LEGISLATIVE
BUDGET
COMMISSION

Committee Meeting Packet for Tuesday, January 22, 2002

(Please bring this packet to the committee meeting. Duplicate materials will not be available.)
LEGISLATIVE BUDGET COMMISSION AGENDA

January 22, 2002
8:30 a.m. – 9:30 a.m.
Room 412, Knott Building

Members:  Senator Lisa Carlton  Representative Randy John Ball
Senator Victor Crist  Representative Paula Dockery
Senator Daryl Jones  Representative Ronald A. Greenstein
Senator Jim King  Representative Carlos A. Lacasa
Senator Jack Latvala  Representative Evelyn J. Lynn
Senator Tom Rossin  Representative Sandy Murman
Senator Ronald A. Silver  Representative Rob Wallace

I. Consideration of the following budget amendments:

A. Department of Agriculture & Consumer Services
   1. EOG B2002-0424
   2. EOG B2002-0591
Department: Agriculture and Consumer Services
EOG Number: B0424

Problem Statement: On August 13, 2001, President Bush signed into law H.R. 2213, an act to respond to the continuing economic crisis adversely affecting American agricultural producers. Section 7 of the federal law provides for two grants: a base state grant in the amount of $500,000, “to be used to support activities that promote agriculture”; and a “Value of Production” grant in the amount of $16,860,000 to be used specifically for the benefit of specialty crop producers.

In order to determine the best use of the specialty crop funds, Commissioner Charles Bronson assembled a group of industry representatives for the purpose of proposing projects beneficial to their respective commodity groups, discuss the proposals openly, and come to a consensus on the best use of the funds as follows:

Florida Department of Agriculture and Consumer Services (FDACS)

- Domestic & International Marketing & Promotion Grant Fund $ 5,000,000
  To expand domestic and international marketing initiatives to benefit all agricultural crops. Specific marketing projects to be determined by Blue Ribbon Committee composed of major specialty crop groups.

- Citrus Canker Eradication $ 4,000,000

- Promotional Funding for Florida Agriculture Promotional Campaign $ 330,000
  To continue expansion of the Campaign to increase the consumption of all Florida specialty crop commodities.

Produce for Better Health Foundation

- 5-A-Day Program $ 1,680,000
  To provide an endowment for the 5-A-Day campaign that educates the public on the healthy benefits of fruit and vegetable consumption.
United States Department of Agriculture (USDA)

- **Medfly Facility** $1,000,000
  To join with the USDA to set up a new sterile medfly rearing facility. Due to the temporary structures which currently houses this activity, the DACS anticipates eviction from MacDill Air Force Base.

- **Detection Dogs** $350,000
  To provide six (6) dog teams to assist law enforcement officers at DACS inspection stations, ports, and other facilities to inspect semi trucks and other shipments for unlawful content and heighten inspection and seizure efforts. In addition, to enhance the Department’s efforts at Florida’s various ports of entry in conjunction with USDA’s protection efforts.

Florida Fruit & Vegetable Research and Education Foundation, Inc.

- **Research on Methyl Bromide** $1,000,000
  To look at alternative methods to combat nematodes and termite infestation, to avoid a potential reduction in various specialty crop production.

- **Food Safety Research and Education** $1,000,000
  To provide a cost share program to assist growers in developing and implementing food safety plans. Due to a recent increase of food-born illnesses from fruit and vegetable consumption related to imported produce, growers are being required to develop a food safety plans (GAP/GMP’s) for their operations.

- **Research Foundation Grant Fund** $320,000
  Research and education to be determined by a Committee of specialty crop representatives to be awarded to projects most beneficial in these areas.

University of Florida, IFAS

- **Foreign Trade & Policy Center** $1,000,000
  To focus on trade and policy issues important to competitiveness of Florida and southeastern agriculture, with emphasis on specialty crops unique to Florida’s environment; To evaluate key trade and policy issues in 3 stages over a 3-year period: (1) to develop an assessment of specialty crop competitiveness, (2) to define the issues that need to be further evaluated to improve competitiveness, and (3) to focus on developing programs that will keep Florida and southeastern specialty crops competitive and develop information necessary to monitor competitiveness.
Department of Citrus

- Fresh Cut Commercialization (Peeler) $1,000,000
  To assist in development and implementation of producing fresh cut fruit to the market, in an effort to provide a new outlet for fresh Florida citrus.

- Sectioning Machine $150,000
  To allow final stages of implementation, transfer of technology, and approval of the sectioning machine for a commercial state.

- Pectin Study $30,000
  To study utilization of citrus fiber by-products.

Total – Section 7(b) - Value of Production Grant $16,860,000

Section 8 of the federal law provides for additional funds for eligible recipient agencies that distribute federal commodities under the Emergency Food Assistance Act of 1983. The State of Florida’s portion of these funds is $489,237.

The Department does not have current budget authority to expend the federal funds received.

Agency Request: The Department is requesting an increase of $17,849,237 in Contract and Grants Trust Fund budget authority in the Agriculture Economic Development Program for the three federal grants, which includes $12,849,237 for Agricultural Products Marketing and $5,000,000 for Plant Pest and Disease Control.

Governor’s Recommendation: Recommend approval to increase budget authority for the Contracts and Grants Trust Fund by $17,849,237 for federal grants received for agricultural promotion and specialty crop producers.

Commission Staff Comments: Recommend approval by the Legislative Budget Commission as recommended by the Governor’s Office.
<table>
<thead>
<tr>
<th>Line Item No.</th>
<th>Budget Entity / Fund / Appropriation Category Title</th>
<th>REQUESTED BY AGENCY</th>
<th>RECOMMENDED BY GOVERNOR</th>
<th>APPROVED BY THE LEGISLATIVE BUDGET COMMISSION</th>
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**Department:** Agriculture & Consumer Services  
**EOG Number:** 0591

| **Problem Statement:** | Additional spending authority is needed in the amount of $2,324,207 to expend federal funds received for the Citrus Canker Tree Replacement Program. Funds enable the Department of Agriculture and Consumer Services (DACS) to provide a $100 award to eligible non-commercial property owners to replace citrus canker trees that have been destroyed. Property owners are provided a $100 Wal-Mart card to purchase new trees or related garden supplies. The Citrus Canker Tree Replacement program is federally funded and administered by the Department and Wal-Mart through a public/private agreement.  
Currently, DACS has two invoices from Wal-Mart pending payment for tree replacement and garden supplies claimed by Florida residents for trees removed, additional payments needed for trees removed in December 2001 and for trees to be removed throughout the fiscal year. The Department was appropriated $7 million in FY 99-00 and $8 million in FY 00-01 in federal funds to support this program. Due to invoice receipt delays and tree removal occurring in December, the agency was unable to spend all of the appropriations prior to the 12-31-2001 deadline and, therefore, a portion of the appropriation reverted. |
| **Agency Request:** | This is to request $2,324,207 in additional federal spending authority for the Tree Replacement Program administered by the Department of Agriculture and Consumer Services.  
Current invoices: $1,049,206.85  
Trees removed prior to 12/31/01: $300,000.00 (3,000 properties cut prior to 12/31/01 that have not been invoiced @ $100 per property = $300,000)  
Estimated additional trees to be removed: $975,000.00 (75 properties @ 5 days a week for 26 weeks (1/1/02-6/30/02) @ $100 per property = $975,000)  
**TOTAL** $2,324,207.00 |
| **Governor’s Recommendation:** | Recommend approval to increase budget authority by $2,324,207 from the Contracts and Grants Trust Fund to cover obligations incurred and to be incurred in the Tree Replacement Program. |
| **Commission Staff Comments:** | Recommend approval by the Legislative Budget Commission as recommended by the Governor’s Office. |

**Senate Subcommittee:** General Government  
**Senate Analyst:** Jamie DeLoach  
**Phone Number:** (850) 487-5140 or SunCom 277-5140  
**E-mail Address:** Jamie.deloach@LASPBS.state.fl.us

**House Committee:** General Government Appropriations  
**House Analyst:** Marsha Belcher  
**Phone Number:** (850) 488-6204 or SunCom 278-6204  
**E-mail Address:** marsha.belcher@LASPBS.state.fl.us
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- Agricultural Economic Development
- Plant Pest and Control
- Contracts and Grants Trust Fund
- Tree Replacement Program
  - 42170600-103998-00-2133
  - 2,324,207
  - 2,324,207