



Legislative Fiscal Bureau

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June 24, 2008

TO: Members
Joint Finance Committee

FROM: Bob Lang, Director

SUBJECT: UW System: Section 13.10 Request for 2.2 SEG Positions Related to the Discovery Farms Program -- Agenda Item III

REQUEST

The UW System requests the creation of 2.2 SEG positions beginning in 2008-09 under its discovery farms grants appropriation. These positions would include: (1) 1.0 program assistant; (2) 1.0 senior outreach specialist; and (3) 0.2 data manager.

BACKGROUND

The discovery farm grants appropriation was created by 2007 Act 20 (the 2007-09 biennial budget Act). Act 20 provided \$250,000 SEG annually from the agricultural chemical cleanup fund beginning in 2007-08 for discovery farm grants. Under Act 20, these grants are to be made through the UW-Extension to the operators of discovery farms for research and outreach activities under the Wisconsin agricultural stewardship initiative (WASI).

The discovery farms program is one of the three components of WASI and is administered as a partnership between the University of Wisconsin - Madison's College of Agriculture and Life Sciences (CALS) and UW Extension. Beginning in 2001, the Discovery Farms program has studied the effects of farming practices on water quality with a particular emphasis on nitrate and phosphate concentrations. To conduct this research, the discovery farms program partners with private farm operators. Participating farms are instrumented with water quality monitors and data related to their farming practices is collected. The participating farm operators receive grants, usually of \$5,000, for their participation in the program. Currently, eight farms have been instrumented with water quality monitors. According to program staff, the long-term goal is to have 15 to 20 participating farms.

In 2006-07, the discovery farms program had an operating budget of \$693,500. Of this total funding amount, \$215,800 (31%) was state general purpose revenue, \$171,000 (25%) was from federal sources, and \$306,700 (44%) was from gifts and non-federal grants. Combined, salaries and fringe benefits (48%) and supplies and expenses (44%) accounted for over 90% of the discovery farms program budget in that year. By comparison, grants to farm operators totaled \$22,500, or 3% of the total budget, in 2006-07. This allocation of funds reflects the research and outreach activities associated with the program, where the grant funding is incidental to program activities and is intended to provide some compensation to participating farms.

In the same year, there were 5.75 positions associated with the discovery farms program. Of these, 2.0 positions were GPR funded; the remaining 3.75 positions were funded by federal funds and other grants.

ANALYSIS

The University of Wisconsin System requests that 2.2 SEG positions be created under the discovery farm grants appropriation. These positions would include: (1) 1.0 program assistant; (2) 1.0 senior outreach specialist; and (3) 0.2 data manager. Currently, the 1.0 program assistant position is funded through a grant from the Milk Marketing Board. While staff with the discovery farms program indicate that they do not believe that these private grant funds are in jeopardy, the University requests that this position be created under the discovery farm grants appropriation. As this appropriation is ongoing, the University views it as a more stable funding source. In addition, discovery farm program staff have stated that the Milk Marketing Board would prefer to support discrete projects as opposed to general staff costs. If this request is approved, the funding provided by the Milk Marketing Board would be used to fund non-staff costs related to testing, data monitoring, and analysis.

Prior to 2007-08, the 1.0 senior outreach specialist and 0.2 data manager positions were funded through an earmark within the federal appropriation for extension administration. The current federal budget removed all earmarks from this appropriation but provided additional Hatch grant funds to offset the elimination of these earmarks in the current fiscal year. While the federal budget process for fiscal year 2009 is ongoing, it is believed that this additional grant funding will not be provided in the coming fiscal year. The creation of these positions under the discovery farm grants appropriation would allow the program to maintain current staffing levels in fiscal year 2009.

The following table shows how the funding provided in the discovery farm grants will be expended if this request is approved.

Proposed Expenditures from the Discovery Farm Grants Appropriation, 2008-09

Salaries & Fringe Benefits	\$129,300
Supplies & Expenses	90,700
Grants to Farm Operators	<u>30,000</u>
Total	\$250,000

Early in 2008, the UW System requested that the Department of Administration (DOA) allow a portion of the funding in this appropriation to be used to pay salary and fringe benefits costs and for supplies and expenses. Although Act 20 references grants, program staff indicate that the total amount of grants made to farm operators is significantly less than \$250,000 and, if the funds could be not expended for other purposes, the remaining funding would remain unexpended. This is borne out by the financial data that was submitted by the University in support of this request which shows that, in 2006-07, a total of \$22,500 was expended in grants to farm operators. While the University could expend these funds by either increasing the amount of individual grants to farm operators or increasing the number of grants given, neither of these options would further the mission of the discovery farms program.

DOA approved the University's initial request that \$164,300 from the discovery farm grants appropriation be allotted to supplies and expenses and that the allotment for aids to individuals be decreased by the same amount. As no positions had been authorized under the discovery farms appropriation, the University's initial request that \$55,700 be allotted for salaries and fringe benefit costs was denied pending action by the Joint Committee on Finance on this request for 2.2 SEG positions. The initial allocation of funding has been modified by the UW and the most recent proposed use of these moneys in 2008-09 is shown in the table above.

According to UW-Extension staff, pending Department of Administration approval through the allotment process, the 2007-08 funding will be expended as follows: (1) \$141,700 in payments to the U.S. Geological Survey for on-farm research; (2) \$59,900 for research equipment; (3) \$10,900 for soil and water tests; and (4) \$37,500 for grants to farm operators.

One option that the Committee could consider would be to provide 1.2 SEG positions and delete the corresponding FED positions. Under this approach, 1.0 program assistant position would continue to be funded through a grant from the Milk Marketing Board. Under this alternative, it is estimated that expenditures from the discovery farm grants appropriation would include: (1) \$55,700 for salaries and fringe benefits; (2) \$164,300 for supplies and expenses; and (3) \$30,000 for grants to farm operators.

ALTERNATIVES

1. Approve the UW System's request for 2.2 SEG positions under the discovery farm grants appropriation [s. 20.285(1)(qr)] beginning in 2008-09. Delete the corresponding 1.2 FED and 1.0 PR positions.

2. Create 1.2 SEG positions under the discovery farm grants appropriation [s. 20.285(1)(qr)] beginning in 2008-09 and delete the corresponding 1.2 FED positions. Under this alternative, it is intended that 1.0 program assistant position would continue to be funded by a grant from the Milk Marketing Board.

3. Deny the request.

Prepared by Emily Pope