings in your budget associated with either of these initiatives. Please provide examples of successes or failures of such initiatives in prior years.

**NJDA Response:** The Department has not identified any opportunities for privatization or “insourcing”.