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 an 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.

2. Over the past several years, the overall staffing level in the executive branch has been reduced through restrictions on hiring and an early retirement program. The FY 2010 budget proposal envisions continuation of the hiring restrictions coupled with possible furloughs or further reductions in positions.

- *Question:* How has the reduction in staffing affected your department? What strategies has the department employed to deal with staff reductions? What projects, work products or functions has the department discontinued or deferred because of staffing levels? Will the department be able to accommodate furloughs in FY 2010 without increasing spending for overtime?

Response:

The Department of Agriculture has experienced unprecedented reductions in staffing over the past fiscal years. When combined with the effects of the state's early retirement incentive program, imposed hiring freeze and normal attrition, the Department has sustained an 18 percent reduction in its workforce since FY 2007, when its total workforce reached 268 employees, to today when we stand at 223 employees in the Department. Of these employees, 100 are funded through direct state service appropriation, while the remaining 123 are funded through federal and non-state funding sources.

In order to accommodate the growing demands upon our human resources, the Department has cross utilized employees amongst its Divisions, for example, it has utilized a Research

Discussion Points (Cont'd)

Scientist in the Division of Plant Industry to also conduct the work of the State Chemist housed in the Division of Markets and Development to create salary savings of approximately $85,000. The Department has also prioritized its programs into five areas, including:

1. *Surveillance and Regulatory: including inspections of plant and animals for the detection of diseases and the safety of the food source, third party audits, review of food distribution programs for compliance to regulations, inspections of fertilizer and feed to determine composition and licensing of milk and organic products.*
2. *Food Distribution: including the commodity distribution program, Governor's Hunger Initiative Program and the distribution of school breakfast and lunch programs as well as summer camps and adult day care food distribution.*
3. *Marketing, Research and Education: including the branding of agricultural products, such as Jersey Fresh, promotion of our fruit, vegetable, dairy and equine industries; research into invasive species of insects and controlling same without the introduction of chemicals, and educational programs of the Department, including the FFA.*
4. *Preservation and Conservation: including the farmland preservation programs, stewardship of the land, soil and water conservation programs.*
5. *Administrative and Outreach: including the general oversight and management of the Department.*

The Department has redeployed its workforce into the highest priority areas to the degree that our workforce had the necessary skill sets and federal or non-state funding was available. The Department reduced its administrative team, in some offices, by 45 percent, decentralized its operations and reutilized its human resource staff to meet the demands of reduced state funding while sustaining our highest priority areas.

While the Department has been able to manage in the face of these staff reductions, it has been difficult and only achievable through the use of cross-training and asking certain employees to take on multiple duties beyond what they were hired for. This creates severe stress on our resources, and can lead to multiple functions being unable to be accomplished if one employee who has taken on multiple jobs happens to be out sick or on vacation. This kind of efficiency found in creatively making sure work is accomplished without backfilling positions is, however, preferable to implementing layoffs.

We continue to produce our services, however, we have lost significant capacity in their efficient delivery.

The Department of Agriculture has determined that we will be able to conduct a furlough program without increasing spending for overtime. Some of the functions we conduct are deemed essential and, for those functions, an alternate furlough day for those employees will be selected. The Department does not generally incur overtime costs, except in those areas which are covered by federal mandate and reimbursed from federal sources, such as egg grading.

3. The FY 2009 appropriations act anticipated that $25 million in procurement savings would be achieved by executive departments. A chart on page 75 of the *Budget in Brief* categorizes those savings and indicates they will continue into FY 2010. The FY 2010 budget includes another $25 million from procurement savings (*Budget in Brief*, Appendix I, page 8).

Discussion Points (Cont'd)

- *Question:* Please indicate the FY 2009 amount of procurement savings achieved by your department, by the categories set forth in the referenced table, and the sources of those savings by department program. What is the annual amount of these savings as continued into FY 2010? How have these reductions affected the department? What projects, work products or functions has the department discontinued or deferred in order to achieve these savings?

Response:

OMB will provide a statewide response to this question.

4. On January 2 and February 17, 2009, Governor Corzine announced two rounds of budget reductions to keep the State Budget balanced in the face of declining State revenues through the end of FY 2009. As a result, the department's original FY 2009 budget was reduced by $3.95 million, of which $3.3 million was derived from adjusted spending projections in the School Breakfast Program's State Aid account.

- *Question:* How will the School Breakfast Program and its recipients be affected by this reduction? What impact will the reduction have on federal matching funds or food stamps? Please describe the most significant changes in other program areas that are or will be affected by the two rounds of reductions. How will staffing, regulatory operations and fee revenues be affected by the reductions?

State funds appropriated for the School Breakfast Program have exceeded expenditures over the past few years because participation levels did not meet original projections. Therefore, the reduction of $3.3 million from the state appropriation for the FY 2009 School Breakfast Program eliminated underutilized funds that had accumulated over several prior years. The remaining balance of state funds appropriated for FY 2009 ($3 million) is sufficient to support current breakfast participation levels through the end of this school year - June 30, 2009. The FY 2009 federal funding for the School Breakfast Program is $ 39.8 million and is not affected by this reduction in the state School Breakfast Program appropriation funding level. The Division of Food and Nutrition believes that the FY 2010 state appropriation of $3 million for the School Breakfast Program will be sufficient to support projected participation levels for the next school year as based on data reported through by schools through January 2009.

New Jersey P.L. 2003, c.4 requires those schools with 20 % or more enrolled students eligible for free or reduced price meals benefits to provide the National School Breakfast Program to all enrolled within that school. This mandate had a two-year phase period with full implementation by September 2005. Current participation levels for school year 2008-2009 reflect a total 1,792 individual schools under the auspices of 473 local educational agencies participating in the School Breakfast Program. Under P.L. 2003, c.4, the majority of the schools captured by this mandate are from non-Abbott districts. If the state portion of the per meal rate is reduced, this will be seen as a further reduction in state aid to the suburban districts and another unfunded state mandate. This action would cause this initiative to be determined an unfunded state mandate and have negative policy implications for the Governor's office and contradicts the Division's efforts to grow the Program.

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Therefore, the Department will not reduce the $ .10 per meal state reimbursement rate for the School Breakfast Program. Any further reduction in the per meal state reimbursement rate would preclude districts from implementing and/or expanding the National School Breakfast Program; thus keeping New Jersey ranked in the bottom ten states nationwide for participation in the federal School Breakfast Program. New Jersey is currently ranked 44th in the nation based on national data compiled by the Food Research and Action Center School -Breakfast Scorecard for school year 2006-2007.

Low participation in the National School Breakfast Program has real consequences both for the children who are not getting to eat a healthy meal, and for state education budgets. For each day a low-income child was not being served breakfast in 2006-2007, states lost $1.31 in federal funding for every child who would have received a free breakfast, and $1.01 for every child who would have received a reduced-price breakfast. For school year 2006-2007 New Jersey did not reach an estimated 78,823 eligible students losing $16,941,101 in federal funding.

5. A new Public Health, Environmental and Agricultural Laboratory is currently being constructed on the State Police Division Headquarters grounds in West Trenton. This multi-agency facility is being financed and developed through the NJ Building Authority, with completion expected in April 2010. The lab is being designed to replace the existing Department of Health and Senior Services and Department of Agriculture labs and provide the Department of Environmental Protection with testing services currently contracted out to private labs. The Commission on Capital Budgeting and Planning approved a request of $16.1 million in FY 2010 for lab equipment, which was subsequently reduced to $11 million in the Budget Recommendation.

- *Question:* Please explain how the new lab will incorporate the department's current lab functions, both functionally and administratively. Would the Beneficial Insect Rearing Laboratory be affected and, if so, how? What benefits does the department expect to gain from the new lab? What anticipated costs, if any, are associated with moving to the new lab or dismantling the old labs, and how will they be met by the department? What impact, if any, will the reduced capital funding recommendation for the new lab have on the department?

Response:

The benefits expected include a fully functional laboratory facility, with more useable, flexible lab space that creates synergies among work units, and improves productivity through better flow of samples through the laboratory, updated modern equipment and functional growth chambers.

There is an entomology laboratory room designed within the NJPHEAL Laboratory for small scale rearing of insects (biological control candidate species) can take place for initial developmental studies in order to gain experience handling the insects prior to mass rearing. This would compliment and advance the work at the Beneficial Insect Rearing Laboratory without the risk of contaminating or comprising the laboratory colonies in mass production at the facility with insect viruses or other diseases. This space is also flexible so that other projects where non-hazardous containment and a highly controlled environment (temperature,

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lighting, and humidity) is required, can also be carried out if no insect development work is underway.

Reduced capital funding could impact lab equipment purchases.

The new building will house all the administrative and scientific/technical staff of the Division of Animal Health (DAH). The Laboratory is a key component to the mission of DAH , it provides information to determine the movement of animals.
The new laboratory offers space to grow testing capabilities to satisfy constituent's needs. The facilities are adequate to implement Quality Assurance (QA), provide full necropsy service and offers Biosafety level 3 space necessary to work with suspected select or zoonotic agents. Moreover it will allow us to pursue accreditation with the American Association of Veterinary Laboratory Diagnosticians (AAVLD); the accrediting body for animal diagnostic labs in US. Accreditation confers national and international credibility. Furthermore it is required for laboratories to continue membership with the National Animal Health Laboratory (NAHLN). Accreditation will allow DAH laboratory to continue to receive federal grants and will open up new grant opportunities. In addition we anticipate, increases in client submissions and hence revenues as a result of the accreditation process.

The joint funding for the NJPHEAL building project includes moving costs, estimated at $2.5M between the two agencies, Health and Agriculture, due to the scientific equipment which must be dismantled, moved, cleaned or stored. These monies have been budgeted in the Department of Health's FY10 appropriation. The Departments are utilizing surplus furniture to minimize costs and provide savings. Scientific equipment, however, is necessary to be purchased to provide up to date technology, some of which provides the ability to perform more less labor intensive tests and is necessary for our accreditation. This equipment is included as part of our capital request.

6. Although the proposed elimination of the department in FY 2009 was not carried out, its FY 2009 budget still suffered reductions of $700,000 in "Staff Vacancies and Attrition" and $525,000 in "Operational Efficiencies," according to the OMB's *FY 2009 Citizens' Guide to the Budget*. The *Budget in Brief* indicates an additional decrease of $209,000 in "management efficiencies" in the department's recommended budget.

- *Question:* Do these "efficiencies" include the procurement savings discussed in Question No.3 and, if so, to what extent? Please provide detail on the reductions cited above and their impacts on departmental operations.

Response:

The "efficiencies" do not include procurement savings discussed in Question No. 3. Rather, the $209,000 in management efficiencies include a reduction of $134,000 in the salary line of the Division of Markets budget which was originally used to fund the salary of the Executive Director of the Division of Food and Nutrition and provide operational costs to the Division as part of a state match to acquire federal funding for the program. In FY 2010, the Department will utilize funding from the central rent budget as the state match to acquire this federal

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funding for a net savings to the State. In addition, one position valued at $75,000 was transferred to federal resources to augment the services of that program for a total savings of $209,000.

7. Funding for the Promotion/Market Development account, which supports the Jersey Fresh advertising campaign, is recommended at $150,000, a decrease of $250,000 from the current funding level. In addition, no funding is recommended for the $50,000 Promotion/Market Development grants program, which provides grants to local governments and organizations for agriculturally-related events or activities

- *Question:* When do the present advertising contracts expire and how much money will be available for new contracts during FY 2010? What alternative means of promotion are being considered for the Jersey Fresh brand? Will commodity councils be asked to become more involved in promotion activities? If applicable, how does the recommended reduction affect the grading aspects of the Jersey Fresh program? Are any agricultural fairs or similar activities that have previously received promotion grants in danger of cancelling these events in FY 2010?

Response:

The Jersey Fresh program is both an advertising campaign and a method of ensuring food safety through its quality grading component.

The quality grading aspect of the Jersey Fresh program is central to the value of the program to New Jersey's agricultural industry. In fact, it is this grading element that sets Jersey Fresh apart from other state agricultural promotion programs. Jersey Fresh is not just a marketing slogan, it is, in essence, the "Good Housekeeping seal" and is valued by retailers because of the high quality it signals to customers The produce quality grading inspectors, who also conduct third-party food safety audits, are funded through the Jersey Fresh program. Most are seasonal employees who are specially trained in sophisticated food-safety issues, and the Department will be unable to rehire them for the season due to budget reductions. There will a reduction in on-farm quality control inspections and in staff resources available to provide food safety audits. Without the quality-grading aspects, Jersey Fresh would not be as highly prized by retailers, leading to a real potential for lost sales and a resulting decline in overall agricultural revenue in the state's economy.

As for the advertising aspect of Jersey Fresh, the current advertising contract with CMD Partners will expire on June 30, 2009. At this time the Department is currently seeking a one year extension to the contract. There is no carryover funding for advertising, so the amount of money available for a new contract will be solely determined by the 2010 budget.

The Department can solicit the private sector (farmers, wholesalers, shippers, brokers, industry and consumer publications and the supermarket industry) to compensate for the loss of public sector support for the program by increasing their own support of the Jersey Fresh brand in their promotional activities.

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There also is the ability to maximize the promotional activities of the state commodity councils, which have historically always given their full support to the Jersey Fresh brand. Two of the most visible and recognized have been the Blueberry and Dairy councils. Most of the commodity councils use 100 percent of their promotional budgets to provide matching funds for Jersey Fresh matched funds grants. In 2008, a total of 28 commodity promotion and local agricultural boards received Jersey Fresh matched funds. With the elimination of the Jersey Fresh matched funds program, their ability to support promotional activities has effectively been cut in half. We will work with the commodity councils to tie Jersey Fresh messaging to their efforts as much as possible. It is worth noting, however, that not every commodity is represented by a council, so it is unrealistic to expect that those commodity groups without council representation will receive equal promotion, as they have through the regular Jersey Fresh advertising campaigns in the past.

Some fairs or similar special Jersey Fresh events which use the matched funds to leverage other grants and support would be impacted by a reduced capacity to promote their events. (An example would be special Jersey Fresh days designed to attract the parents of small children to the Trenton Farmers Market.) Most of the agricultural fairs in Jersey Fresh receive Jersey Fresh matched funds grants to promote and publicize their events. These non-profit, mostly volunteer, events are largely designed to provide agricultural education to New Jersey's children, thereby perpetuating residents' appreciation for our state's agricultural industry and even sparking, in some young people, interest in an agricultural career. In 2008, a total of 34 agricultural and 4-H fairs received Jersey fresh matched funds. Without the matched funds, some of the smaller commodity fairs may actually stop all promotional efforts. Additionally, the Jersey Fresh matched funds program has provided important promotional support to 46 of New Jersey's local community farmers markets. The seasonal nature of these fairs, events and farmers markets makes them particularly reliant on promotion to attract the residents of the Garden State. As under funded non-profit organizations, these 80 local agricultural fairs, events and community farmers markets will be the hardest hit by the elimination of the Jersey Fresh matched funds program.

Due to staff reductions in the Market Development section, we are not able to deliver Jersey Fresh point of purchase material directly to several hundred supermarket produce managers in the state, we are not able to respond to numerous requests for NJDA / Jersey Fresh exhibits at community events, festivals and promotions.

Remaining staff are not able to respond to requests for staff representation at many events, promotions, and consumer-education activities. While it is understood that advertising and promotion will be reduced universally throughout State government, consideration should be given to the revenue dollars that are likely to be lost due to the lessened promotion for these events.

8. In 1996, the department was required under State law (P.L.1995, c.311) to promulgate regulations governing the minimum standards of humane raising, keeping, care, treatment, marketing and sale of domestic livestock and poultry. Under these regulations, the department is also responsible for responding to and investigating complaints of animal cruelty, although it does not receive specific funding for this purpose. The current regulations are due to expire in June 2009 and must be readopted within six months of that date or they will become void.

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- *Question:* Please describe the staff and budget resources that are devoted to enforcing these regulations. Absent resource constraints, what would be the proper staffing and budget levels to sufficiently support this activity? How many complaints are filed and investigated in a typical year? What is the current backlog, if any, of complaints yet to be investigated and what is the oldest open case? Does the department anticipate any significant problems or issues arising when the regulations come up for renewal in June?

Response:

There is no state funding in support of this project. Staff, between response to disease investigations and regulatory activities, reviews emerging scientific literature on topic, responds to reports of alleged animal cruelty, interacts with local and state personnel who enforce animal cruelty laws, and educates stakeholders about these rules. Field staff, including our veterinary and field technician teams, performed 240 site visits in FY2008 and anticipates a slightly higher workload for the 2009 fiscal year. Cases are categorized as disease investigations and humane investigations. Determinations as to whether the animal's care falls into either of these categories requires on-site analysis. On average, these cases take between 6 and 8 hours of investigation each. About ten percent of all cases require significant research, in excess of 200 hours. Additional cases may be received that do not require further investigation. Cases determined to be the result of animal cruelty require coordination with law enforcement authorities, multiple visits, legal consultation and often testimony in court.

Cases are reviewed as they are reported, with highest priority given to those related to animal disease. Many cases are not reported to the State Veterinarian as required by law. The Department has no backlog currently. There are currently 12 open cases, the oldest of which dates back to fiscal 2007.

It is imperative that the Division of Animal Health remain actively involved in the investigation of abuse and cruelty complaints when they pertain to agricultural animals. Local enforcement staff, be they animal control officers or activists for humane organizations, lack the veterinary training that DAH personnel have to distinguish between the signs of abuse/neglect and those of animal illness. Often, the local enforcement agent's first instinct is to remove the animal from the property on which it is found. In the case of an animal that is actually ill instead of abused/neglected, or even ill in addition to being abused/ neglected, such movement off the premises exposes other animals and possibly humans to the risk of infection. Even if the animal in question has no contact with other animals, it will have contact with the enforcement officer's vehicle, which could then be driven to another property housing agricultural animals without the proper biosecurity measures being taken to prevent spreading disease.

To adequately address the issues involving Humane Standards of Care for Livestock and Poultry, the Department estimates a need for an additional $700,000 to properly staff and operate this program. Since the Department can offer no offset to this amount in the FY10 budget, we recognize that this cannot be realized in this cycle.

The Division anticipates substantially more comments upon publication of it's amendments to the Rule, than received when initially proposed. Upon appeal, the Supreme Court's set forth required modifications to the rule which are expected to generate concern amongst animal

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rights activists, who were successful in generating 6500 comments when the rule was first proposed. The Department is in the process of requesting an extension of the rule expiration date to allow sufficient time to adequately investigate, adopt and respond to comments.

9. Funding from open space bond acts for farmland preservation purposes, especially to acquire development rights and farmsteads outright for future resale, has essentially been exhausted. Alternative funding sources or new bond issues have not yet been approved. Many counties and towns across the State collect special local taxes that are used in part to participate in the State's farmland preservation and open space programs.

- *Question:* What is the current financial status of the farmland preservation program, and what are its spending projections, if any, during FY 2010? How much money from county and local special taxes may be available for farmland preservation efforts in FY 2010, and could these monies be utilized more effectively in the face of little or no State funding.? How might the lack of State bond funds in FY 2010 affect the workload and responsibilities of the State Agriculture Development Committee?

<u>Response:</u>

The current status of GSPT funding for farmland preservation acquisitions is as follows

$787.5 million	Appropriated
$616.5 million	Spent
$149.9 million	Encumbered for approved/pending projects
$21.1 million	Reprogrammed funds from prior appropriations that will be re-appropriated in FY09 appropriations bill.

The State Agriculture Development Committee's FY09 appropriation request of $91 million for farmland preservation acquisitions is currently pending before the Legislature. It will be funded largely through the 2007 Green Acres, Farmland Preservation and Blue Acres Bond Act, along with some reprogrammed funds from previous GSPT appropriations. All of the requested FY09 funding has been allocated to specific programs. Appropriation of FY09 funding will exhaust all currently available GSPT funding for farmland preservation acquisitions. The SADC expects to spend $90 million in FY10 to close on farmland preservation acquisitions funded with previous appropriations as well as a few projects associated with the anticipated FY09 appropriation.

Counties generate approximately $266 million annually through open space/farmland preservation taxes and municipalities generate another $88 million. The SADC does not have a breakdown on how much of this funding is devoted specifically to farmland preservation, however counties, municipalities and nonprofits have contributed a third of the $1.2 billion in Farmland Preservation Program acquisition costs to date.

Counties and municipalities that participate in the Farmland Preservation Program rely on the state to leverage their funding with an average 60 percent funding match. If there is little or no state funding, this will severely constrain the majority of county and municipal farmland preservation efforts, bringing some to a halt or reducing others to a trickle. While county and

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local open space taxes provide a sizable match to state funds, relying solely on them to provide 100 percent of farmland acquisitions will result in some currently active counties and towns being able to preserve possibly only one or two farms per year or even every few years. Municipalities depend on both state and county cost-shares for their acquisitions and, therefore, will be particularly limited, as counties faced with funding issues of their own will likely reduce or eliminate cost-sharing on municipally initiated projects.

With greatly reduced or no state cost share, many counties and municipalities will not have the resources to preserve the largest, most agriculturally viable parcels of land. Counties and municipalities with very limited funding also will have greatly decreased ability to take advantage of preservation opportunities with very limited windows of opportunity, including those arising as the result of retirements or the settlement of estates. Already, many counties and municipalities have stopped actively soliciting applications until a new state funding source has been identified.

Further, it should be recognized that counties and municipalities are experiencing the same type of fiscal challenges as the state. Without the incentive of a state funding match, counties and municipalities may be inclined to reduce or eliminate their county and local open space taxes, and possibly staffing for their farmland preservation programs as well. This could lead to a loss of landowner confidence in farmland preservation programs -- particularly in the Highlands where farmland preservation is the only mechanism to allow landowners to realize pre-Highlands values for their land -- and a loss of momentum in farmland preservation efforts that cannot be quickly or easily regained once funding again becomes available.

Because it takes an average of two years to close on the purchase of a development easement, the SADC does not expect to experience a slowdown in workload or responsibilities resulting from a lack of acquisition funding until FY2012.

10. According to the Overview section of the department's recommended budget, $200,000 in State funds will be saved in the Division of Marketing and Development by shifting the salary costs of two State-funded positions to federally-supported programs.

- *Question:* Please provide detail on the two positions, including title, salary, and the affected accounts. How did federal money become available for this transfer and how long will it be available for this purpose?

Response:

The transfer of one (1) Agricultural Marketing Specialist 2 from Jersey Fresh to Food & Nutrition was effective 1/3/09 and accounts for a state salary savings of $71,124.33. The second position, the Director of Food and Nutrition, will transfer to federal resources effective 6/30/09. This transfer is part of the reallocation of resources which make up the state match for federal positions (see question number 6). Total value of both positions is $200,000.

Federal monies have been made available through the USDA grant in support of Food and Nutrition projects. This funding is relatively stable for the foreseeable future as the Obama administration has indicated its support for school lunch, breakfast and nutrition programs.