

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Oppose

BILL NUMBER: SB 517
AUTHOR: A. Maldonado

BILL SUMMARY: Agriculture - Environmental Farming

This bill would require the California Department of Food and Agriculture (CDFA) to establish and oversee a program to provide additional funding to successful applicants to a federal program promoting environmental farming.

FISCAL SUMMARY

The CDFA estimates at least two positions would be needed to establish and implement the program as required in this bill. Finance notes any staffing changes would be subject to submission and review of a Budget Change Proposal during the annual budget process.

The federal program does not require State matching funds; however, it does require landowner matching funds. This bill requires the CDFA to provide funds to successful federal applicants; however, the source of funds is not identified. Additionally, it is unclear whether the additional funds to be provided by CDFA are intended to serve as the landowner's required match. If so, it would likely be from the General Fund.

COMMENTS

Finance is opposed to this bill because:

- The bill would impose new workload on a state agency,
The bill is unclear regarding the intent and required activities, and
The bill requires CDFA to provide an unspecified amount to successful applicants from an unspecified fund source, presumably General Fund.

Current law requires the CDFA to establish and oversee a state program relating to environmental farming, however, the CDFA indicates this state program was never established nor have any activities been performed due to lack of funding. Efforts to secure State Water Board Proposition 50 Agriculture Water funds to establish this program were unsuccessful.

This bill would require the CDFA to establish and oversee a program to provide matching funding to successful applicants of the EQIP.

The USDA-NRCS Environmental Quality Incentives Program (EQIP) was established by the 1996 federal Farm Bill to provide a single, voluntary conservation program for farmers and ranchers addressing significant natural resource concerns. Reauthorized in the 2002 Farm Bill, EQIP offers financial and technical assistance to eligible participants to install or implement structural and management practices on eligible agricultural land. The EQIP provides funds to farmers to make environmental improvements to soil, water, and air quality.

The CDFA states the EQIP does not require State matching funds, however it does require landowner matching funds. It is not clear whether the additional funds CDFA is to provide is for the the landowner match. If so, it would likely be a General Fund cost.

Analyst/Principal Date Program Budget Manager Date
(0221) J. McGuinn Todd Jerue

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2006-2007	FC	2007-2008	FC	2008-2009	
8570/Food & Ag	SO	No		----- See Fiscal Summary -----					0001