

North Carolina

**Department of Agriculture and Consumer Services
(DACCS)**

Handbook
On

Grants, Loans, and Other Financial Assistance
Provided by the Department

March 2015

Purpose

This document is intended to provide legislators with summary level information regarding various types of financial assistance provided by the Department of Agriculture and Consumer Services (DACS).

Notes

Readers should consider the following when reviewing this document:

- As this report intends to provide a comprehensive list of financial assistance programs administered by DACS, funding sources will vary by program,
- Much of the information is self-reported by the agency, especially administrative requirements and grant demand,
- Annual funding levels are primarily dependent on funding provided by the General Assembly or Congress,
- Depending on cash flow and funding source, the funding history displayed will vary between receipts and expenditures in an attempt to most accurately represent the program,
- This report does not address non-discretionary programs that fund specific organizations or programs as directed by the General Assembly (e.g. FFA Foundation, Commodity Assessments),
- This report does not include ceased programs or programs that received nonrecurring funding for a specific purpose (e.g. TVA environmental mitigation grants, equipment for NCSU), and,
- The Tobacco Trust Fund and Agriculture Finance Authority are contained in the DACS budget, but their oversight is provided from their respective Board of Trustees.

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Special Thanks: Staff from the Department of Agriculture and Consumer Services who provided information for this report

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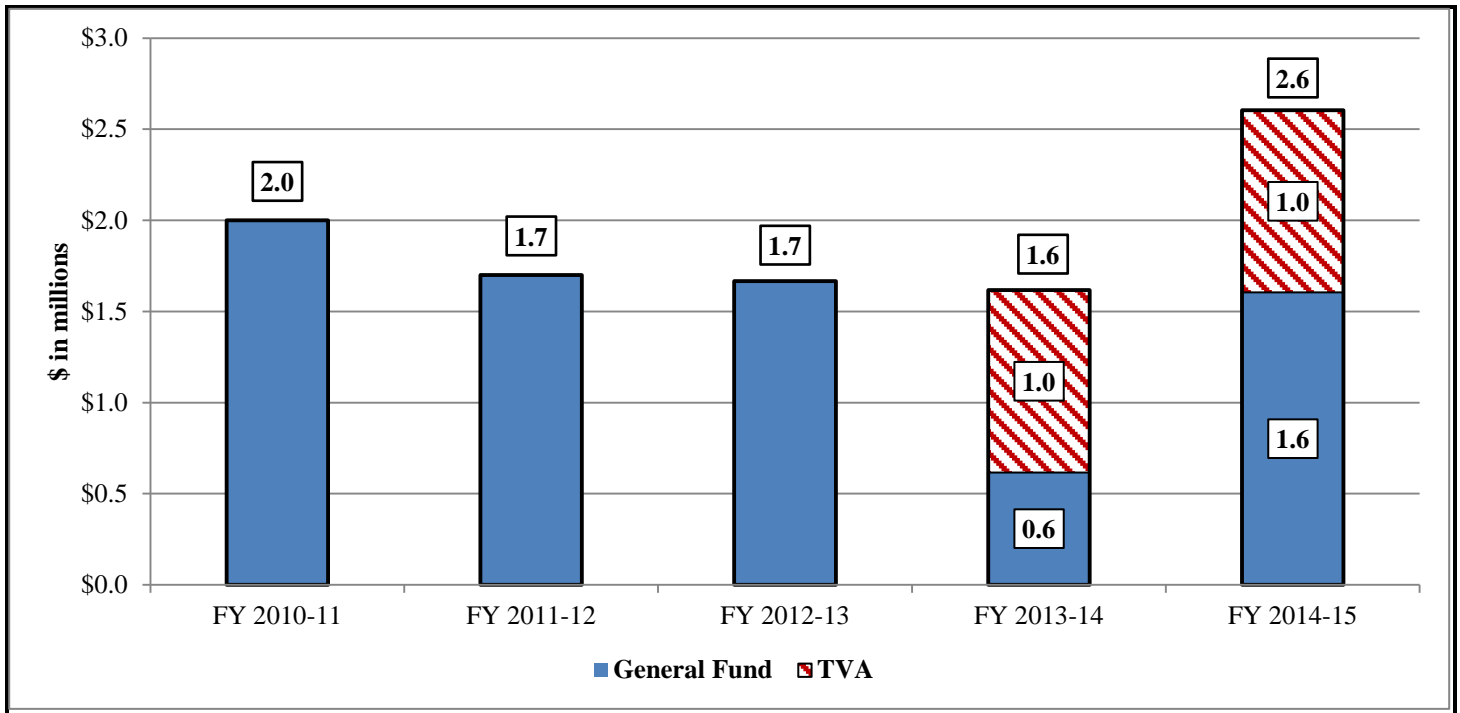
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ADMINISTRATION / RESERVES

Agricultural Development and Farmland Preservation Trust Fund (ADFPTF) (www.ncadfp.org)

- **Created** – 2005 (First substantive funding provided in FY 2007-08)
- **Statutory Authority** - G.S. 106-744
- **Purpose** - To encourage the preservation of qualifying agricultural, horticultural and forestlands to foster the growth, development and sustainability of family farms.
- **Allocation of Funds** - Funds may be used to:
 - 1) Purchase agricultural conservation easements
 - 2) Public and private enterprises that promote profitable and sustainable family farms
 - 3) Fund conservation easements to bring or maintain active production of farmland
 - 4) Costs of administering the program
- **Eligibility** - Any of the following are eligible to receive grants from the Trust Fund:
 - 1) Counties;
 - 2) Nonprofit conservation organizations.
- **Grant Cycle** – The program receives applications annually between October and December. Awards are made annually during the summer.
- **Governance** – 19-member Advisory Committee; 16-members are ex-officio, one farmer each appointed by the Governor, President Pro Tempore of the Senate, and the Speaker of the House of Representatives. [G.S. 106-744(g)]
- **Source of Funding** – General Fund appropriations. In the 2013-15 biennium, \$1 million in Tennessee Valley Authority Settlement funds were used each fiscal year to offset nonrecurring General Fund funding reductions.
- **Grant Demand** – Over the three most recent fiscal years, the program has received an annual average of 42 applications requesting a total of \$5.8 million in funding. Over the same time period, the program has funded an annual average of 21 projects totaling \$2.1 million.
- **Range of Grant Awards** – Depends on project, but grants ranged from \$7,000 to \$375,000 in FY 2013-14.
- **Grant Terms** – Counties and nonprofits must typically match at least 15-30% of the grant award from ADFPTF. Tier 1 counties that have a county-wide farmland protection plan do not have to match grant funds from ADFPTF.

- **Administrative Costs** – Funded from the amount available for the program. In FY 2013-14 2 FTE’s supported the program with administrative costs totaling \$135,266.
- **Reporting Requirement** – Annually by October 1 to GovOps, ERC, and the Appropriations Subcommittees on NER.
- **Funding History** –



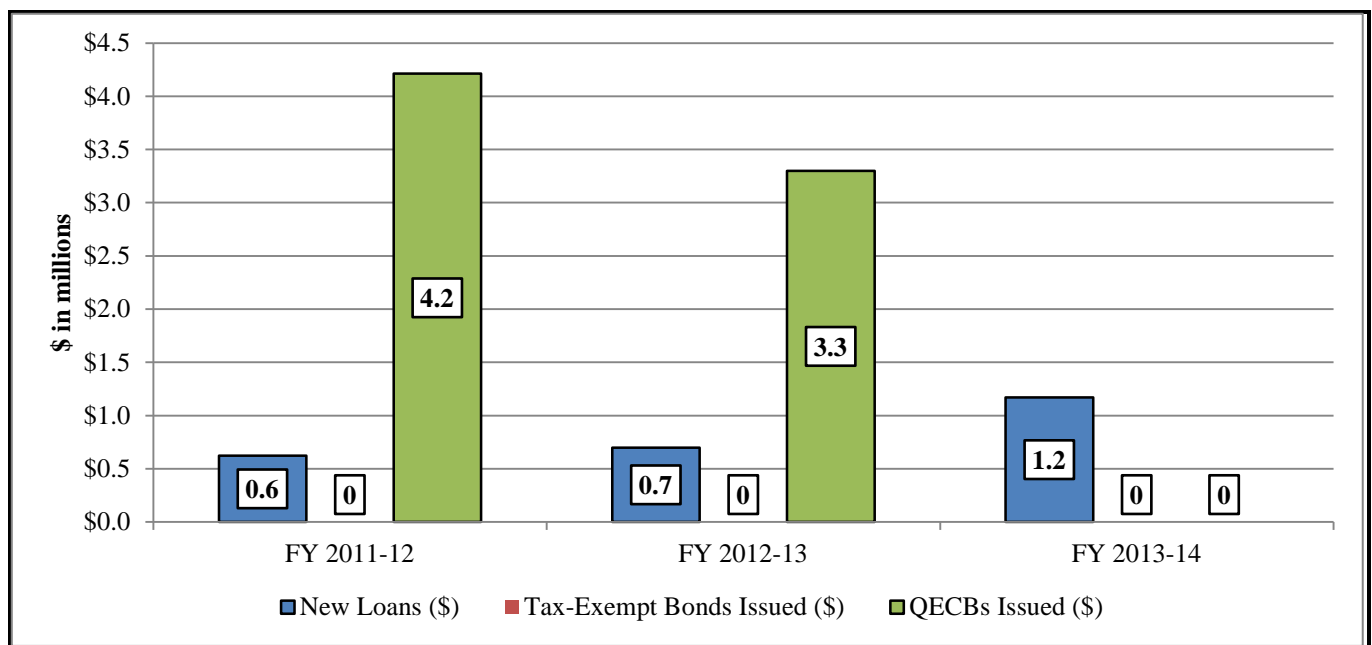
Agricultural Finance Authority (AFA)
(<http://www.ncagr.gov/agfinance/>)

- **Created** – 1986
- **Statutory Authority** - G.S. 122D
- **Purpose** – Statutory purpose contained in G.S. 122D-2: To alleviate the shortage of capital and credit available for investment in agriculture, for domestic and export purposes, at interest rates within the financial means of persons engaged in agricultural production and agricultural exports.
- **Assistance Types** – Loans, Tax-Exempt Bonds, Federal Qualified Energy Conservation Bonds (QECBs).
- **Allocation of Funds** - Funds may be used for:
 - 1) Purchase or sale of agricultural loans
 - 2) Loans made to financial institutions to provide agricultural loans
 - 3) Insurance on agricultural loans
 - 4) Loans made directly to agricultural operations
 - 5) Bonded indebtedness of the Authority
 - 6) Administrative expenses

In practice, the Authority uses the majority of funds available to make agricultural loans that qualify for risk-guarantee support from the Farm Services Agency (FSA) of the US Department of Agriculture. In the event of default, FSA will reimburse the AFA up to 90% of the defaulted loan amount.

- **Eligibility** - Any agribusiness or individual meeting AFA and FSA requirements may apply for an agricultural loan. Any agribusiness operating in the State may request tax-exempt debt issuances. Any individual or business expanding renewable energy production may request QECB debt issuances.
- **Loan/Bond Cycle** – Loan and bond issuance applications accepted throughout the year.
- **Governance** – 10-member Authority. Appointments: Commissioner of Agriculture (ex-officio), Governor -3, President Pro Tempore of the Senate - 3, Speaker of the House of Representatives – 3. [G.S. 122D-4]
- **Source of Funding** – Loan programs were initially capitalized with federal funds and General Fund appropriations. Now all funding derives from loan repayments, loan sales, interest income and fees generated from loans/debt issuances.
- **Loan Demand** – Over a three year period, the AFA received an average of 6.3 loan applications requesting a total of \$2.5 million in loans. Over the same period, the AFA funded an average of 4.3 loans at a total of \$830,000. FY 2014-15 has seen increased interest with the Authority anticipating awarding approximately \$5 million in loans.

- **Tax-Exempt Bond Demand** – Over a three year period, the AFA received an average of 3 tax-exempt bond applications requesting to issue an annual total of \$108.6 million. These applications have been approved, but have not been executed.
- **QECB Demand** - Over a three year period, the AFA received an average of 4.3 QECB applications requesting an average total of \$15.8 million in issuances. Over the same period, the AFA executed an annual average of 1.3 QECBs at an average total of \$2.5 million.
- **Range of Loan Amounts** – Depends on project, but loans ranged from \$2,032 to \$1,067,020 in FY 2013-14.
- **Range of Tax-Exempt Bond/QECB Amounts** – No bonds have been issued in the most recent 5-year period. No QECB's were issued in FY 2013-14, however the average issuance since inception is approximately \$1.5 - \$2.5 million.
- **Loan Terms** – The terms of the loan (term, interest rate, etc.) varies depending on the applicant and the type of loan being requested.
- **Tax-Exempt Bonds/QECB Terms** – Recipient agribusiness is fully responsible to bondholders for repayment according to the bond repayment schedule.
- **Administrative Costs** – The AFA is supported by 5 FTEs and FY 2013-14 administrative costs totaled \$545,212.
- **Reporting Requirement** – Operations and activities report required annually within six months after the end of the fiscal year to the Governor and the General Assembly. Audited financial statements required within sixty days of submission of activities report to the Governor and General Assembly.
- **Funding History** –



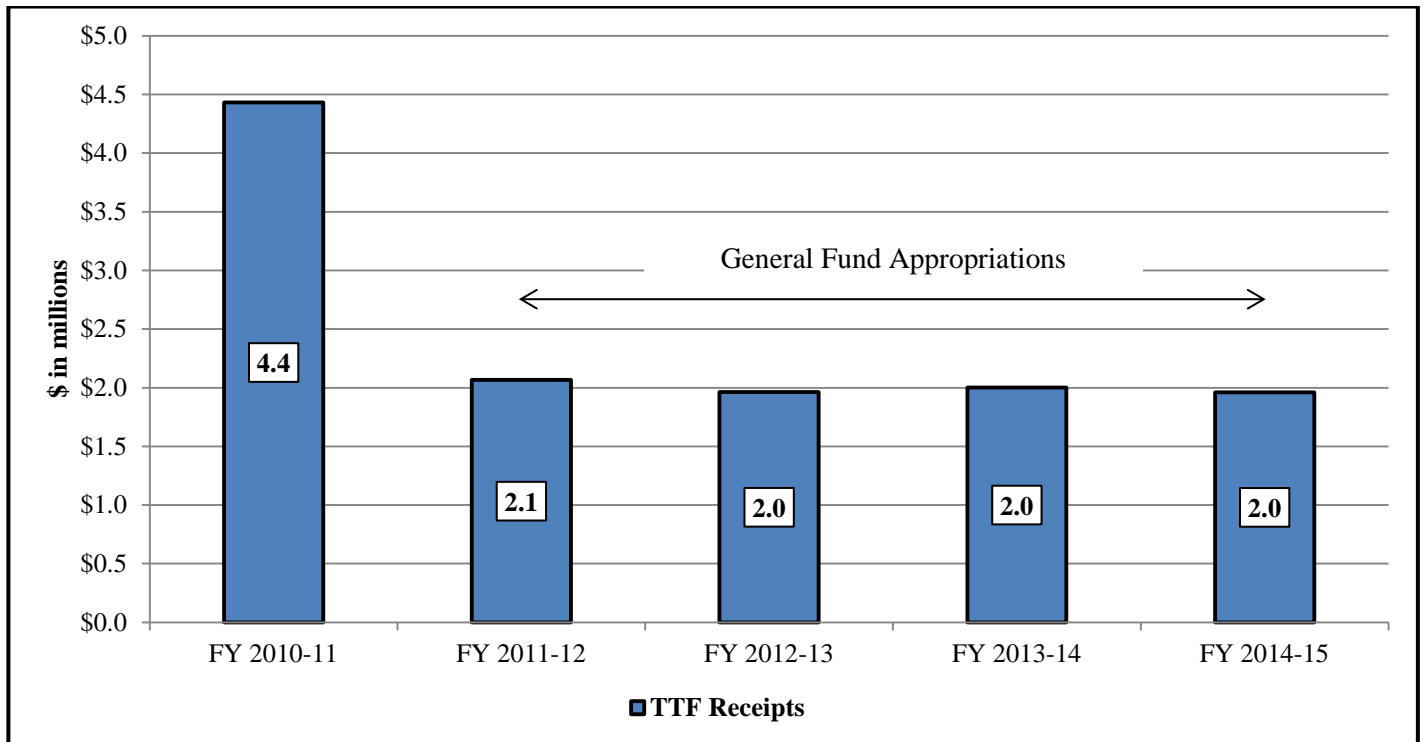
Tobacco Trust Fund (TTF) **(www.tobacotrustfund.org)**

- **Created** – 2000
- **Statutory Authority** - G.S. 143, Article 75
- **Purpose** – Statutory purpose contained in G.S. 143-715. From the TTF: “To assist current/former tobacco farmers, former quota holders, persons engaged in tobacco-related businesses, individuals displaced from tobacco-related employment, and tobacco product component businesses in NC that have been affected by the adverse effects of the Master Settlement Agreement (MSA).”
- **Allocation of Funds** - Funds may be used for:
 - 1) Compensatory programs that directly or indirectly benefit tobacco producers, allotment holders, and persons engaged in the tobacco industry.
 - 2) Qualified agricultural programs that benefit the tobacco-related economy and communities impacted by the MSA.

Most funding has historically been provided to support agricultural programs. Funds are disbursed following awards made by the TTF Commission.

- **Eligibility** - Any individual or organization may apply for funding from the TTF.
- **Grant Cycle** – Grant cycle typically opens annually at the beginning of each calendar year. Awards are made in late summer to early autumn.
- **Governance** – 18-member Commission. Membership is equally appointed by the Governor, President Pro Tempore of the Senate, and the Speaker of the House of Representatives. [G.S. 143-717]
- **Source of Funding** – General Fund appropriations. Prior to FY 2011-12, TTF received a portion of the State’s annual MSA payment.
- **Grant Demand** – Over a three year period, the TTF received an annual average of 43.7 applications requesting an average total of \$8.3 million. Over the same period, the TTF awarded an annual average of 17.7 grants providing an average total of \$2.1 million.
- **Range of Grant Awards** – Depends on project, but grant awards ranged from \$5,000 to \$513,515 in FY 2014-15.
- **Grant Terms** – Recipients must meet various grant requirements contained in Chapter 57 of Title 2 of the Administrative Code.

- **Administrative Costs** – G.S. 143-717(i) limits administrative expenses to the lesser of 2.5% of the Fund’s annual receipts, or \$1 million. S.L. 2013-360, Sec. 13.5 modifies the allowable administrative costs from the Fund to \$350,000. FY 2013-14 administrative costs totaled \$346,294.
- **Reporting Requirement** – Annually by November 1 to GovOps and the Appropriations Subcommittees on NER. Recipients must report to the Commission periodically and submit a final report.
- **Funding History** –

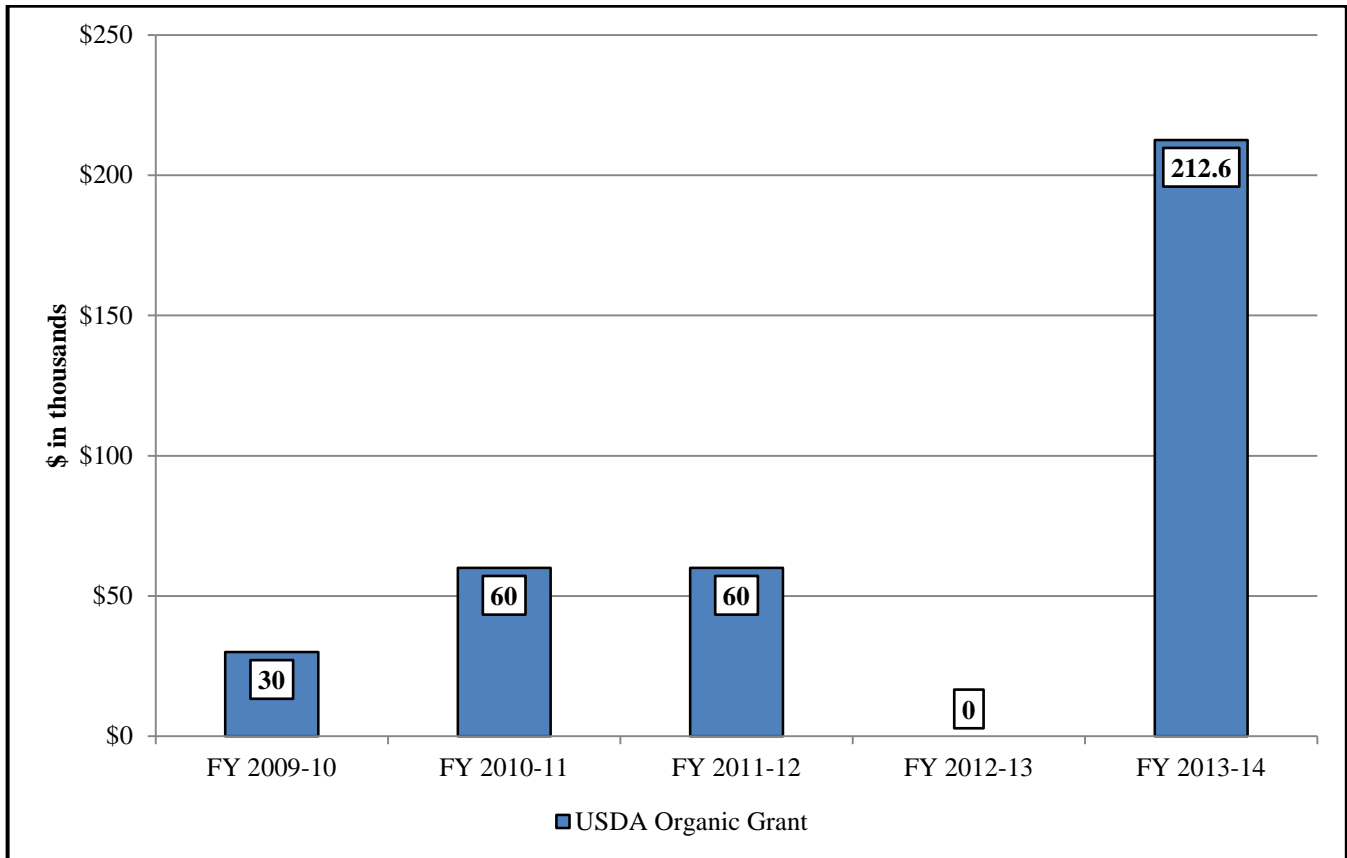


MARKETING

Organic Certification Program (<http://www.ncagr.gov/markets/commodit/horticul/ncorganics/>)

- **Created** – 2005
- **Statutory Authority** – N/A
- **Purpose** – To assist farmers and handlers/processors by providing financial assistance to receive organic certification through the National Organic Program.
- **Allocation of Funds** - Funds may be used to reimburse organic farmers and handlers/processors the lesser of 75% or \$750 of the cost to receive USDA certification as an organic farmer or handler/processor. There are four categories of organic certification: crop, livestock, wild crop, and handler/processor. An applicant can be reimbursed for each category of certification they obtain.
- **Eligibility** – Only state agriculture agencies may apply for Organic Cost-Share funds. Any farmer or processor may request reimbursement from DACS.
- **Grant Cycle** – DACS applies for an allocation from the program whenever the USDA makes funding available. Once funding is awarded to DACS, certified organic operations can apply for reimbursement of expenses incurred and paid between October 1 and September 30 of the grant year cycle. DACS begins accepting applications once USDA provides funding. DACS accepts applications until December 1 of each year that funds are provided.
- **Governance** – DACS staff reviews applications and awards reimbursements to eligible applicants.
- **Source of Funding** – Funding is provided by the US Department of Agriculture and funded through the Farm Bill.
- **Grant Demand** – Over a three year period, excluding FY 2012-13 due to no federal funding provided, DACS received an average of 119 applications and funded an average of 118.
- **Range of Grant Amounts** – Depends on project, but awards ranged from \$338 to \$1,500 in FY 2013-14.
- **Grant Terms** – N/A
- **Administrative Costs** – FY 2013-14 administrative costs totaled \$10,491 and no FTE positions supported the program.
- **Reporting Requirement** – No report is due to the General Assembly. DACS must submit a final report to the USDA by December 31.

- **Funding History –**



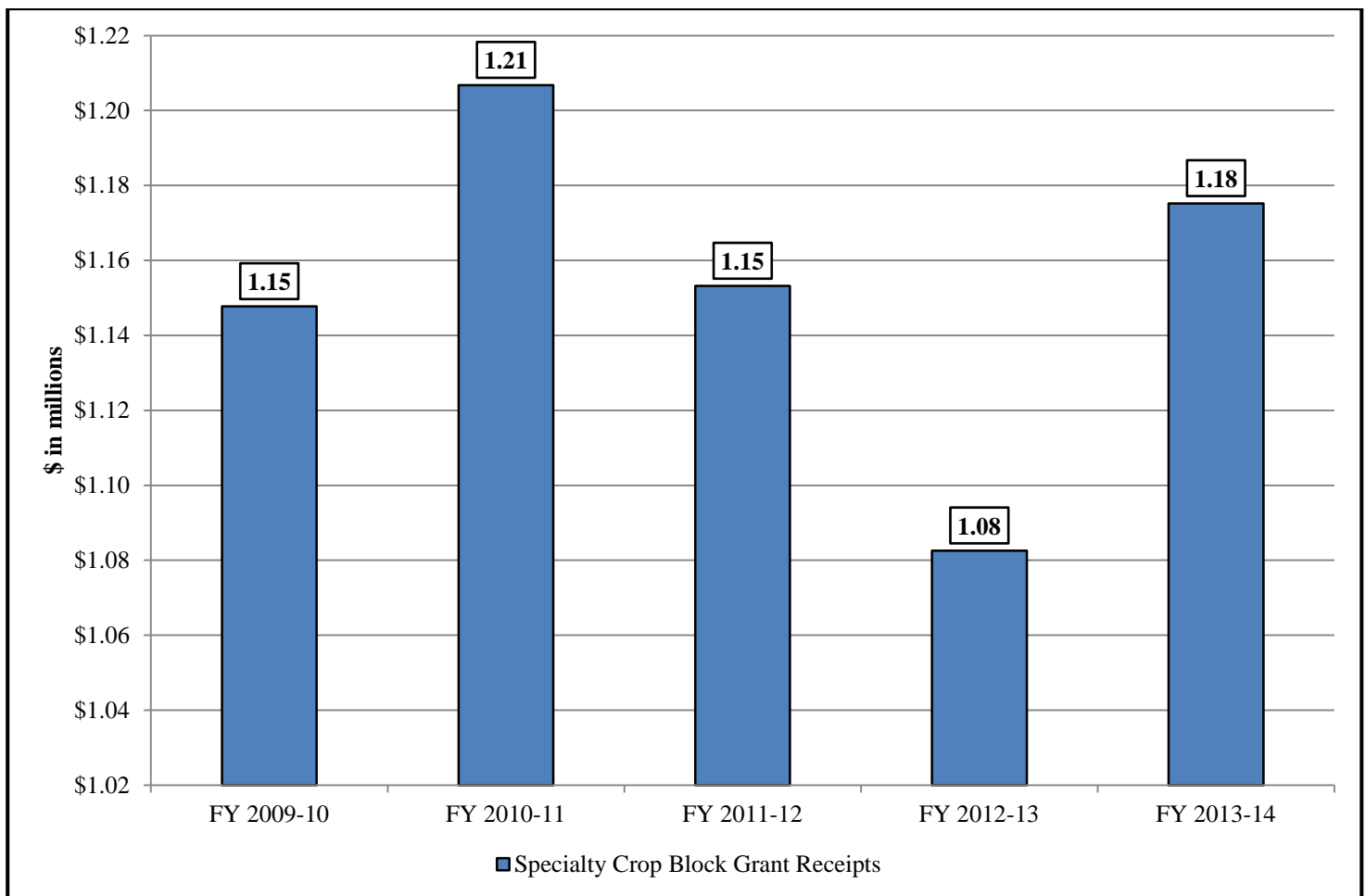
Specialty Crop Block Grant (SCBG) (www.ncspecialtycropgrant.org)

- **Created** – 2008
- **Statutory Authority** – N/A
- **Purpose** – To enhance the competitiveness of specialty crops. Specialty crops are defined as fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture).
- **Allocation of Funds** - Funds may be used for:
 - 1) Food safety projects that reduce foodborne threats
 - 2) Reduce threats from pests and diseases
 - 3) Research projects
 - 4) Crop-specific projects

The State receives a base allocation, plus an additional amount based on the most recent information on specialty crop cash receipts in the State.

- **Eligibility** – Only state agriculture agencies may apply for SCBG funds from the USDA. SCBG funds are subgranted to nonprofit groups and government agencies for specialty crop projects as part of the State's application to the USDA.
- **Grant Cycle** – Grant applications are due to DACS annually during the early-spring. DACS typically submits the State-plan to the USDA annually in July.
- **Governance** – An application review committee organized by DACS reviews applications and recommends awards to be included in the SCBG State plan. DACS then submits the State plan to the USDA for funding.
- **Source of Funding** – Funding is provided by the USDA from Congressional appropriations through the Farm Bill. NC's annual share of the program is approximately \$1.2 million.
- **Grant Demand** – Over a three year period, DACS received an average of 34.7 applications requesting \$2.9 million. Over the same period, DACS funded an average of 19 applications with the total awarded averaging \$1.1 million.
- **Range of Grant Amounts** – Depends on project, but grants ranged from \$25,000 to \$181,007 in FY 2013-14.
- **Grant Terms** – Funding is provided from the USDA on a reimbursement basis.

- **Administrative Costs** – FY 2013-14 administrative costs totaled \$93,550 with 1.5 FTE positions.
- **Reporting Requirement** – No report is due to the General Assembly. DACS periodically reports program information to USDA.
- **Funding History** –

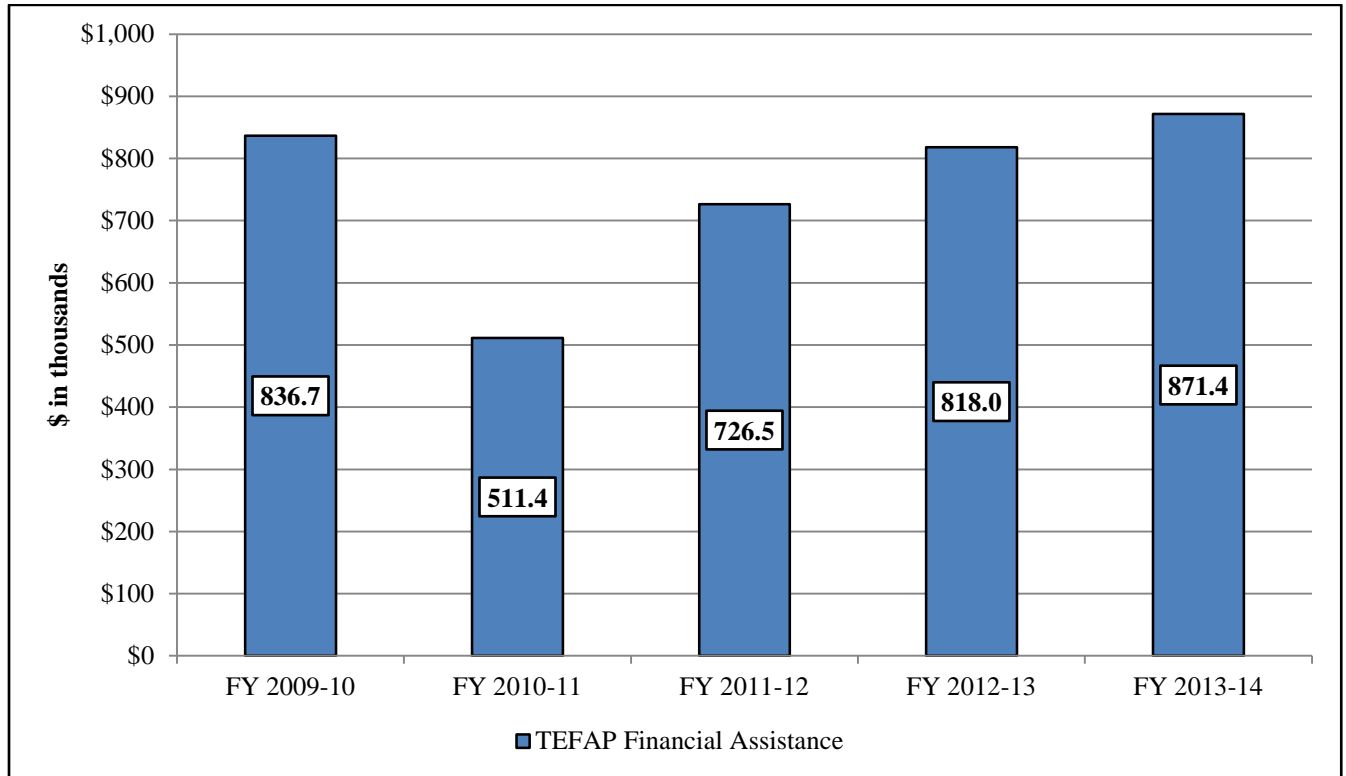


FOOD DISTRIBUTION

Food Distribution Financial Assistance (<http://www.ncagr.gov/fooddist/>)

- **Created** – 1981
- **Statutory Authority** – N/A
- **Purpose** – To provide support to recipient agency for administration necessary to distribute USDA donated food.
- **Allocation of Funds** – Funding is allocated amongst eligible nonprofits based on the lesser of total dollar value of food distributed or actual cost incurred. Total funding level made available is based on funding provided by USDA and allocation made by DACS.
- **Eligibility** – The Department determines eligibility for awarding financial assistance. Only nonprofits are eligible to receive administrative assistance and must enter into an annual contract with DACS.
- **Grant Cycle** – Funding is disbursed to eligible nonprofits on a monthly or quarterly basis, depending on the nonprofit's distribution schedule.
- **Governance** – Department staff review and approve nonprofit organizations that are eligible to receive financial assistance. Staff also determines the level of financial assistance to provide, based on funding availability and allocation methodology developed by staff.
- **Source of Funding** – Funding is provided from The Emergency Food Assistance Program (TEFAP) administered by the US Department of Agriculture.
- **Grant Demand** – Over a three year period, the annual average number of organizations requesting funds was 21 and the average total amount requested was \$3.5 million. The program was able to fund all organizations, but the amount funded was an annual average of \$805,297.
- **Range of Grant Amounts** – Depends on organization, but grants ranged from \$2,082 to \$276,837 in FY 2013-14.
- **Grant Terms** – Recipients must enter into annual agreement with DACS prior to receiving funding.
- **Administrative Costs** – One FTE supports the program and the FY 2013-14 administrative costs totaled \$66,395.
- **Reporting Requirement** – No report is required to the General Assembly. Recipients must report award to NC Grants.

- **Funding History –**

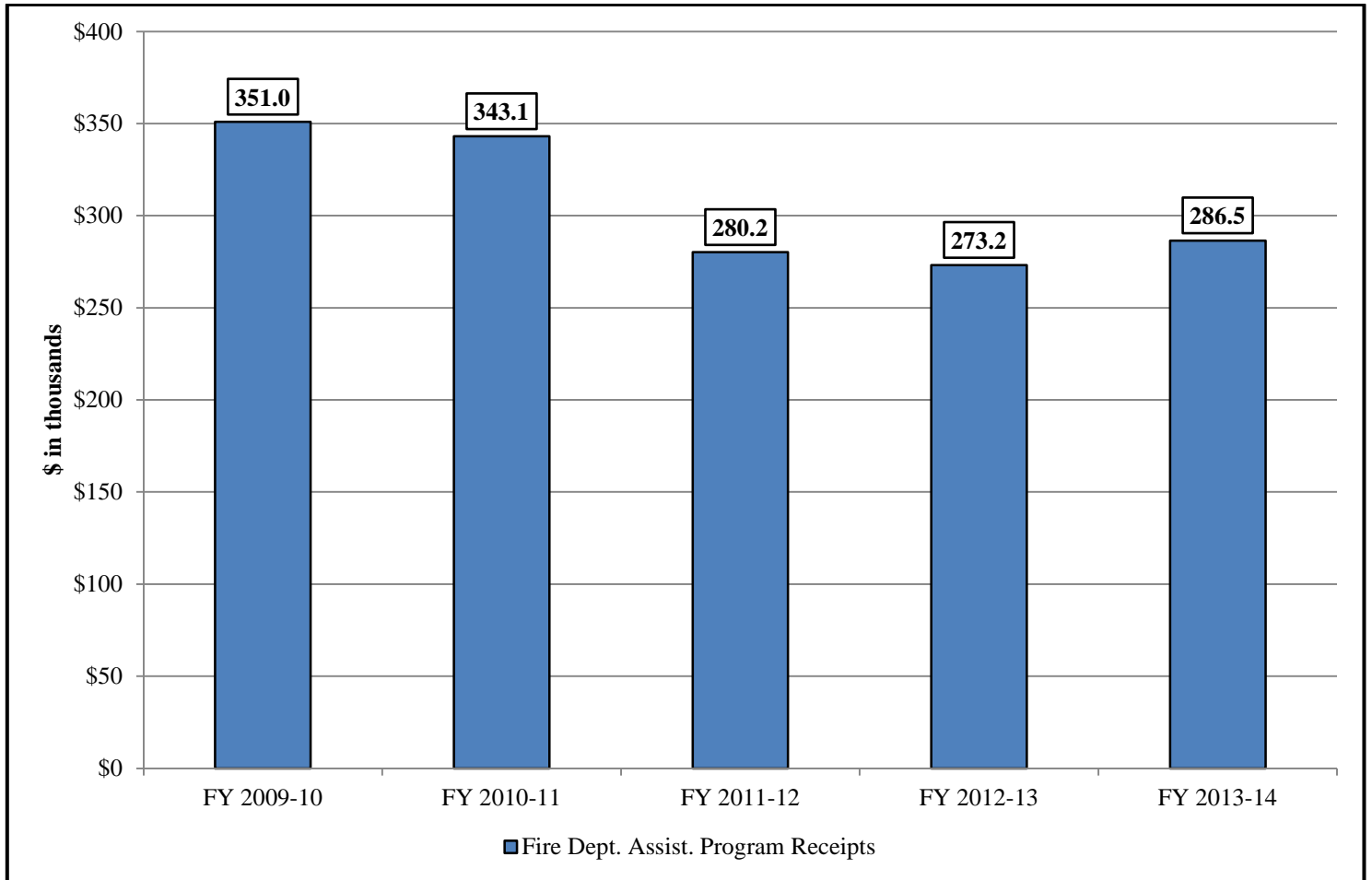


FOREST SERVICE

Fire Department Assistance Program (<http://ncforestservice.gov/publications/FC0112.pdf>)

- **Created** – 2001
- **Statutory Authority** – N/A
- **Purpose** – To assist fire departments purchase personal protective equipment for fighting wildland fires.
- **Allocation of Funds** – The program provides numerous areas of support for fire departments. Financial assistance is provided via cost-share awards to fire departments for certain wildland firefighting personal protective equipment. Cost-share provided is 50% of the equipment costs up to a maximum award of \$1,200.
- **Eligibility** – Fire department must serve a population of less than 10,000 people.
- **Grant Cycle** – Applications are received in early to mid-summer of each year. Awards are made approximately 30 days following the application deadline.
- **Governance** – Applications are reviewed and awards are made by DACS staff.
- **Source of Funding** – Funding is provided from the USDA – Forest Service.
- **Grant Demand** – Over a three year period, the Department received an average of 165.3 applications requesting \$158,082. Over the same period, the Department funded an average of 160.7 projects at an annual total of \$125,403.
- **Range of Grant Amounts** – Awards ranged from \$73 to \$1,200 in FY 2013-14.
- **Grant Terms** – Projects begin on September 1 and must be completed by July 31 of the following year.
- **Administrative Costs** – FY 2013-14 administrative costs totaled \$136,000 to support 1.8 FTE positions.
- **Reporting Requirement** – Periodic reports are submitted to the USDA – Forest Service

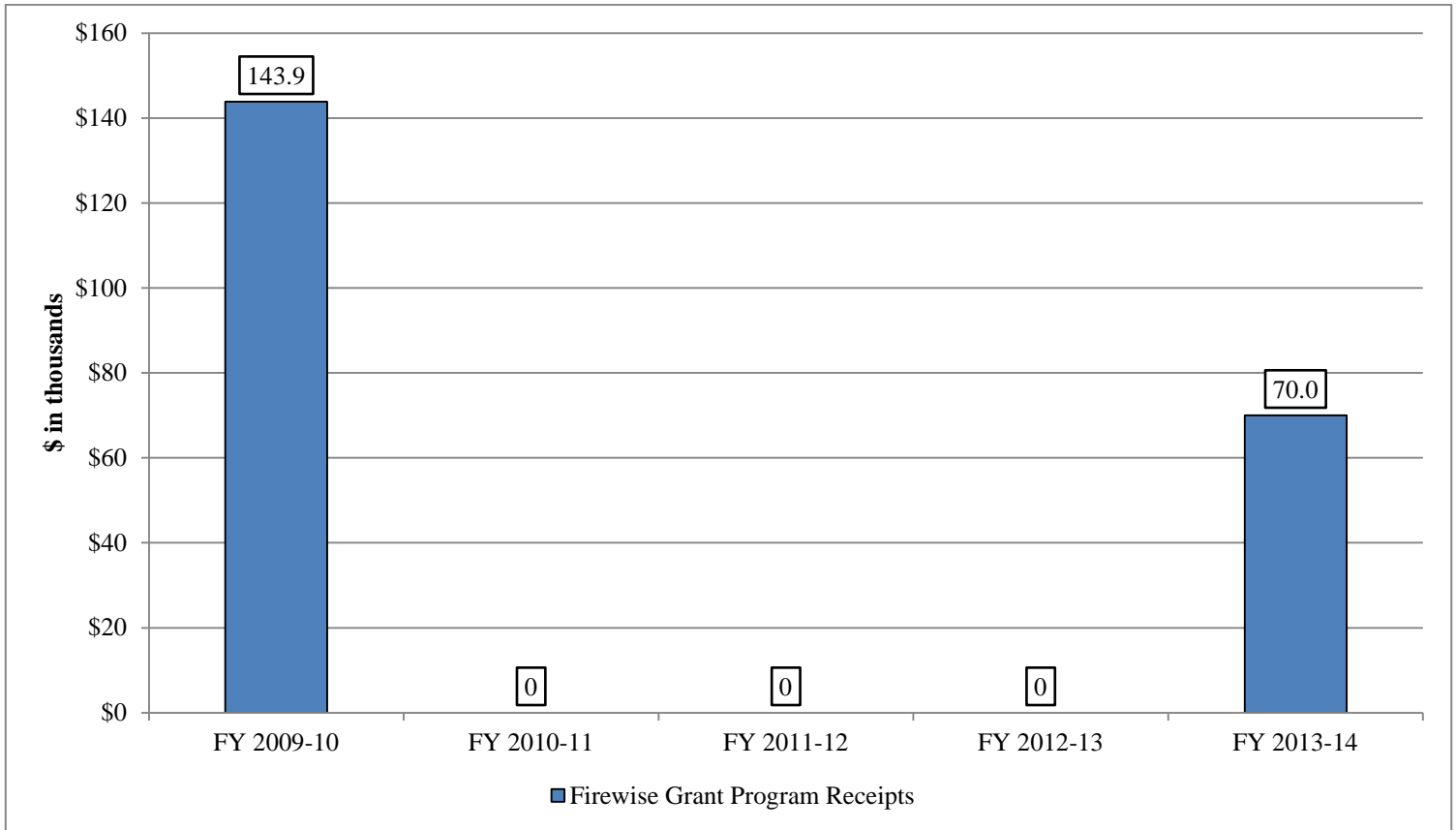
- **Funding History –**



Firewise Mitigation Grant Program (<http://www.ncfirewise.org/>)

- **Created** – 2003
- **Statutory Authority** – N/A
- **Purpose** – To develop, educate, enhance, implement, and support the Firewise concepts in wildland urban interface communities throughout NC by encouraging citizen and community involvement to lessen or reduce fire hazards and threats.
- **Allocation of Funds** – The program provides cost-share grants to eligible applicants for wildfire mitigation educational programs. Cost-share provided is 80% of the project costs and must be matched with 20% of the project costs from other funding sources or in-kind services.
- **Eligibility** – Any of the following entities may apply:
 - 1) Non-incorporated communities
 - 2) Nonprofit organizations
 - 3) Local governments (only for hazardous fuel mitigation projects)
- **Grant Cycle** – Applications are accepted and awards are made throughout the year.
- **Governance** – Department staff review applications and make awards.
- **Source of Funding** – Funding is provided from the USDA – Forest Service.
- **Grant Demand** – Over a three year period, the Department received an average of 9.3 applications requesting \$157,214. Over the same period, the Department funded an average of 8 projects at an annual total of \$129,281
- **Range of Grant Amounts** – In FY 2013-14 the smallest grant award was \$1,000 and the largest was \$25,000.
- **Grant Terms** – N/A
- **Administrative Costs** – FY 2013-14 administrative costs totaled \$110,000 and supported 1.5 FTE positions.
- **Reporting Requirement** – Periodic reports are submitted to the USDA – Forest Service.

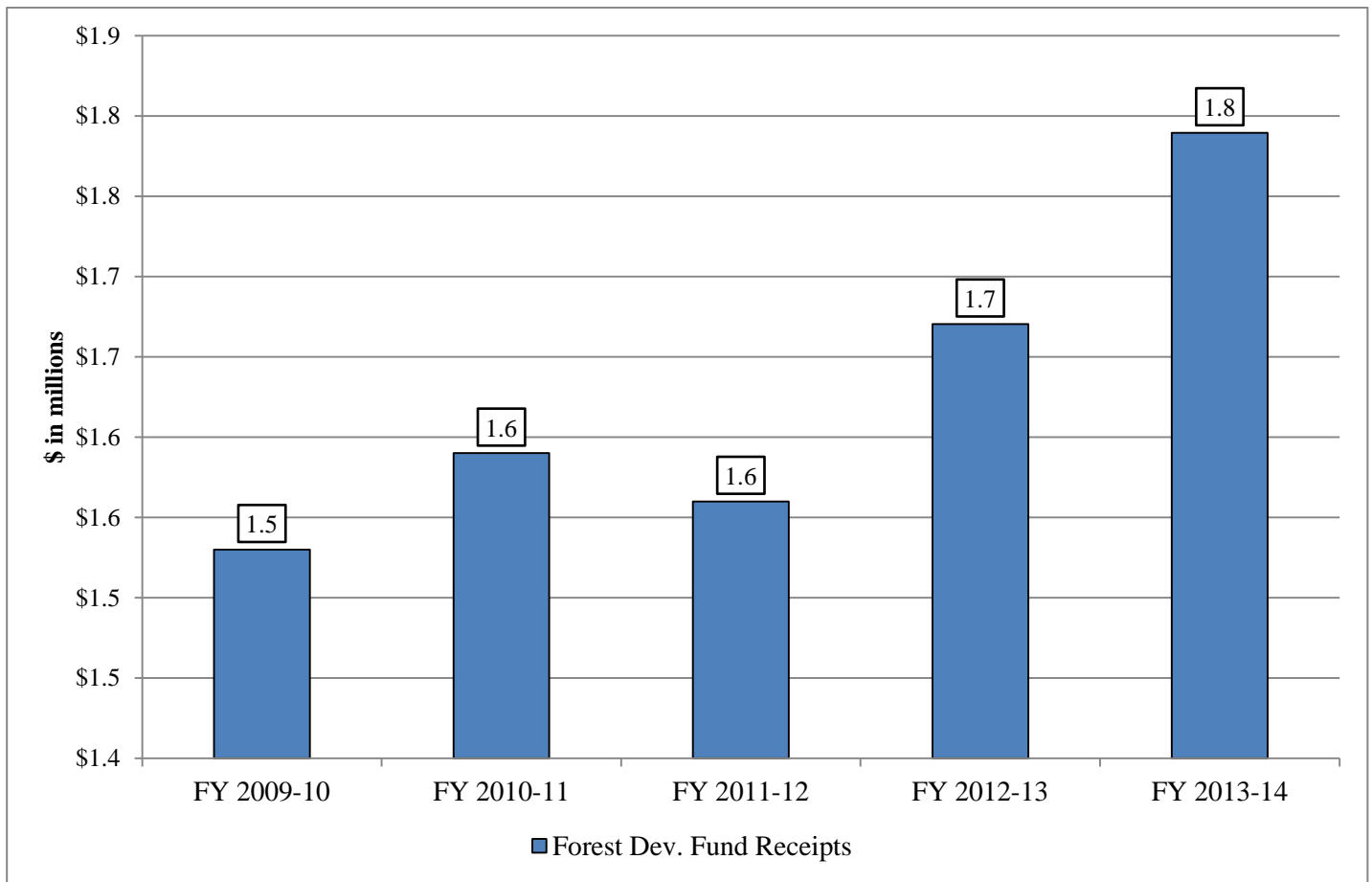
- **Funding History –**



Forest Development Program (FDP)
(http://ncforestservice.gov/Managing_your_forest/fdp.htm)

- **Created** – 1977
- **Statutory Authority** – G.S. 106, Articles 83 and 84
- **Purpose** – Provide financial assistance to eligible landowners to increase the productivity of the privately owned forests of the State through the application of forest renewal practices and other practices that improve tree growth and overall forest health.
- **Allocation of Funds** – The program provides cost-share assistance to eligible applicants for forest establishment and improvement costs. G.S. 106-1016 allows the Department to provide cost-share assistance up to 60% of the eligible forestry project costs. However, in practice the Department limits maximum cost-share assistance to 40% for most of the approved eligible forestry project costs to increase the number of projects funded.
- **Eligibility** – Any private landowner with at least 4.5 acres of forestland operating under a forest management plan is eligible to apply for funding from the program for forest establishment or improvement.
- **Grant Cycle** – Applications are received throughout the year by DACS. Funding is then distributed on a first-come, first-served basis at the beginning of the fiscal year.
- **Governance** – Eligible applications are funded on a first-come, first-serve basis by Forest Service staff.
- **Source of Funding** – Funding is provided from assessments levied on harvested forestry products in Article 84 of G.S. 106. Prior to 2009, the program also received General Fund appropriations. Gifts and grants can also be provided to the program.
- **Grant Demand** – Over a three year period, the NC Forest Service has received an average of 1,965 applications requesting \$3.4 million. Over the same period, they funded an average of 1,488 applications totaling \$1.7 million.
- **Range of Grant Amounts** – Depends on project, but cost-share reimbursements ranged from \$38 to \$7,400 in FY 2013-14. The average project cost totaled \$3,889 and an average reimbursement from the fund totaled \$1,026.
- **Grant Terms** – Cost-share assistance is limited to 100 acres or less per landowner per year. The landowner must agree to maintain funded practices for at least ten years. Applications must be approved prior to actual work being conducted.

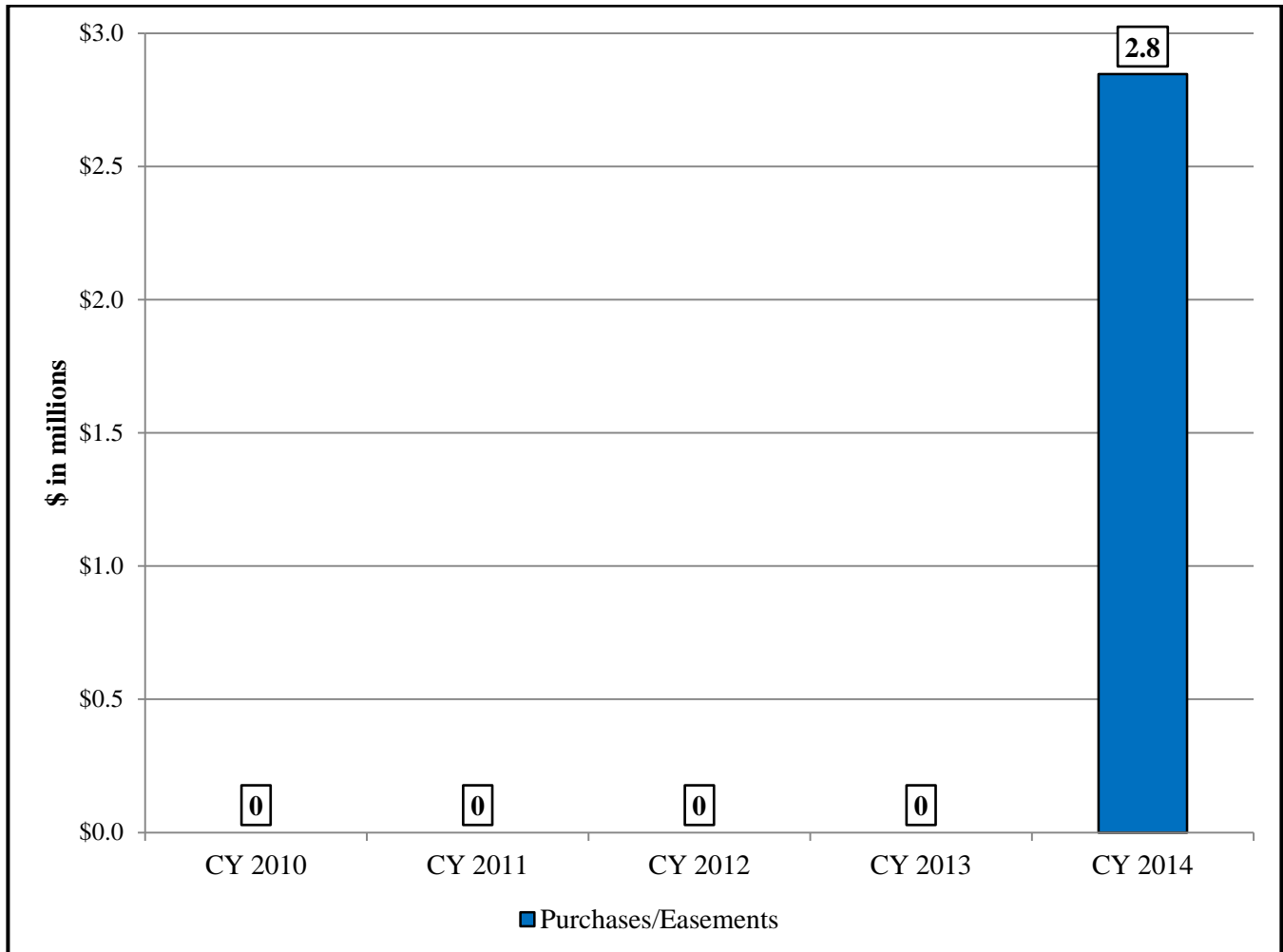
- **Administrative Costs** – DACS and DOR can each utilize up to 5% of the assessment funds for administration of the program. FY 2013-14 administrative costs totaled \$170,000. DACS received \$85,000 to support 1.5 FTE positions administering the program.
- **Reporting Requirement** – Report due to the General Assembly by January 15 of each odd-numbered year.
- **Funding History** –



Forest Legacy Program (http://ncforestservice.gov/fsandfl/what_is_forest_legacy.htm)

- **Created** – 2000
- **Statutory Authority** – N/A
- **Purpose** - To help landowners, State and local governments, and private land trusts identify and protect environmentally important forest lands that are threatened by present and future conversion to non-forest uses. Funds are used to purchase land or conservation easements.
- **Allocation of Funds** – Funds to acquire property or conservation easements are irregular and are competitive at the federal level. DACS also receives an annual \$25,000 grant to cover administrative expenses associated with the program.
- **Eligibility** – Any forestland owner interested in selling property or development rights for conservation purposes.
- **Grant Cycle** – Applications are due to the Department annually in May. The award process takes two years before funds are awarded.
- **Governance** – DACS makes funding requests to the USDA. The USDA determines grant awards based on project merit and available funding.
- **Source of Funding** – Funding is provided by the USDA – Forest Service through the Farm Bill.
- **Grant Demand** – Over a three year period, the Department received an average of 3 applications requesting \$3.8 million in funding. Over the same period, the program funded one project at a total of \$2.8 million.
- **Range of Grant Awards** – In FY 2013-14 one award was made totaling \$2.8 million. DACS anticipates the same project will be awarded \$3.5 million in FY 2014-15.
- **Grant Terms** – Federal funding for the program is limited to 75% of the total program costs. The remainder may be matched from other funding sources or through discounted sales offered by the landowner.
- **Administrative Costs** – Annual administrative costs total \$25,000 and support 0.5 FTE positions.
- **Reporting Requirement** – No reports are due to the General Assembly. Periodic reports are provided to the USDA.

- **Funding History –**



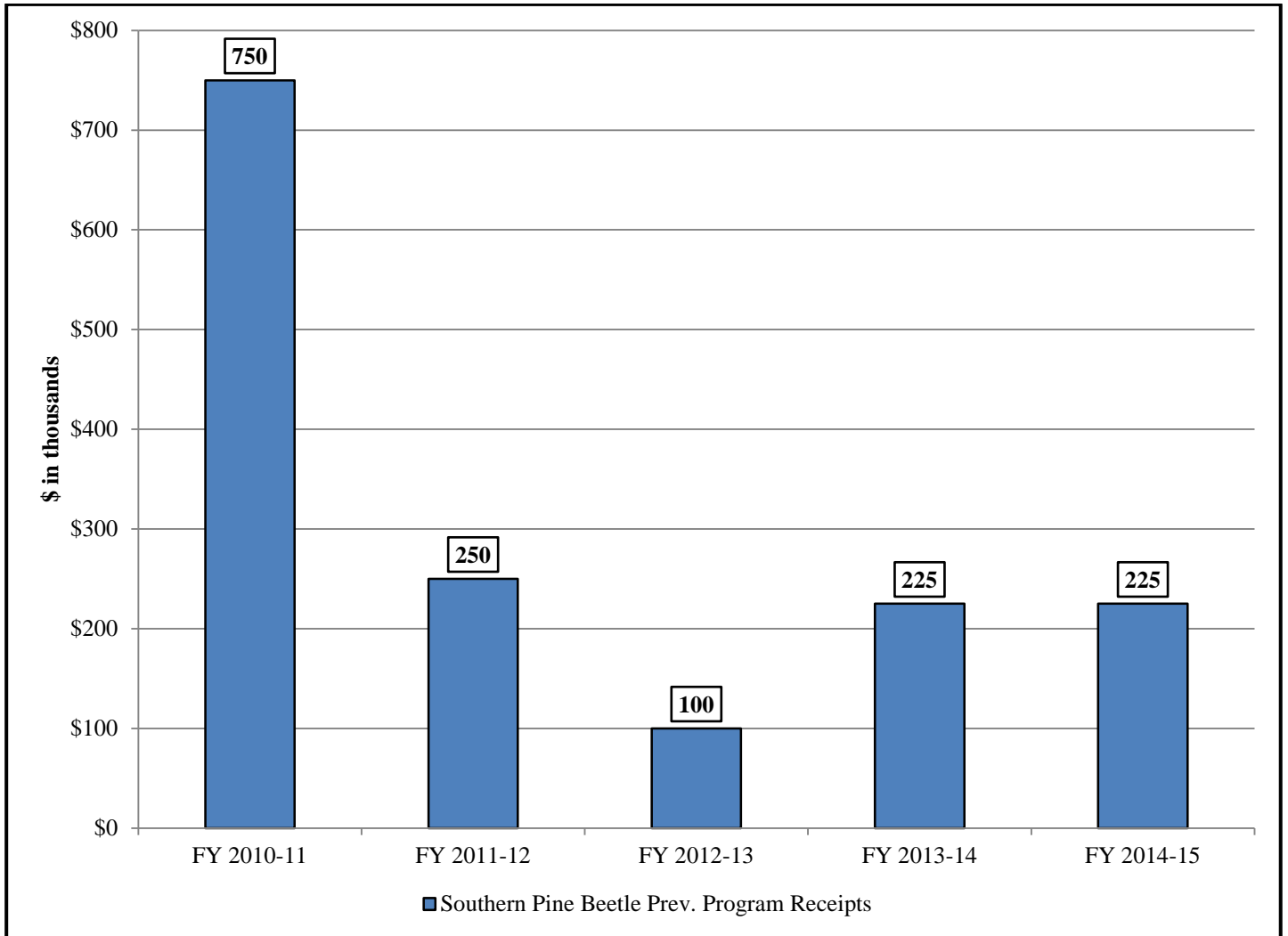
<p style="text-align: center;">Southern Pine Beetle Prevention Program (http://ncforestservice.gov/forest_health/fh_spbpp.htm)</p>

- **Created** – 2003
- **Statutory Authority** – G.S. 106, Article 75
- **Purpose** – To reduce outbreaks of the southern pine beetle.
- **Allocation of Funds** – The program provides cost-share assistance to eligible applicants for reimbursement of precommercial thinning costs. Cost-share provided to a landowner is the lesser of 50% of actual thinning costs or 50% of the prevailing rate of thinning costs. Maximum cost-share funding per landowner is \$10,000.

The amount of funding provided to the State from the US Forest Service varies depending on funding available for the program and severity of outbreaks in other states.

- **Eligibility** – Any private landowner with at least five acres of pine managed under a forestry management plan is eligible to apply for cost-share assistance.
- **Grant Cycle** – Applications are received by DACS throughout the year. Awards are made on a first-come, first-served basis for qualified applicants.
- **Governance** – DACS review applications and award funding to qualified applicants.
- **Source of Funding** – Funding is provided by the USDA-Forest Service on a reimbursement basis.
- **Grant Demand** – Over a three year period, the program received an average of 131.7 applications requesting \$376,675. Over the same time period, the program completed an average of 122.3 projects totaling \$277,570.
- **Range of Grant Amounts** – Depends on project, but cost-share grants ranged from \$140 to \$10,000 in FY 2013-14.
- **Grant Terms** – The landowner must agree to maintain thinned timber stand for at least ten years. Recipient must also perform the pre-commercial thinning within one year of receiving the award.
- **Administrative Costs** – FY 2013-14 administrative costs totaled \$101,119 and supported 1.97 FTE positions.
- **Reporting Requirement** – No reports due to the General Assembly. Periodic reports are submitted to the USDA – Forest Service.

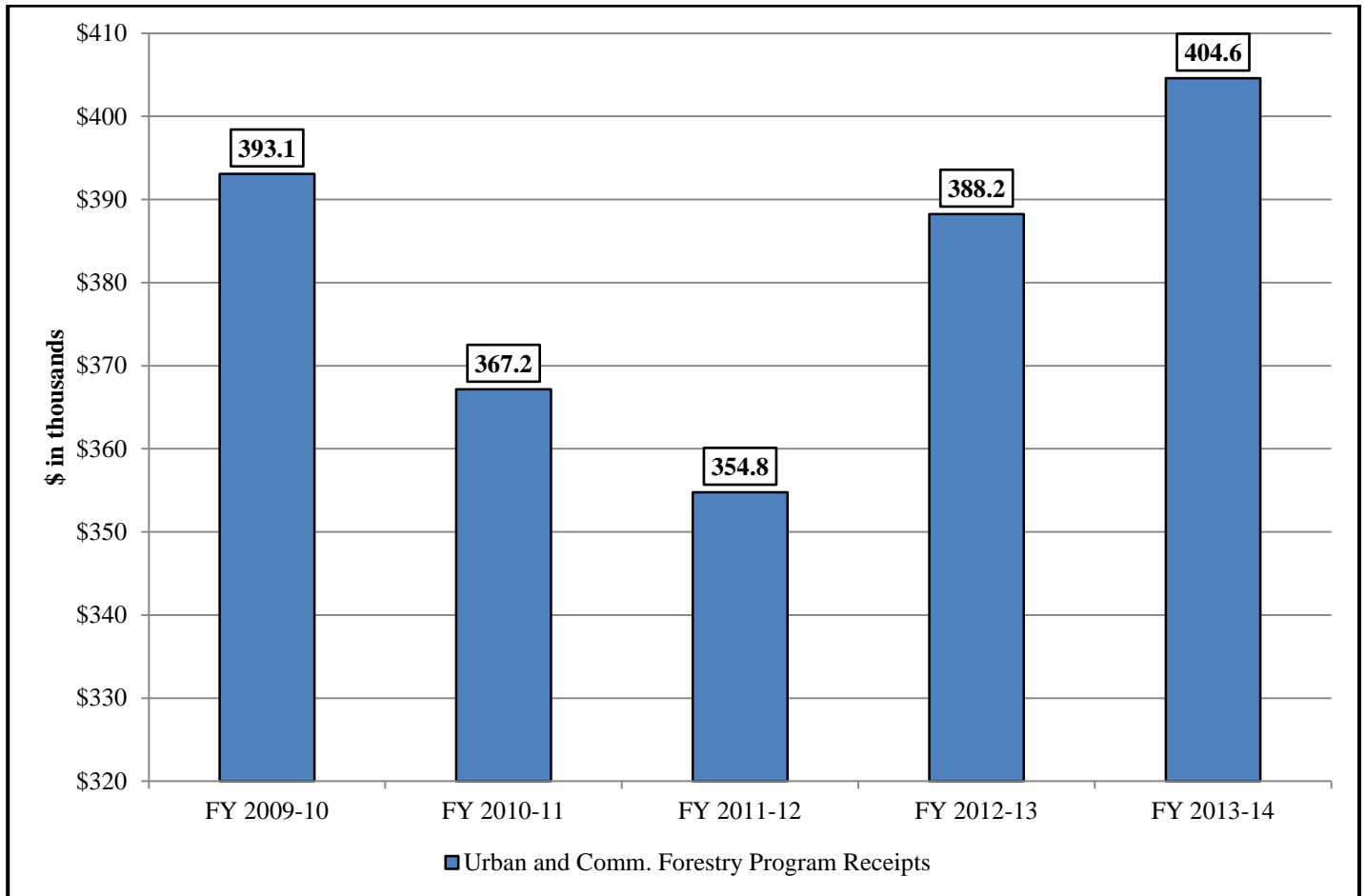
- **Funding History –**



Urban & Community Forestry Grant Program (http://ncforestservice.gov/Urban/urban_grant_overview.htm)

- **Created** – 1992
- **Statutory Authority** – N/A
- **Purpose** – To enhance the benefits and sustainable management of urban forests.
- **Allocation of Funds** – The program provides cost-share grants to eligible applicants for urban and community forestry programs. Cost-share provided is 50% of the project costs and must be matched with other funding sources or in-kind services.
- **Eligibility** – Any of the following entities may apply:
 - 1) State or local government
 - 2) Public educational institutions
 - 3) Nonprofit and other tax-exempt organizations
- **Grant Cycle** – Applications are received between January and March of each year. Contracts are awarded in September.
- **Governance** – Applications are reviewed and grants are awarded by a review committee consisting of Department staff and the NC Urban Forestry Council chairperson.
- **Source of Funding** – Funding is provided from the USDA – Forest Service.
- **Grant Demand** – Over a three year period, the Department received an average of 16.3 applications requesting \$175,415. Over the same period, the Department funded an average of 10.3 projects at an annual total of \$109,517.
- **Range of Grant Amounts** – Grants ranged from \$2,500 to \$15,000 in FY 2013-14.
- **Grant Terms** – Projects begin on September 1 and must be completed by July 31 of the following year.
- **Administrative Costs** – FY 2013-14 administrative costs totaled \$239,880 to support 2.75 FTE positions supporting the program.
- **Reporting Requirement** – No report is due to the General Assembly. Periodic reports are submitted to the USDA – Forest Service.

- **Funding History –**

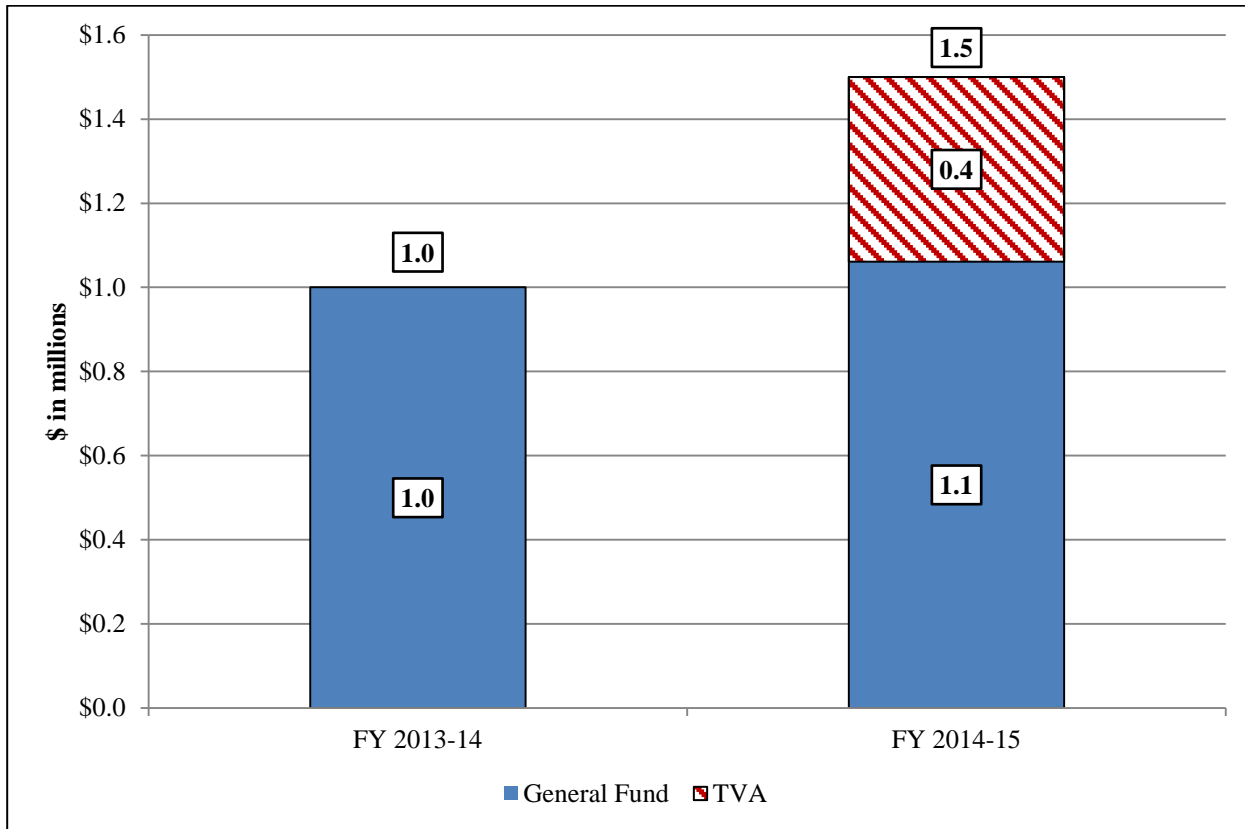


RESEARCH STATIONS

Bioenergy Development Program (<http://www.ncagr.gov/bioenergy/index.htm>)

- **Created** – 2013
- **Statutory Authority** – N/A
- **Purpose** - To generate bioenergy production from NC agricultural or forestry based products.
- **Allocation of Funds** – The Department determines funding allocations and primarily awards funds to agricultural energy research projects.
- **Eligibility** – Eligibility criteria are established by the Department. These criteria currently permit governmental and nongovernmental organizations to apply for funding.
- **Grant Cycle** – The grant cycle typically opens in late-summer and applications are received through September. Awards are made annually in December.
- **Governance** – Proposals are solicited and reviewed by a DACS review committee. DACS staff then award grants to selected applicants.
- **Source of Funding** – General Fund appropriations. Total funding for the program is \$1.5 million and the Department may use up to \$500,000 for administrative expenses. In the 2014-15 fiscal year, \$438,583 of Tennessee Valley Authority settlement funds returned to the State by the Biofuels Center were provided to the program to offset a nonrecurring reduction in General Fund support.
- **Grant Demand** – Since inception, the program received 38 applications requesting \$3.5 million in funding. The program funded 19 projects totaling \$1.5 million.
- **Range of Grant Awards** – Depends on project, but grants ranged from \$32,438 to \$157,559 in the most recent fiscal year.
- **Grant Terms** – Nongovernmental applicants must provide proof of tax exempt status, a conflict of interest policy, and certification of no overdue tax debts.
- **Administrative Costs** – Funding is provided from the amount available for the program. The program currently has 3 FTE positions and FY 2013-14 administrative costs totaled \$95,578 over a 5-month period. Once these positions are annualized, administrative costs will total approximately \$250,000.
- **Reporting Requirement** – No reports are required to the General Assembly. The Department requires regular reporting from grant recipients. Any nongovernmental grant recipients must submit reports to the NCGrants system.

- **Funding History –**



SOIL AND WATER CONSERVATION

Agriculture Cost-Share Program (ACS)
(<http://www.ncagr.gov/SWC/costshareprograms/ACSP/index.html>)

- **Created** – 1983
- **Statutory Authority** - G.S. 106, Article 72
- **Purpose** - To reduce the input of agricultural nonpoint source pollution into the watercourses of the State.
- **Allocation of Funds** - Funds are provided to local soil and water conservation districts for:
 - 1) Administration of the program (“Technical Assistance”)
 - 2) Financial support for farmers to implement best management practices (“Cost-Share Assistance”)

The Soil and Water Conservation Commission prescribes the funding distribution to local districts. Current funding formulas are specified in the administrative code and can be found in 02NCAC 59D.0103 and 02NCAC 59D.0106.

- **Eligibility** – Local soil and water conservation districts are the only entities eligible to receive funds from the State. Individuals engaged in farming or forestry activities are then eligible to receive assistance from their local districts.
- **Grant Cycle** – Local soil and water conservation districts submit their annual requests in June of each year. Funding allocations to local soil and water conservation districts are made around August and March.
- **Governance** – The Soil and Water Conservation Commission governs the program [G.S. 106-841]. The Agriculture Cost Share Program’s Technical Review Committee is tasked to make program recommendations to the Commission. The Committee’s membership consists of nine ex-officio members detailed in G.S. 106-852.
- **Source of Funding** – General Fund appropriations. The Department occasionally receives grants to supplement programs.
- **Grant Demand** – Over the past three years, the Commission has received an average request of \$19.1 million in cost-share funds from 95 districts (99 counties) and \$3.48 million in technical assistance funding from 95 districts. In the same period, the Commission has provided an average of \$4.7 million in cost-share funds for 95 districts and \$2.41 million in technical assistance funds for 95 districts.
- **Range of Grant Awards** – In FY 2013-14, technical assistance funding to local districts ranged from \$0 to \$63,638. Cost-share assistance funding to local districts ranged from \$0 to \$80,706.

- **Grant Terms –**

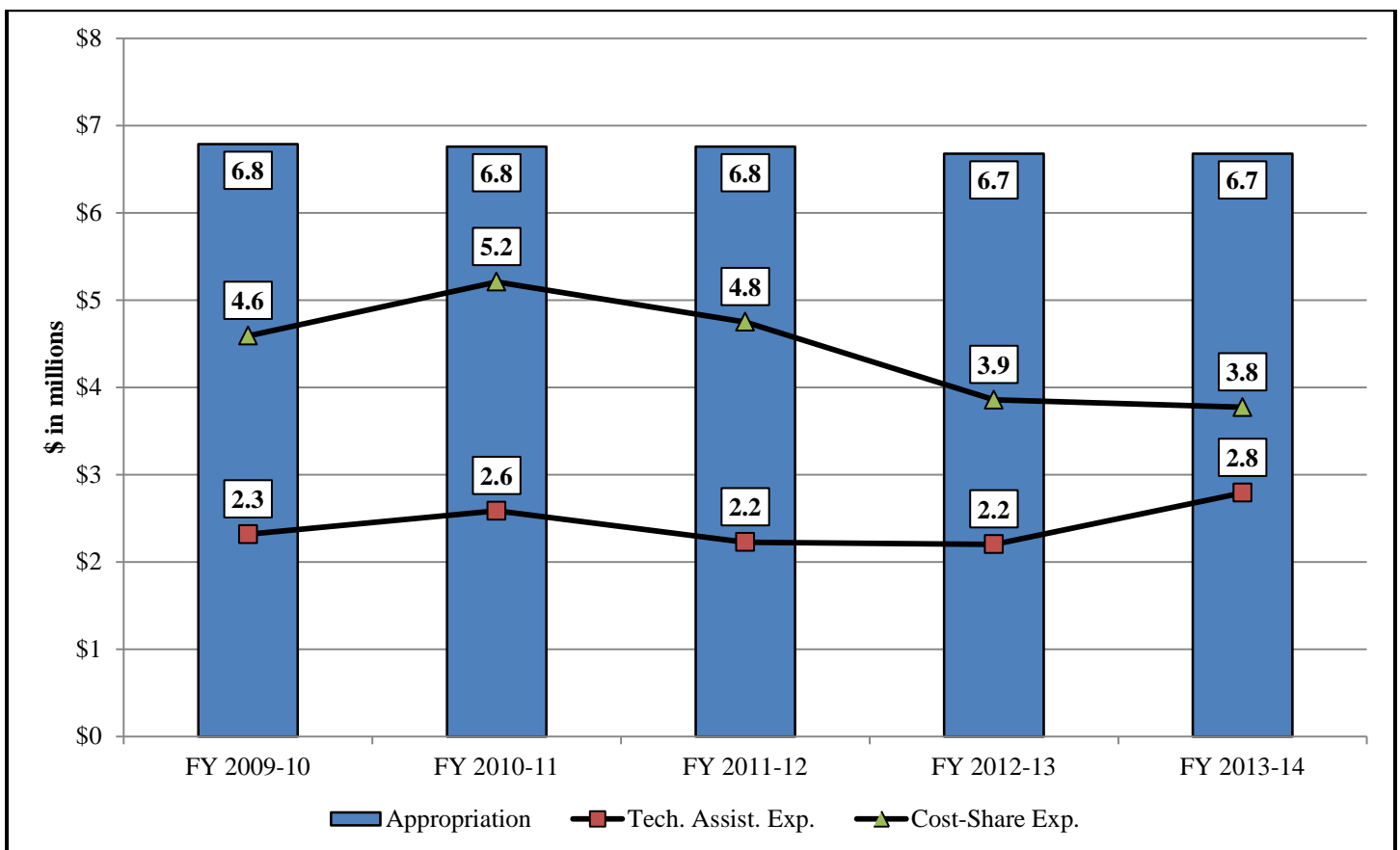
Cost-Share Assistance

- 1) Applicant must have water quality issue that can be addressed with best management practice,
- 2) Applicant must prove they are engaged in farming by providing documentation detailed in G.S. 106-850(b),
- 3) Operations must have been in existence for more than three years, and,
- 4) Applicant must maintain conservation practice for contractual period.

Technical Assistance

Districts must match at least 50% of the total project cost.

- **Administrative Costs** – FY 2013-14 administrative costs were \$319,785 for 5 FTE positions.
- **Reporting Requirement** – The Soil and Water Conservation Commission shall report by January 31 of each year to the Environmental Review Commission, the Department of Agriculture and Consumer Services, and the Fiscal Research Division.
- **Funding History –**

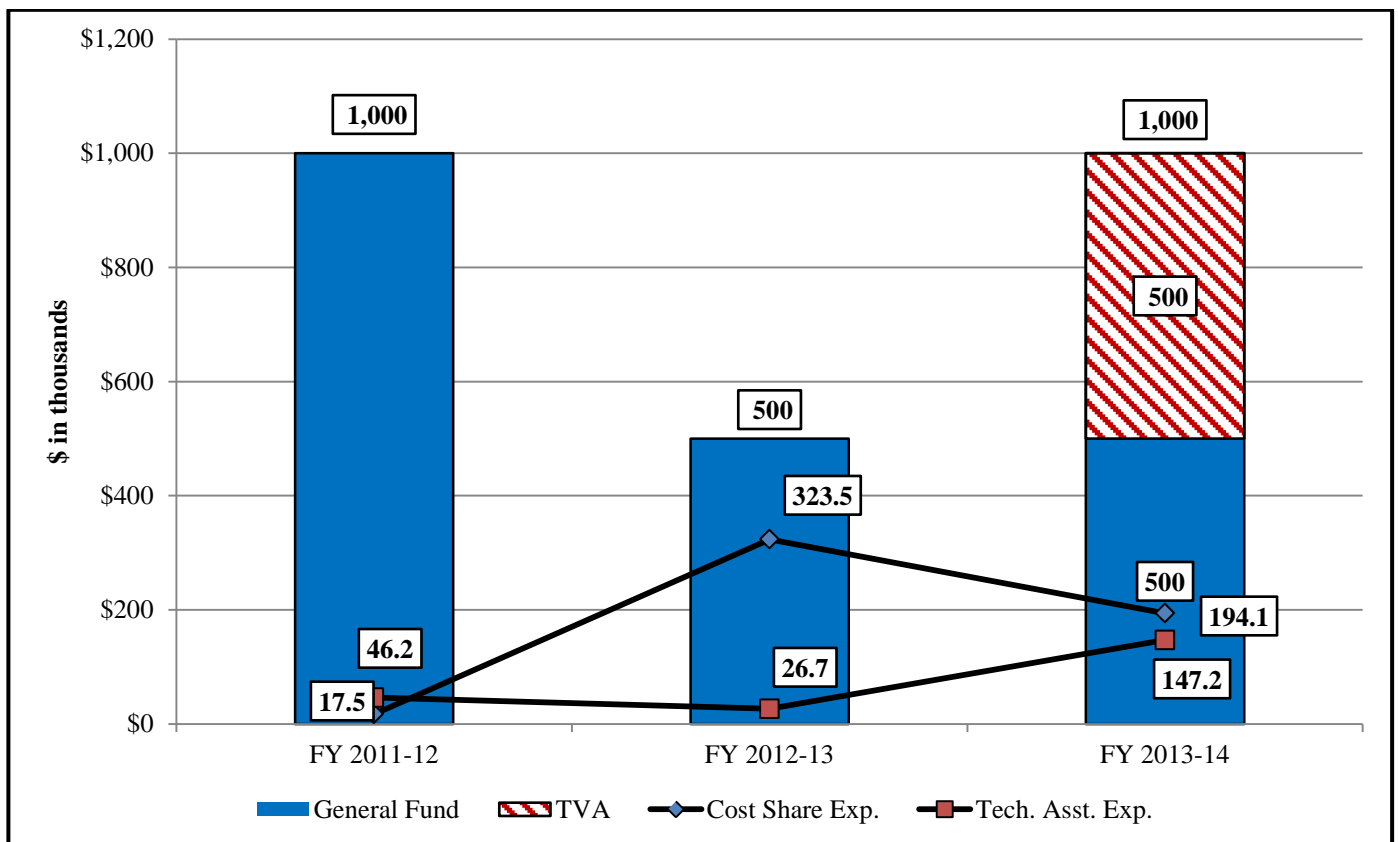


Agricultural Water Resources Assistance Program (AgWRAP)
(<http://www.ncagr.gov/SWC/costshareprograms/AgWRAP/index.html>)

- **Created** – 2011
- **Statutory Authority** - G.S. 139, Article 5.
- **Purpose** - To assist farmers and landowners in doing any one or more of the following:
 - 1) Identify opportunities to increase water use efficiency, availability, and storage
 - 2) Implement best management practices to conserve and protect water resources
 - 3) Increase water use efficiency
 - 4) Increase water storage and availability for agricultural purposes
- **Allocation of Funds** - Funds are provided for:
 - 1) Project design and administration of the program (“Technical Assistance”)
 - 2) Financial support for farmers to increase agricultural water supply resources (“Cost-Share Assistance”)

The Soil and Water Conservation Commission prescribes the funding distribution to local districts. Local districts typically submit cost-share funding requests to the Commission by June 1st of each year.
- **Eligibility** – Local soil and water conservation districts are the only entities eligible to receive funds from the State. Individuals engaged in farming or forestry activities are then eligible to receive cost-share funding from their local districts.
- **Grant Cycle** – Application periods are determined annually. Currently, the Commission offers two grant cycles. Applications are due by November and February of each year. Awards are made in January and March of each year.
- **Governance** – The Soil and Water Conservation Commission governs the program [G.S. 106-841]. The Agricultural Water Resources Assistance Program Review Committee established in G.S. 139-60(b) advises the Commission on development and administration of the program.
- **Source of Funding** – General Fund appropriations. In FY 2013-14, the General Assembly also provided the program with \$500,000 in Tennessee Valley Authority Settlement funds.
- **Grant Demand** – Over the three most recent fiscal years, an average of 84 applicants requested an annual average of \$4.35 million. The average number of contracts awarded over the same period was 81.3 with average total funding contracted at \$642,412.

- **Range of Grant Awards** – In FY 2013-14, cost-share assistance funding to local districts ranged from \$0 to \$125,000. Technical assistance funding was used by the Department for program purposes.
- **Grant Terms** – Applicant must:
 - 1) Have a documented water quantity problem that can be addressed with a best management practice,
 - 2) Establish that they are engaged in farming by providing proof specified in G.S. 139-60,
 - 3) Have an adjusted gross income in each of the previous two years that is less than \$250,000, unless at least 75% of the income is derived farming, ranching, or forestry activities, and,
 - 4) Must have been in operation for more than one year.
- **Administrative Costs** – FY 2013-14 costs were \$87,681 for 1.5 FTE positions.
- **Reporting Requirement** – The Soil and Water Conservation Commission shall report by January 31 of each year to the Environmental Review Commission as part of the report required by G.S. 106-850(e).
- **Funding History** –

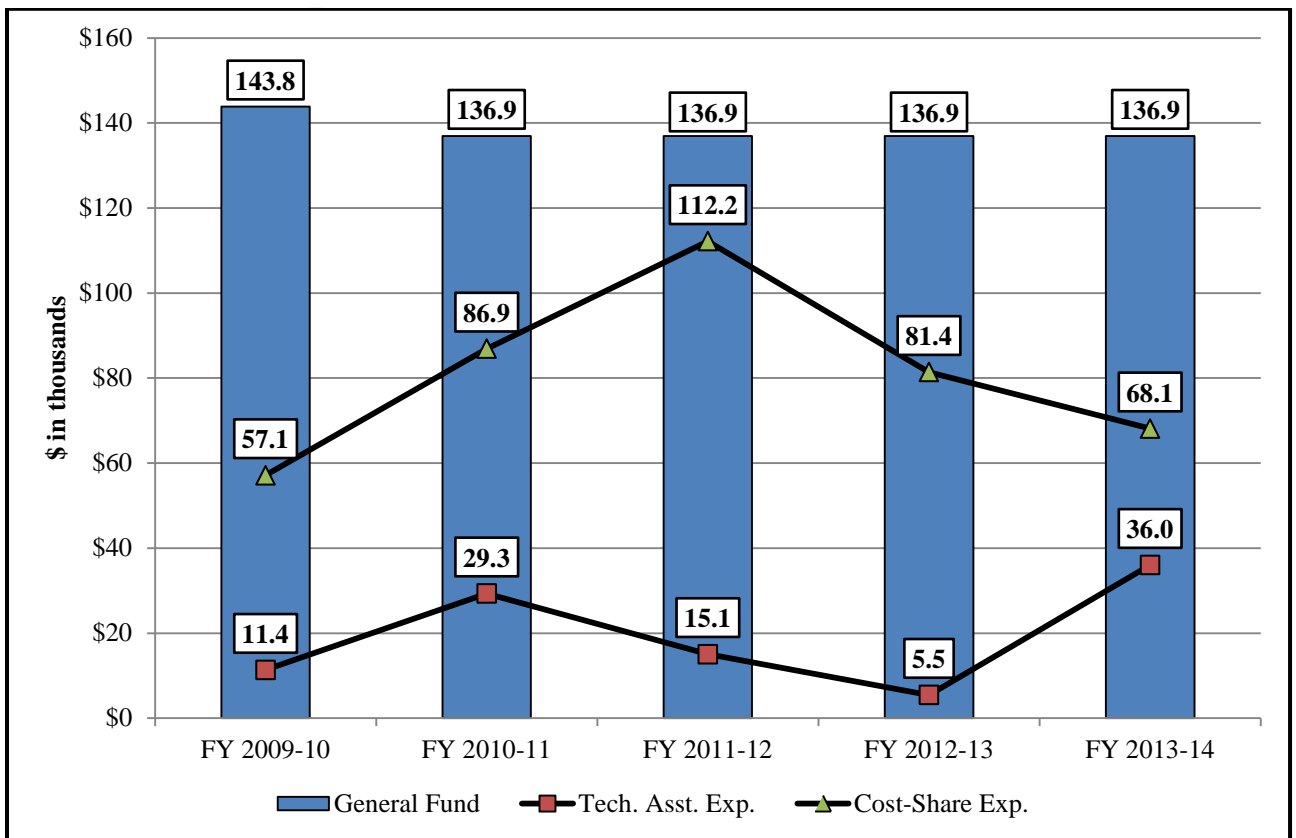


Community Conservation Assistance Program (CCAP)
(<http://www.ncagr.gov/SWC/costshareprograms/CCAP/index.html>)

- **Created** – 2006
- **Statutory Authority** - G.S. 106, Article 73.
- **Purpose** - To reduce the input of nonpoint source pollution into waters of the State. Funds are provided by the Soil and Water Conservation Commission to address nonpoint source pollution associated with urban development.
- **Allocation of Funds** - Funds are provided for:
 - 1) Administration of the program (“Technical Assistance”)
 - 2) Financial support to implement best management practices (“Cost-Share Assistance”)

The Soil and Water Conservation Commission prescribes the funding distribution to local districts. Local districts typically submit funding requests and the Commission allocates funding based on Commission priorities. Current funding allocation formula is specified in 02NCAC 59H.0103.
- **Eligibility** – Local soil and water conservation districts are the only entities eligible to receive funds from the State. Generally, funding is provided to individuals and organizations from their local districts to address water quality concerns associated with development.
- **Grant Cycle** – Local soil and water conservation districts submit their funding requests annually by June 1st. Funding is distributed to local districts during the summer and spring.
- **Governance** – The Soil and Water Conservation Commission governs the program [G.S. 106-841]. The Community Conservation Assistance Program Advisory Committee is tasked to make program recommendations to the Commission. The Advisory Committee’s membership consists of 14 ex-officio members detailed in G.S. 106-860(d).
- **Source of Funding** – Funding has historically been provided from General Fund appropriations, EPA 319 grants, and the Clean Water Management Trust Fund.
- **Grant Demand** –
 - **Cost-Share Assistance** - Over the three most recent fiscal years, an average of 71.7 districts requested an annual average of \$2 million. While all received funding, the actual average disbursed was \$107,527.
 - **Technical Assistance** – Over the three most recent fiscal years, an average of 30 districts requested an annual average of \$210,391. However, 2 local districts received an annual average of \$24,268.

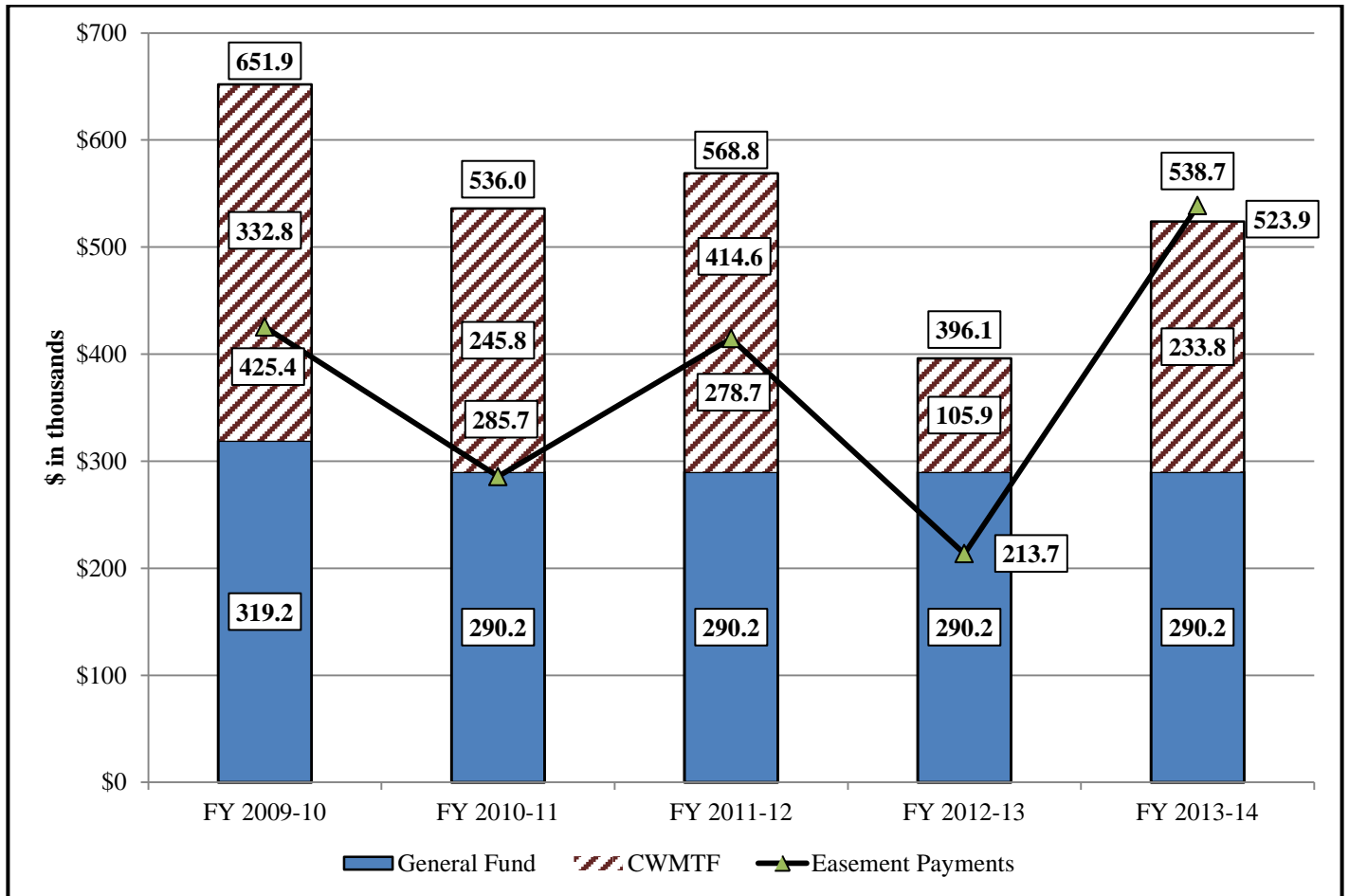
- **Range of Grant Awards** – In FY 2013-14, technical assistance funding to local districts ranged from \$0 to \$12,570. Cost-share assistance funding to local districts ranged from \$0 to \$4,525.
- **Grant Terms** –
 - 1) Applicants must have a documented water quality problem that can be addressed with the best management practices planned in the contract,
 - 2) Single-family dwelling's certificate of occupancy must have been issued at least three years prior to application,
 - 3) Property must have been developed for three years or more and released from its sedimentation/erosion control plan, and,
 - 4) Applicant must maintain conservation practice for the length of time specified in the contract.
- **Administrative Costs** – FY 2013-14 administrative costs were \$63,957 with 1 FTE position.
- **Reporting Requirement** – The Soil and Water Conservation Commission shall report by January 31 of each year to the Environmental Review Commission, the Department of Agriculture and Consumer Services, and the Fiscal Research Division.
- **Funding History** –



Conservation Reserve Enhancement Program (CREP) (<http://www.ncagr.gov/SWC/costshareprograms/CREP/index.html>)

- **Created** – 1999
- **Statutory Authority** – N/A
- **Purpose** - To address water quality concerns in nine river basins: Neuse, Tar-Pamlico, Chowan, White Oak, Lumber, Cape Fear, Yadkin-PeeDee, Roanoke, and Pasquotank.
- **Allocation of Funds** – Costs of the program are split between the USDA and the State. The USDA covers approximately 80% of the program costs and the State provides the remaining 20% match. Most of the State match is provided to enroll property in a 30-year or perpetual easements.
- **Eligibility** – Landowner must have owned or operated land for a minimum of 12-months prior to enrollment. Cropland must have been planted with an agricultural commodity during 4 of 6 years between 2002-2007. Pastureland is only eligible for riparian buffers.
- **Grant Cycle** – Applications are received throughout the year in coordination with the USDA-FSA Conservation Reserve Program (CRP). Payments are made to the landowner throughout the term of the easement.
- **Governance** – The Soil and Water Conservation Commission governs the State portion of the program. The USDA-FSA is responsible for determining eligibility, enrollment, and the federal portion of easement payments.
- **Source of Funding** – General Fund appropriations and the Clean Water Management Trust Fund.
- **Grant Demand** – Over the most recent three year period, the program received an annual average of 12 new applications requesting an average total of \$219,341. The average number of easements processed and amount funded over the same time period totaled 13.3 and \$388,991 respectively.
- **Range of Grant Awards** – Easement payments ranged from \$957 to \$358,000 in FY 2013-14.
- **Grant Terms** – Landowner and land must meet eligibility requirements per USDA-FSA. The site must be determined suitable for proposed conservation practice according to USDA-NRCS standards.
- **Administrative Costs** – FY 2013-14 administrative costs were \$481,933 for 7.2 FTE positions. These costs count toward the State’s 20% match requirement.

- **Reporting Requirement** – No report is due to the General Assembly. An annual report is submitted to the USDA pursuant to CREP agreement.
- **Funding History** –



STRUCTURAL PEST CONTROL AND PESTICIDES

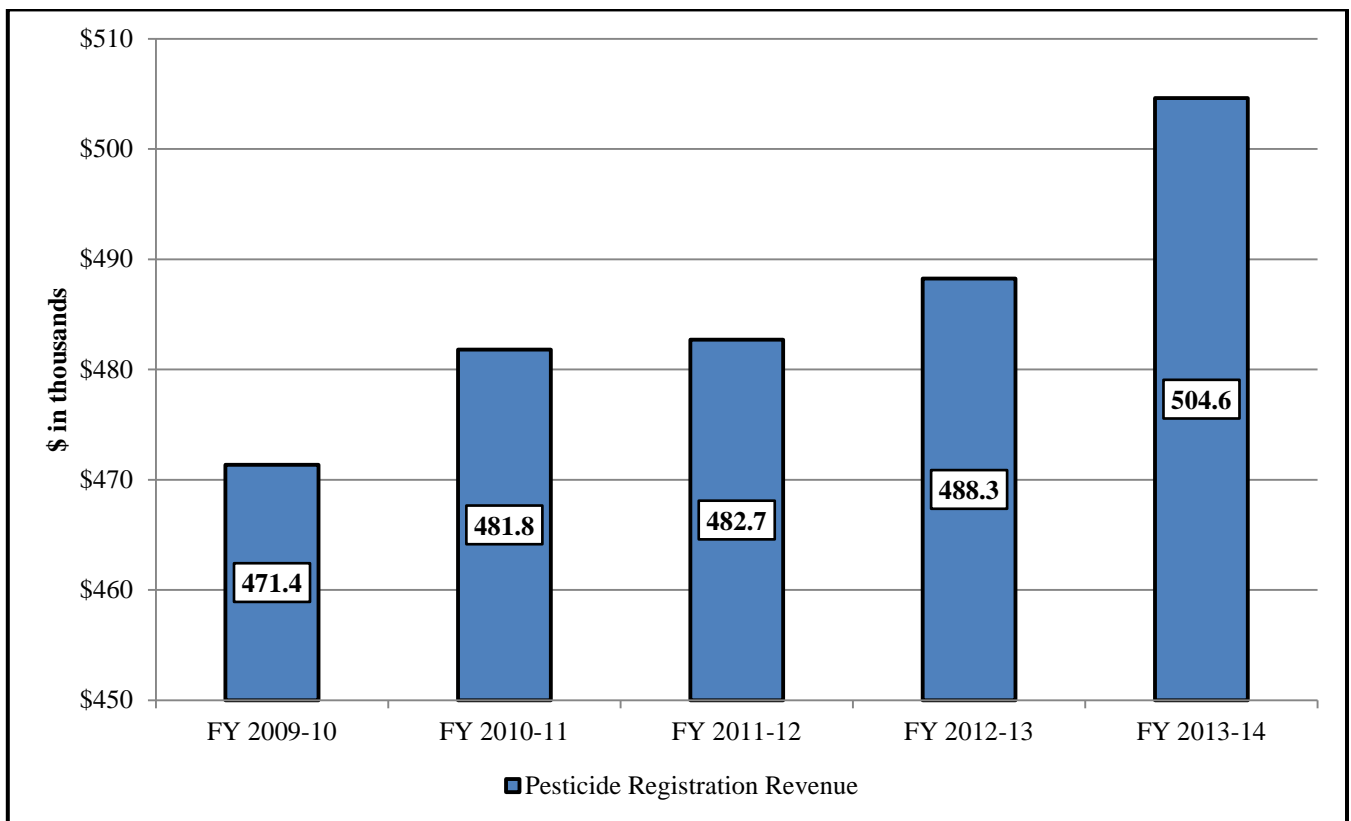
Pesticide Environmental Trust Fund (PETF)
(<http://www.ncagr.gov/SPCAP/pesticides/petf.htm>)

- **Created** – 1993
- **Statutory Authority** - G.S. 143-468
- **Purpose** - To support pesticide related environmental programs as directed by statute and the NC Pesticide Board.
- **Allocation of Funds** - Funds are statutorily allocated as follows:
 - 1) 2.5% to NCSU Cooperative Extension to enhance its agromedicine efforts in cooperation with East Carolina University School of Medicine.
 - 2) 2.5% to ECU School of Medicine to enhance its agromedicine efforts in cooperation with Cooperative Extension.
 - 3) 20% to NCSU to establish and maintain an extension agromedicine specialist position.
 - 4) 75% to the Department of Agriculture and Consumer Services for the costs of administering its pesticide disposal program, environmental programs, and establishing a pesticide container management program to enhance its pesticide disposal program and its water quality initiatives.

The Pesticide Board has allocated 2.5% of the 75% allocation available for pesticide programs to NC A&T for its agromedicine initiatives.

- **Eligibility** – The Pesticide Board limits funding eligibility to government agencies and universities. Funds are awarded by the Pesticide Board.
- **Grant Cycle** – Applications are received year-round. Awards are made following a meeting of the Pesticide Board.
- **Governance** – Seven-member Pesticide Board appointed by the Governor. One member each from DACS, DENR, and State Health Director. Remaining four appointments consist of one agricultural chemical, one agricultural production, and two at-large representatives. [G.S. 143-436]
- **Source of Funding** – Assessments on brands of pesticides registered for sale in the State. The annual assessment fee is \$25 per brand if gross sales totaled less than or equal to \$5,000. The annual assessment fee is \$50 per brand if the gross sales totaled more than \$5,000.
- **Grant Demand** – No applications have been received in the past three years other than the Plastic Pesticide Container Recycling program administered by the Department.

- **Range of Awards** – Depends on revenue received in the Fund. For CY 2013, awards ranged from \$14,374 (2.5%) to \$416,846 (72.5%). The largest award (\$416,846) is used by the Department for pesticide disposal and pesticide container recycling programs.
- **Grant Terms** – N/A
- **Administrative Costs** – Funded from the amount available for the program. FY 2013-14 administrative costs totaled \$32,386.57 and supported 0.52 FTE positions.
- **Reporting Requirement** – No report is due to the General Assembly. Grant recipients must report periodically and submit a final report to the Department and the Pesticide Board.
- **Funding History** –



VETERINARY

Spay and Neuter Program **(www.ncspayneuter.com)**

- **Created** – 2001
- **Statutory Authority** - G.S. 19A, Article 5
- **Purpose** - To foster the spaying and neutering of dogs and cats for the purpose of reducing the population of unwanted animals in the State.
- **Allocation of Funds** - Funds may be used to:
 - 1) Develop and implement the statewide education program component of the Spay/Neuter Program (up to 20%)
 - 2) Administrative expenses (up to 20%)
 - 3) Reimburse local governments for reduced-cost spay/neuter programs

Reimbursement amounts per operation are limited based on population served and average cost of operation from the previous year. Also, for the funds available to local governments, one-half of the funds are reserved for Tier 1 counties.
- **Eligibility** – Counties and municipalities operating a low-cost spay/neuter program in compliance with G.S. 19A-63 are eligible to receive reimbursement funding from the program.
- **Grant Cycle** – Reimbursements to local governments are distributed quarterly. Reimbursement requests must be submitted to the Department by the last day of the month following the last month of the quarter.
- **Governance** – Department staff review and award reimbursement requests.
- **Source of Funding** – Funding is primarily provided from over realized receipts from the Department's Food and Drug Division and revenue generated from specialty license plate sales. The program also received a portion of rabies tag revenues prior to being transferred to the Department of Agriculture and Consumer Services in FY 2010-11 from the Department of Health and Human Services.
- **Grant Demand** – Over the past three years, an annual average of 37 local governments have requested an average total of \$706,945. While all local governments received funding, the annual average amount reimbursed was \$465,072.
- **Range of Grant Awards** – Depends on the local governments' tier status and the number and type of procedures performed. Grants ranged from \$167 to \$60,073 in CY 2012-13.

- **Grant Terms** – The program administered by the local government must be in compliance with the requirements detailed in G.S. 19A-63. Funding is only provided on a reimbursement basis and no advance grants are available.
- **Administrative Costs** – The program has one FTE with CY 2013 administration costs totaling \$49,982. The educational requirement specified in statute cost an additional \$3,867.
- **Reporting Requirement** – Report due in February of each year to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.
- **Funding History** –

