

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2016-17 STAFF FIGURE SETTING  
DEPARTMENT OF AGRICULTURE**

**JBC Working Document - Subject to Change  
Staff Recommendation Does Not Represent Committee Decision**

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## **How to Use this Document**

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables.

Decision items, both department-requested items and staff-initiated items, are discussed either in the Decision Items Affecting Multiple Divisions or at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

## Department Overview

The Department of Agriculture regulates, promotes, and supports agricultural activities throughout Colorado. In addition to the **Commissioner's Office and Administrative Services Division**, the Department is comprised of seven operating divisions that provide a wide range of services.

The **Agricultural Services Division** includes the following:

- **Animal Industry** is responsible for the prevention, traceability, and control of livestock diseases, as well as pest control and oversight of animal care requirements.
- **Inspection and Consumer Services** provides metrology and regulatory laboratory services, and inspects a variety of agricultural products and facilities
- **Plant Industry** manages statewide pest control programs; certifies and inspects plant, seed, and pesticide products; and administers the Industrial Hemp Regulatory Program.
- **Conservation Services** operates programs to enhance natural stewardship, including the Noxious Weed Management Program, and works with the **Conservation Board** which provides administrative oversight and financial assistance to state conservation districts in support of local conservation initiatives.

The **Agricultural Markets Division** promotes Colorado's agricultural products and services to domestic and international markets; the **Brand Board** maintains brand records, inspects and verifies the ownership of livestock, and investigates reported livestock theft to protect both buyers and producers; and the **Colorado State Fair** is responsible for planning and operating the 11-day state fair in August, as well as various events that occur on the fairgrounds through the year.

## SUMMARY OF STAFF RECOMMENDATIONS

	Department of Agriculture					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
FY 2015-16 Appropriation						
S.B. 15-234 (Long Bill)	\$45,709,657	\$9,706,234	\$30,176,218	\$1,656,548	\$4,170,657	274.1
H.B. 16-1237 (Supplemental)	483,012	0	258,012	225,000	0	2.6
H.B. 15-1367 Contingent appropriations	300,000	300,000	0	0	0	0.0
Other legislation	<u>564,396</u>	<u>0</u>	<u>564,396</u>	<u>0</u>	<u>0</u>	<u>6.3</u>
TOTAL	\$47,057,065	\$10,006,234	\$30,998,626	\$1,881,548	\$4,170,657	283.0

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<b>Department of Agriculture</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$47,057,065	\$10,006,234	\$30,998,626	\$1,881,548	\$4,170,657	283.0
BA1 Pesticide program inspection & enforcement support	677,632	0	677,632	0	0	4.7
BA2 CSFA financial assistance	300,000	300,000	0	0	0	0.0
R2 Hemp regulatory and seed certification program	116,920	0	116,920	0	0	0.0
R1 Pesticide laboratory resources	38,606	0	38,606	0	0	0.7
Staff initiated - General Fund appropriation adjustment	0	0	0	0	0	0.0
NPI Annual fleet vehicle request	25,819	(5,934)	31,928	0	(175)	0.0
NPI Secure Colorado	9,222	7,009	2,213	0	0	0.0
NPI Resources for administrative courts	156	0	156	0	0	0.0
NBA Risk management adjustments	0	0	0	0	0	0.0
NBA Marijuana lab proficiency testing	0	0	0	0	0	0.0
Centrally appropriated line items	718,769	380,707	393,625	0	(55,563)	0.0
Annualize prior year funding	423,872	(52,488)	(12,785)	490,000	(855)	0.0
Annualize prior year legislation	19,799	(300,000)	319,799	0	0	0.0
Indirect cost assessment	<u>(21,691)</u>	<u>0</u>	<u>(18,080)</u>	<u>0</u>	<u>(3,611)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$49,366,169</b>	<b>\$10,335,528</b>	<b>\$32,548,640</b>	<b>\$2,371,548</b>	<b>\$4,110,453</b>	<b>288.4</b>
<b>Increase/(Decrease)</b>	\$2,309,104	\$329,294	\$1,550,014	\$490,000	(\$60,204)	5.4
Percentage Change	4.9%	3.3%	5.0%	26.0%	(1.4%)	1.9%
<b>FY 2016-17 Executive Request</b>						
Request Above/(Below) Recommendation	\$741,710	\$502,537	\$954,173	(\$715,000)	\$0	8.0

## Description of Incremental Changes

### FY 2016-17

**BA1 Pesticide Program Inspection & Enforcement Support:** The recommendation is to continue the Committee's decision from the Department's FY 2015-16 supplemental request addressing this issue. Staff recommends \$677,632 cash funds from the Marijuana Tax Cash Fund and 4.7 FTE, which represents the annualizations of personal services, the purchase of legal services, vehicle lease payments, and centrally appropriated line items (i.e., PERA, Short-term Disability, etc.). The total funding for this request, including FY 2015-16 supplemental and FY 2016-17 Long Bill appropriations, will be \$968,627 cash funds and 7.0 FTE. Staff also recommends the continuation of the footnote associated with the Plant Industry Division line item.

**BA2 CSFA financial assistance:** The recommendation includes an increase of \$300,000 General Fund and the creation of a new line item: State Fair Facilities Maintenance. This line item will provide funding for the rehabilitation and maintenance of the Colorado State Fairgrounds' facilities and grounds. Staff also recommends the inclusion of a request for information associated with this new line item, which will ask the Department to provide a list of projects for which this funding will be used.

**R2 Hemp regulatory and seed certification program:** The recommendation includes an increase of \$116,920 cash funds to the Plant Industry Division to fund the operating costs associated with the Industrial Hemp Regulator and Seed Certification Program. This appropriation will cover the costs of the purchase of temporary staff, seed stock, seed storage, land contracts, and other operating costs.

**R1 Pesticide laboratory resources:** The recommendation is to continue the Committee's decision from the Department's FY 2015-16 supplemental request addressing this issue. Staff's recommendation includes an increase of \$38,606 cash funds and 0.7 FTE to the Inspection and Consumer Services Division, which represents the annualization of personal services and operating costs associated with this request. The total funding for this request, including FY 2015-16 supplemental and FY 2016-17 Long Bill appropriations, will be \$64,643 cash funds and 1.0 FTE.

**Staff-initiated – General Fund appropriation adjustment:** The recommendation is to adjust the Plant Industry Division and Conservation Division line items' General Fund appropriation to better match their actual expenditures. This adjustment will have a net zero budget impact.

**NPI Secure Colorado:** The recommendation is to apply the JBC's common policy, which was pending at the time of this presentation. The Department requests an increase of \$9,222 General Fund for FY 2016-17 to cover the Department's share of the Office of Information Technology's implementation of advanced information security event analytics capabilities. The table reflects the requested amount. *This item will be addressed during staff figure setting for the Governor's Office.*

**NBA Risk management adjustments:** The recommendation is to apply the JBC's common policy, which was to include the total amount of this request in the workers' compensation line item adjustment rather than approve this common policy budget amendment request separately. *This item was set during staff figure setting for the Department of Personnel and Administration.*

**NPI Resources for administrative courts:** The recommendation is to apply the JBC's common policy, which includes an increase of \$156 cash funds for the Administrative Law Judge Services line item adjustment. *This item was set during staff figure setting for the Department of Personnel and Administration.*

**NBA Marijuana lab proficiency testing:** The recommendation is to continue the Committee's decision on the Department's FY 2015-16 supplemental request addressing this issue. The Committee approved the Department's supplemental request, with staff changes to the fund type. The Committee's decision provides the Department with \$15,000 reappropriated funds for the

Inspection and Consumer Services Division to support the Colorado Department of Public Health and Environment (CDPHE).

**NPI Annual fleet vehicle request:** The recommendation is to apply the JBC's common policy, which includes an increase of \$25,819 total funds, including a decrease of \$5,934 General Fund, an increase of \$31,928 cash funds, and a decrease of \$175 federal funds, over the FY 2015-16 appropriation for the Vehicle Lease Payments line item. *This item was set during staff figure setting for the Department of Personnel and Administration.*

**Centrally appropriated line items:** The recommendation includes an increase of \$718,769 total funds, including \$380,707 General Fund, a decrease of \$393,625 cash funds, and a decrease of \$55,563 federal funds. This funding increase is for adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space. *These items were set during staff figure setting for the Department of Personnel and Administration.*

**Annualize prior year funding:** The recommendation includes an increase of \$423,872 total funds, including a decrease of \$52,488 General Fund, a decrease of \$12,785 cash funds, an increase of \$490,000 reappropriated funds, and a decrease of \$855 federal funds, for adjustments to prior year funding actions.

**Annualize prior year legislation:** The recommendation includes an increase of \$19,799 total funds, including a decrease of \$300,000 General Fund and an increase of \$319,799 cash funds, for adjustments related to prior year legislation.

**Indirect Cost Assessment:** The recommendation includes a decrease of \$21,691 total funds, including \$18,080 cash funds and \$3,611 federal funds, for adjustments to the indirect cost assessments line item.

### **Major Differences from the Request**

Staff recommends an appropriation of \$49,366,169 total funds, including \$10,335,528 General Fund. The recommendation is \$741,710 lower than the Department's request due to:

- Staff recommending \$677,632 cash funds for the Pesticide Program's inspection and enforcement support request, which represents approximately half of the amount requested by the Department;
- Staff recommending \$300,000 General Fund to provide financial assistance to the Colorado State Fair for facilities maintenance, which is less than half the amount requested by the Department; and

- Staff recommending \$116,920 cash funds to cover the requested operating costs of the Industrial Hemp and Seed Certification Program, but not the requested 1.0 FTE for the Program.



## Decision Items Affecting Multiple Divisions



### **BA1 Pesticide program inspection & enforcement support**

*Request:* The Department requests \$1,734,935 cash funds from the Marijuana Tax Cash Fund, created in Section 39-28.8-501 (1), C.R.S., and 14.0 FTE for the Plant Industry Division's Pesticide Program (Program) to support the implementation of the Pesticide Applicators' Act, with specific regard to marijuana and hemp growing facilities. This appropriation impacts line items in the following sections: Commissioner's Office and Administrative Services (vehicle lease payments and legal services) and Agriculture Services (Plant Industry Division).

*Recommendation:* **Staff recommends \$677,632 cash funds and 4.7 FTE**, which represents the annualization of the Committee's FY 2015-16 supplemental decision regarding this issue. **Staff also recommends the continuation of the footnote associated with the Plant Industry Division line item.**

*Analysis:* The Committee approved an FY 2015-16 supplemental appropriation of 2.3 FTE and \$290,995 cash funds in regards to this request. Staff's recommendation is the annualization of that decision. If staff's recommendation is approved, total funding for this request, including FY 2015-16 supplemental and FY 2016-17 Long Bill appropriations, will be \$968,627 cash funds and 7.0 FTE. For the sake of clarity and ease of discussion in the following analysis, staff has excluded the Committee's FY 2015-16 supplemental appropriation from the Program's current appropriations. Staff will frame the analysis of this request in total request funding.

### ***Workload Data and Assumptions***

The workload assumptions are based on a limited amount of data. There is currently only 10 months of workload data for pesticide inspections of marijuana and hemp growing facilities, from March 2015 to December 2015. The dearth of data is a function of both the newness of the recreational marijuana industry and a shift in Program policy toward greater focus on that industry. Prior to March 2015, the Pesticide Program conducted only a minimal number of investigations at marijuana growing facilities. While the legalization of recreational marijuana has undoubtedly increased the number of growing facilities in the state, it was the choice of the Department and Program not to investigate pesticide use at marijuana growing facilities prior to 2015. The Pesticide Applicators' Act (Title 10, Article 35, C.R.S.) has afforded the Department the authority to regulate pesticide use by commercial and private applicators since 1990. Medical marijuana has been legal in Colorado since 2001 and recreational marijuana since 2014.

Staff does not agree with the assumptions used by the Department in calculating their workload increase. The Department's request assumes that Program staff will conduct 1,150 inspections on marijuana and hemp growing facilities, which represents approximately 96.0 percent of those types of facilities in Colorado. However, the current rate of inspections for non-marijuana facilities is approximately 33.3 percent. The Department also assumes that Program staff will conduct 600 compliance assistance meetings (CAMs) annually; at its current rate, Program staff will conduct approximately 388 CAMs. Additionally, the Department used a modified annual work hours figure to calculate FTE. The workload assumptions made by the Department inflate

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the FTE requirements associated with this request. The table below details the workload assumptions used by the Department to calculate their request.

<b>Department - FY 2016-17 Pesticide Program BA1 Request Workload Assumptions (1.0 FTE = 1,824 hrs.)</b>						
<b>Classification</b>	<b>Type of case</b>	<b>Cases per year</b>	<b>Hours per case</b>	<b>Staff per case</b>	<b>Hours per year</b>	<b>FTE</b>
GP 3	Compliance Assistance Meeting	600	6	1	3,600	2.0
	Worker Protection Standard and Pesticide Use Inspections	1,150	8	1	9,200	5.0
	Worker Protection Standard and Pesticide Use Inspection Follow-ups	575	4	1	2,300	1.3
	Pesticide Misuse Investigations	45	40	2	3,600	2.0
	Pesticide Misuse Investigations Follow-ups	8	8	2	128	0.1
	Education and outreach	n/a	n/a	1	1,824	1.0
<b>Total</b>					<b>20,652</b>	<b>11.3</b>
GP 4	Pesticide Misuse Investigations	45	40	1	1,800	1.0
	Additional Enforcement Actions	300	6	1	1,800	1.0
<b>Total</b>					<b>3,600</b>	<b>2.0</b>
GP 5	Investigator Supervisor	n/a	n/a	1	1,824	1.0
	Program Manager	n/a	n/a	1	1,824	1.0
<b>Total</b>					<b>3,648</b>	<b>2.0</b>
AA3	Admin. Assistant	n/a	n/a	1	1,824	1.0
<b>Total</b>					<b>1,824</b>	<b>1.0</b>
<b>Net Total</b>					<b>29,724</b>	<b>16.3</b>
<b>Previously allocated FTE</b>						
GP3	H.B. 15-1367 (Retail Marijuana Taxes)					<u>2.3</u>
<b>Grand Total</b>						<b>14.0</b>

Note: Totals may not add due to rounding

In addition to inflating the required FTE, the Department's request does not accurately account for the FTE appropriated by H.B. 15-1367 (Retail Marijuana Taxes). The table below details the workload assumptions used by staff to calculate the recommended appropriation.

<b>JBC Staff Rec. - FY 2016-17 Pesticide Program BA1 Request Workload Assumptions (1.0 FTE = 2,080 hrs.)</b>						
<b>Classification</b>	<b>Type of case</b>	<b>Cases per year</b>	<b>Hours per case</b>	<b>Staff per case</b>	<b>Hours per year</b>	<b>FTE</b>
GP 3	Compliance Assistance Meeting	388	6	1	2,328	1.1
	Worker Protection Standard and Pesticide Use Inspections	400	8	1	3,200	1.5

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<b>JBC Staff Rec. - FY 2016-17 Pesticide Program BA1 Request Workload Assumptions (1.0 FTE = 2,080 hrs.)</b>						
<b>Classification</b>	<b>Type of case</b>	<b>Cases per year</b>	<b>Hours per case</b>	<b>Staff per case</b>	<b>Hours per year</b>	<b>FTE</b>
	Worker Protection Standard and Pesticide Use Inspection Follow-ups	200	4	1	800	0.4
	Pesticide Misuse Investigations	54	40	2	4,320	2.1
	Pesticide Misuse Investigations Follow-ups	10	8	2	160	0.1
	Education and outreach	n/a	n/a	1	2,080	1.0
	<b>Total</b>				<b>12,888</b>	<b>6.2</b>
GP 4	Pesticide Misuse Investigations	54	40	1	2,160	1.0
	Additional Enforcement Actions	300	6	1	1,800	0.9
	<b>Total</b>				<b>3,960</b>	<b>1.9</b>
GP 5	Investigator Supervisor	n/a	n/a	0	0	0.0
	Program Manager	n/a	n/a	1	2,080	1.0
	<b>Total</b>				<b>2,080</b>	<b>1.0</b>
AA3	Admin. Assistant	n/a	n/a	1	2,080	1.0
	<b>Total</b>				<b>2,080</b>	<b>1.0</b>
	<b>Net Total</b>				<b>21,008</b>	<b>10.1</b>
<b>Previously allocated FTE</b>						
GP3	H.B. 15-1367 (Retail Marijuana Taxes)					<u>3.3</u>
	<b>Grand Total</b>					<b>6.8</b>

The workload assumptions used by staff, which are based on the Pesticide Program's established workload statistics, would provide the necessary FTE resources to regulate pesticide use in Colorado's marijuana industry at a level commensurate to other industries.

***Pesticide Program Staffing – Current & Requested***

The Pesticide Program currently has 18.0 FTE allocated by the Division from appropriations in S.B. 15-234 (FY 2015-16 Long Bill) and H.B. 15-1367 (Retail Marijuana Taxes). S.B. 15-234 provided the Program with 14.7 FTE. H.B. 15-1367 appropriated \$314,633 cash funds and 4.3 FTE to the Plant Industry Division. The Division allocated \$225,130 cash funds and 3.3 FTE to the Pesticide Program, including 2.3 inspectors and 1.0 investigation specialist to address pesticide use on marijuana crops.

<b>Pesticide Program FTE and Position Responsibilities</b>		
<b>Classification</b>	<b>FTE</b>	<b>Position Title</b>
<b>S.B. 15-234 (Long Bill)</b>		
GP6	0.7	Pesticide Section Chief
GP5	1.0	Pesticide Enforcement Program Manager
GP5	1.0	Pesticide Applicator Program Manager

<b>Pesticide Program FTE and Position Responsibilities</b>		
<b>Classification</b>	<b>FTE</b>	<b>Position Title</b>
GP4	1.0	Enforcement Specialist
GP3	1.0	Investigative Specialist
GP3	3.0	Private Pesticide Applicator Inspectors
GP3	4.0	Commercial Pesticide Applicator Inspectors
AA3	3.0	Administrative Assistant
<b>Total</b>	<b>14.7</b>	
<b>H.B. 15-1367 (Retail Marijuana Tax)</b>		
GP3	2.3	Private Pesticide Applicator Inspectors
GP3	1.0	Investigative Specialist
<b>Total</b>	<b>3.3</b>	
<b>Grand Total</b>	<b>18.0</b>	

The Department's request of an additional 14.0 FTE in FY 2016-17 effectively doubles Program staffing. The make-up of the additional FTE are detailed in the table below. The Department has stated that the requested FTE would be term-limited until FY 2017-18, after which point the Program's needs would be reassessed. The Department's request would increase the personal services costs of the Division by \$1,207,975, including centrally appropriated pots (e.g. PERA, AED, Medicare, etc.).

<b>Department Requested FY 2016-17 FTE Increase</b>		
<b>Classification</b>	<b>FTE</b>	<b>Position Title</b>
GP5	1.0	Marijuana Pesticide Program Manager
GP5	1.0	Inspector Supervisor
GP4	2.0	Enforcement Specialist
GP3	1.0	Pesticide Education Specialist
GP3	8.0	Private Pesticide Applicator Inspectors
AA3	1.0	Administrative Assistant
<b>Total</b>	<b>14.0</b>	

***Pesticide Program Staffing – Staff Recommendation***

Based on staff's workload assumptions, the table below outlines the staff recommended FTE appropriation and allocation. The biggest difference between the Department's request and staff's recommendation is a significant reduction in the number of inspectors allocated. This reduction is based on the Program's current rate of inspections for non-marijuana facilities. Staff's recommendation would increase the personal services costs of the Division by \$527,307, including centrally appropriated pots.

<b>Staff Recommended FY 2016-17 FTE Increase</b>		
<b>Classification</b>	<b>FTE</b>	<b>Position Title</b>
GP5	1.0	Marijuana Pesticide Program Manager

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<b>Staff Recommended FY 2016-17 FTE Increase</b>		
<b>Classification</b>	<b>FTE</b>	<b>Position Title</b>
GP4	2.0	Enforcement Specialist
GP3	1.0	Pesticide Education Specialist
GP3	2.0	Private Pesticide Applicator Inspectors
AA3	1.0	Administrative Assistant
<b>Total</b>	<b>7.0</b>	

Staff's allocation will provide the Program with a full-time manager, administrative assistant, two full-time enforcement specialists, two full-time inspectors, and a full-time pesticide education specialist dedicated to addressing pesticide use in the marijuana industry. Looking at the Pesticide Program as a whole, staff's recommendation provides 25.0 FTE for pesticide inspection and enforcement activities.

<b>Staff Recommended FY 2016-17 Pesticide Program Total FTE</b>		
<b>Classification</b>	<b>FTE</b>	<b>Position Title</b>
GP6	0.7	Pesticide Section Chief
GP5	3.0	Program Manager
GP4	3.0	Enforcement Specialist
GP3	2.0	Investigative Specialist
GP3	7.3	Private Pesticide Applicator Inspectors Commercial Pesticide Applicator
GP3	4.0	Inspectors
GP3	1.0	Pesticide Education Specialist
AA3	4.0	Administrative Assistant
<b>Total</b>	<b>25.0</b>	

***Staff Recommended Appropriation***

Staff recommends a total annualized funding for this request of \$968,627 cash funds, which includes centrally appropriated pots, and 7.0 FTE. This total includes \$342,000 for the purchase of 3,600 legal services hours and \$31,920 for vehicle lease payments to provide front-line staff with transportation. The legal services hours, which were calculated based on current agriculture cases, will be used in the course of addressing misuse investigations and additional enforcement actions. The table below details the total recommended Program funding and the FY 2016-17 annualization recommendation.

<b>Staff Recommended Funding for BA1 Request</b>			
	<b>Total Funding</b>	<b>FY 2016-17 Annualization (w/POTS)</b>	<b>FY 2016-17 Annualization (w/out POTS)</b>
Personal services	\$373,416	\$248,944	\$248,944

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POTS (e.g. PERA, AED, Medicare, etc.)	153,891	153,891	0
Operating expenses	67,400	25,517	25,517
Purchase of legal services	342,000	228,000	228,000
Vehicle lease payments	31,920	21,280	21,280
<b>Total</b>	<b>\$968,627</b>	<b>\$677,632</b>	<b>\$523,741</b>

Staff’s recommendation to include the centrally appropriated pots is justified for two reasons: one technical and one practical. The FY 2016-17 appropriation for this request is technically the second year of funding for this request and, as such, the centrally appropriated pots should be included. Practically, the amount of this expense is significant enough to warrant its inclusion in the appropriation.

## ➔ **R2 Hemp regulator and seed certification program**

*Request:* The Department requests 1.0 FTE and \$220,471 cash funds, comprised of an increase of \$349,810 from the Marijuana Tax Cash Fund (Section 39-28.8-501 (1), C.R.S.) and a decrease of \$129,339 from the Industrial Hemp Registration Program Cash Fund (Section 35-61-106 (1), C.R.S.). This appropriation impacts line items in the following sections: Commissioner’s Office and Administrative Services (vehicle lease payments and legal services) and Agriculture Services (Plant Industry Division).

*Recommendation:* **Staff recommends \$116,920 cash funds**, comprised of an increase of \$270,433 from the Marijuana Tax Cash Fund (MTCF) and a decrease of \$153,513 from the Industrial Hemp Registration Program Cash Fund (Hemp CF), which represents the total operating costs associated with this request. This appropriation will be used by the Plants Industry Division for the implementation of the Industrial Hemp Regulatory and Seed Certification Program (Industrial Hemp Program), created in Sections 35-61-104 and 35-61-104.5 (1.5), C.R.S.

*Analysis:* The Department’s request includes shifting spending authority from the Hemp CF to the MTCF. Pursuant to Section 39-28.8-502 (2) (b) (IV) (I), C.R.S., the Department is authorized to expend MTCF money “to research, regulate, study, and test industrial hemp or hemp seeds.” The Department believes that the Industrial Hemp Program requires 3.0 FTE, which include a program manager, a seed certification specialist, and an administrative assistant, to be fully staffed. The Department also states that it needs additional funding for program specific operating costs, including seed stock, seed storage, and land contracts.

### ***Hemp and Seed Program Status***

The Department has obtained a DEA permit to import hemp seeds, which are then provided to in-state institutions of higher education for research and development. The long-term goal for these seeds and the research is to develop the Department’s seed certification program to provide verified and quality seeds to Colorado farmers. The following metrics and targets will be used to measure the Industrial Hemp Program success:

1. Successful development of rules for seed certification;
2. Number of registrations processed;
3. Number of acres registered;

4. At least 17 seed varieties screened for THC levels in FY 2015-16; and
5. Approximately 100 seed varieties screened for THC levels in FY 2016-17

The table below details the Program's 2014 and 2015 registrations, acres registered, and total acres planted. The Department reports a 10-fold increase in the number of acres planted between FY 2014-15 and FY 2015-16. It should be noted that the Department is still determining its methodology for tracking Program growth and success.

<b>Industrial Hemp Regulatory and Seed Certification Program Status</b>					
<b>Calendar Year</b>	<b>Registrations*</b>		<b>Acres registered</b>		<b>Approx. Total Acres Planted</b>
	<b>Commercial</b>	<b>Research &amp; Development</b>	<b>Commercial</b>	<b>Research &amp; Development</b>	
2014	137	141	1,547	255	220
2015	332	10	3,768	24	2,200

\* The Department changed the method it uses to count registrations and the definition of a Research & Development registration between 2014 and 2015. Any apparent trends in registration should be discounted.

The drastic drop in research and development (R&D) registrations and acres registered is attributable to a change the Department made in the definition of what constitutes an R&D project. This change aligned the Department's definition with the federal definition, so as not to jeopardize institutions of higher education that are conducting hemp research. Under the new definition, only institutions of higher education can submit R&D registration applications. Private companies are now required to work under commercial registrations.

#### ***FY 2015-16 Appropriations***

During the 2015 legislative session, the Industrial Hemp Program received appropriations from S.B. 15-196 (Industrial Hemp Certified Seed Concentration Test) and H.B. 15-1367 (Retail Marijuana Tax), as well as S.B. 15-234 (Long Bill). S.B. 15-196 appropriated \$249,763 cash funds and 2.0 FTE to the Plants Industry Division for the purpose of implementing the Industrial Hemp Program. These FTE were allocated as a seed certification specialist and an administrative assistant. The Department allocated 1.0 FTE and \$64,800 cash funds from H.B. 15-1367 (Retail Marijuana Tax) appropriations to support the Program. That additional 1.0 FTE was allocated as a program manager. The total FY 2015-16 appropriation for the Industrial Hemp Program is \$360,783 cash funds and 3.0 FTE. The table below outlines these appropriations.

<b>Industrial Hemp Regulatory and Seed Certification Program Funding*</b>		
<b>FY 2015-16</b>		
	<b>Cash Funds</b>	<b>FTE</b>
S.B. 15-196 <sup>±</sup>	\$245,983	2.0
H.B. 15-1367 <sup>±</sup>	64,800	1.0
S.B. 15-234 (Long Bill) <sup>†</sup>	50,000	0.0
<b>Total</b>	<b>\$360,783</b>	<b>3.0</b>

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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\*The amounts in this table exclude centrally appropriated costs, vehicle lease payments, and the purchase of legal services.

± These appropriations are from the Marijuana Tax Cash Fund, created in Section 39-28.8-501 (1), C.R.S.

† This amount is from the Industrial Hemp Program Cash Fund, created in Section 35-61-106 (1), C.R.S.

The appropriations from S.B. 15-196 and H.B. 15-1367 are base building, which means the centrally appropriated costs associated with the 3.0 FTE are add to the base appropriation for the Plant Industry Division in FY 2016-17. This annualization adds \$52,499 to program funding in FY 2016-17.

***FY 2016-17 Appropriation Request and Recommendation***

The Department's request of \$220,471 cash funds covers funding for 1.0 FTE and program operating costs. Part of the request is a shifting of spending authority from the Hemp CF to the MTCF, to cover part of the personal services costs and all of the operating costs associated with the request. The table below details the Department's request.

<b>Detailed Allocation of Department's R2 Requested Appropriation</b>			
	<b>Total FY 2016-17</b>	<b>Marijuana Tax Cash Fund</b>	<b>Industrial Hemp Registration Program Cash Fund</b>
FTE	1.0	1.0	0.0
Personal Services	\$103,551	\$79,377	\$24,174
Temp. Staff	11,460	48,960	(37,500)
Operating	18,000	20,000	(2,000)
Vehicles	25,260	25,260	0
Legal Services	0	3,780	(3,780)
RF tags	(1,000)	0	(1,000)
Seed Stock	9,000	12,000	(3,000)
Seed Storage	25,000	25,000	0
Land Contracts	22,500	30,000	(7,500)
Testing Lab Costs	0	90,000	(90,000)
Travel	6,700	15,433	(8,733)
<b>Total</b>	<b>\$220,471</b>	<b>\$349,810</b>	<b>(\$129,339)</b>

While the request does take into account the appropriations made to the Industrial Hemp Program from S.B. 15-196, it does not account for the additional 1.0 FTE the Department allocated from H.B. 15-1367. If the Committee approved the Department's request unmodified, the Industrial Hemp Program would have a greater allocation of FTE than is needed. Under the Department's request, total funding for the Industrial Hemp Program would be \$583,753 and 4.0 FTE.



Given the Department's assertion that the Industrial Hemp Program needs 3.0 FTE, staff recommends the Committee only fund the operating costs associated with this request. Staff's recommendation accounts for the FTE allocated in S.B. 15-196 and H.B. 15-1367, while deferring to the Department on the operating costs of this program. Under staff's recommendation, total funding for this program would be \$480,202 and 3.0 FTE. This figure is slightly lower than, but still in line with, the total program funding requirements indicated by the Department in their request's narrative. The table below details staff's recommended funding for this request.

<b>Detailed Allocation of Staff's Recommendation for R2</b>			
	<b>Total FY 2016-17</b>	<b>Marijuana Tax Cash Fund</b>	<b>Industrial Hemp Registration Program Cash Fund</b>
FTE	0.0	0.0	0.0
Personal Services	\$0	\$0	\$0
Temp. Staff	11,460	48,960	(37,500)
Operating	18,000	20,000	(2,000)
Vehicles	25,260	25,260	0
Legal Services	0	3,780	(3,780)
RF tags	(1,000)	0	(1,000)
Seed Stock	9,000	12,000	(3,000)
Seed Storage	25,000	25,000	0
Land Contracts	22,500	30,000	(7,500)
Testing Lab Costs	0	90,000	(90,000)
Travel	6,700	15,433	(8,733)
<b>Total</b>	<b>\$116,920</b>	<b>\$270,433</b>	<b>(\$153,513)</b>

## (1) Commissioner's Office and Administrative Services

The Commissioner's Office, in conjunction with the Colorado Agricultural Commission, is responsible for the development and implementation of agricultural policies throughout the State. Administrative Services provides administrative and technical support for Department programs, including accounting, budgeting, and human resources. The funding sources for this division are General Fund, various cash funds, and federal grants. Reappropriated funds are received from various cash funds within the Department for centrally appropriated line items.

Commissioner's Office and Administrative Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2015-16 Appropriation</b>						
S.B. 15-234 (Long Bill)	\$11,636,659	\$3,080,330	\$6,690,449	\$1,527,548	\$338,332	18.7
H.B. 16-1237 (Supplemental)	65,620	0	65,620	0	0	0.0
Other legislation	<u>28,483</u>	<u>0</u>	<u>28,483</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$11,730,762</b>	<b>\$3,080,330</b>	<b>\$6,784,552</b>	<b>\$1,527,548</b>	<b>\$338,332</b>	<b>18.7</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$11,730,762	\$3,080,330	\$6,784,552	\$1,527,548	\$338,332	18.7
BA1 Pesticide program inspection & enforcement support	249,280	0	249,280	0	0	0.0
R2 Hemp regulatory and seed certification program	25,260	0	25,260	0	0	0.0
NPI Annual fleet vehicle request	25,819	(5,934)	31,928	0	(175)	0.0
NPI Secure Colorado	9,222	7,009	2,213	0	0	0.0
NPI Resources for administrative courts	156	0	156	0	0	0.0
NBA Risk management adjustments	0	0	0	0	0	0.0
Centrally appropriated line items	718,769	380,707	393,625	0	(55,563)	0.0
Annualize prior year funding	(315,216)	(110,465)	(187,442)	0	(17,309)	0.0
Indirect cost assessment	<u>(3,966)</u>	<u>0</u>	<u>(3,893)</u>	<u>0</u>	<u>(73)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$12,440,086</b>	<b>\$3,351,647</b>	<b>\$7,295,679</b>	<b>\$1,527,548</b>	<b>\$265,212</b>	<b>18.7</b>
<b>Increase/(Decrease)</b>	\$709,324	\$271,317	\$511,127	\$0	(\$73,120)	0.0
Percentage Change	6.0%	8.8%	7.5%	0.0%	(21.6%)	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$12,503,955</b>	<b>\$3,354,184</b>	<b>\$7,357,011</b>	<b>\$1,527,548</b>	<b>\$265,212</b>	<b>18.7</b>
Request Above/(Below) Recommendation	\$63,869	\$2,537	\$61,332	\$0	\$0	0.0

## DECISION ITEMS - COMMISSIONER'S OFFICE AND ADMINISTRATIVE SERVICES

➔ **NPI FY 2016-17 Secure Colorado**

*Request:* The Department requests an increase of \$9,222 total funds FY 2016-17, including \$7,009 General Fund and \$2,213 cash funds, to cover the Department's share of the Office of Information Technology's implementation of advanced security event analytics capabilities.

*Recommendation:* **Staff recommendation is pending Committee approval** of a common policy for this request. This request item will be addressed in separate staff figure setting for the Governor's Office.

➔ **NPI Annual fleet vehicle request**

*Request:* The Department requests a reduction of \$16,275 total funds for annual vehicle lease payments.

*Recommendation:* **Staff recommends an increase of \$25,819 total funds**, in accordance with Committee policy, which includes the annualization of the Committee's FY 2015-16 supplemental decision for this line item. The base appropriation for this line item, excluding Departmental prioritized decision items, is \$239,365 total funds.

➔ **NPI Resources for administrative courts**

*Request:* The Department requests an increase of \$156 cash funds for the purchase of administrative law services.

*Recommendation:* **Staff recommends approval of this request**, in accordance with Committee policy.

➔ **NBA Risk management adjustments**

*Request:* The Department requests an increase of \$3,272 total funds, including \$119 General Fund and \$3,153 cash funds, for an adjustment to workers' compensation.

*Recommendation:* **Staff recommends denial of this request**, in accordance with Committee policy.

## **LINE ITEM DETAIL – COMMISSIONER'S OFFICE AND ADMINISTRATIVE SERVICES**

### **Personal Services**

The Personal Services line item supports FTE in the Commissioner's Office who provide business support functions for the Department, including human resources, budgeting, accounting, and financial and administrative services.

*Statutory Authority:* Section 35-1-104, C.R.S.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

**Request:** The Department requests an appropriation of 16.7 FTE and \$1,635,471 total funds, including \$337,186 General Fund, \$8,165 cash funds, \$1,173,627 reappropriated funds, and \$116,493 federal funds.

**Recommendation:** **Staff recommends approval of this request** and the fund splits included in the following table. The recommendation includes a continuation amount plus salary survey and merit pay annualizations.

Commissioner's Office and Administrative Services, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2015-16 Appropriation</b>						
S.B. 15-234 (Long Bill)	<u>\$1,601,893</u>	<u>\$305,571</u>	<u>\$8,057</u>	<u>\$1,173,627</u>	<u>\$114,638</u>	<u>16.7</u>
<b>TOTAL</b>	<b>\$1,601,893</b>	<b>\$305,571</b>	<b>\$8,057</b>	<b>\$1,173,627</b>	<b>\$114,638</b>	<b>16.7</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$1,601,893	\$305,571	\$8,057	\$1,173,627	\$114,638	16.7
Annualize prior year funding	<u>33,578</u>	<u>31,615</u>	<u>108</u>	<u>0</u>	<u>1,855</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,635,471</b>	<b>\$337,186</b>	<b>\$8,165</b>	<b>\$1,173,627</b>	<b>\$116,493</b>	<b>16.7</b>
<b>Increase/(Decrease)</b>	\$33,578	\$31,615	\$108	\$0	\$1,855	0.0
Percentage Change	2.1%	10.3%	1.3%	0.0%	1.6%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$1,635,471</b>	<b>\$337,186</b>	<b>\$8,165</b>	<b>\$1,173,627</b>	<b>\$116,493</b>	<b>16.7</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

**Health, Life, and Dental**

This line item funds the Department's share of group health, life, and dental insurance premiums for state employees. Health, life, and dental is appropriated to the Executive Director's Office and distributed as needed throughout the Department.

**Statutory Authority:** Sections 24-50-611 and 24-50-603 (9), C.R.S.

**Request:** The Department requests an appropriation of \$2,242,232 total funds, including \$889,679 General Fund, \$1,325,131 cash funds, and \$27,422 federal funds.

**Recommendation:** **Staff recommends approval of this request**, in accordance with Committee policy, and the fund splits in the following table, but requests permission to adjust the fund splits if necessary.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

Commissioner's Office and Administrative Services, Health, Life, and Dental				
	Total Funds	General Fund	Cash Funds	Federal Funds
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	<u>\$2,178,910</u>	<u>\$712,713</u>	<u>\$1,373,343</u>	<u>\$92,854</u>
<b>TOTAL</b>	<b>\$2,178,910</b>	<b>\$712,713</b>	<b>\$1,373,343</b>	<b>\$92,854</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$2,178,910	\$712,713	\$1,373,343	\$92,854
Centrally appropriated line items	<u>63,322</u>	<u>176,966</u>	<u>(48,212)</u>	<u>(65,432)</u>
<b>TOTAL</b>	<b>\$2,242,232</b>	<b>\$889,679</b>	<b>\$1,325,131</b>	<b>\$27,422</b>
<b>Increase/(Decrease)</b>	\$63,322	\$176,966	(\$48,212)	(\$65,432)
Percentage Change	2.9%	24.8%	(3.5%)	(70.5%)
<b>FY 2016-17 Executive Request:</b>	<b>\$2,242,232</b>	<b>\$889,679</b>	<b>\$1,325,131</b>	<b>\$27,422</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

**Short-term Disability**

This line item funds the Department's share of the short-term disability insurance program for state employees, administered by the Department of Personnel.

*Statutory Authority:* Sections 24-50-611, C.R.S., and 24-50-603 (13), C.R.S.

*Request:* The Department requests an appropriation of \$29,524 total funds, including \$10,525 General Fund, \$17,703 cash funds, and \$1,296 federal funds.

*Recommendation:* **Staff recommends approval of this request**, in accordance with Committee policy, and the fund splits in the following table, but requests permission to adjust the fund splits if necessary.

Commissioner's Office and Administrative Services, Short-term Disability				
	Total Funds	General Fund	Cash Funds	Federal Funds
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	<u>\$35,488</u>	<u>\$13,883</u>	<u>\$19,694</u>	<u>\$1,911</u>
<b>TOTAL</b>	<b>\$35,488</b>	<b>\$13,883</b>	<b>\$19,694</b>	<b>\$1,911</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$35,488	\$13,883	\$19,694	\$1,911
Centrally appropriated line items	<u>(5,964)</u>	<u>(3,358)</u>	<u>(1,991)</u>	<u>(615)</u>

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

Commissioner's Office and Administrative Services, Short-term Disability				
	Total Funds	General Fund	Cash Funds	Federal Funds
<b>TOTAL</b>	<b>\$29,524</b>	<b>\$10,525</b>	<b>\$17,703</b>	<b>\$1,296</b>
<b>Increase/(Decrease)</b>	(\$5,964)	(\$3,358)	(\$1,991)	(\$615)
Percentage Change	(16.8%)	(24.2%)	(10.1%)	(32.2%)
<b>FY 2016-17 Executive Request:</b>	<b>\$29,524</b>	<b>\$10,525</b>	<b>\$17,703</b>	<b>\$1,296</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

**S.B. 04-257 Amortization Equalization Disbursement**

This line item funds the Department's share of additional funding to increase state contributions to employee PERA accounts pursuant to SB 04-257.

*Statutory Authority:* Section 24-51-411, C.R.S.

*Request:* The Department requests an appropriation of \$938,839 total funds, including \$334,750 General Fund, \$562,886 cash funds, and \$41,203 federal funds.

*Recommendation:* **Staff recommends approval of this request**, in accordance with Committee policy, and the fund splits in the following table, but requests permission to adjust the fund splits if necessary.

Commissioner's Office and Administrative Services, S.B. 04-257 Amortization Equalization Disbursement				
	Total Funds	General Fund	Cash Funds	Federal Funds
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	<u>\$709,705</u>	<u>\$277,853</u>	<u>\$393,626</u>	<u>\$38,226</u>
<b>TOTAL</b>	<b>\$709,705</b>	<b>\$277,853</b>	<b>\$393,626</b>	<b>\$38,226</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$709,705	\$277,853	\$393,626	\$38,226
Centrally appropriated line items	<u>229,134</u>	<u>56,897</u>	<u>169,260</u>	<u>2,977</u>
<b>TOTAL</b>	<b>\$938,839</b>	<b>\$334,750</b>	<b>\$562,886</b>	<b>\$41,203</b>
<b>Increase/(Decrease)</b>	\$229,134	\$56,897	\$169,260	\$2,977
Percentage Change	32.3%	20.5%	43.0%	7.8%
<b>FY 2016-17 Executive Request:</b>	<b>\$938,839</b>	<b>\$334,750</b>	<b>\$562,886</b>	<b>\$41,203</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

**S.B. 06-235 Supplemental Amortization Equalization Disbursement**

Pursuant to SB 06-235, this line item provides additional funding to increase the state contribution rate for PERA.

*Statutory Authority:* Section 24-51-411, C.R.S.

*Request:* The Department requests an appropriation of \$929,059 total funds, including \$331,263 General Fund, \$557,022 cash funds, and \$40,774 federal funds.

*Recommendation:* **Staff recommends approval of this request**, in accordance with Committee policy, and the fund splits in the following table, but requests permission to adjust the fund splits if necessary.

<b>Commissioner's Office and Administrative Services, S.B. 06-235 Supplemental Amortization Equalization Disbursement</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	<u>\$685,511</u>	<u>\$268,381</u>	<u>\$380,207</u>	<u>\$36,923</u>
<b>TOTAL</b>	<b>\$685,511</b>	<b>\$268,381</b>	<b>\$380,207</b>	<b>\$36,923</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$685,511	\$268,381	\$380,207	\$36,923
Centrally appropriated line items	<u>243,548</u>	<u>62,882</u>	<u>176,815</u>	<u>3,851</u>
<b>TOTAL</b>	<b>\$929,059</b>	<b>\$331,263</b>	<b>\$557,022</b>	<b>\$40,774</b>
<b>Increase/(Decrease)</b>	\$243,548	\$62,882	\$176,815	\$3,851
Percentage Change	35.5%	23.4%	46.5%	10.4%
<b>FY 2016-17 Executive Request:</b>	<b>\$929,059</b>	<b>\$331,263</b>	<b>\$557,022</b>	<b>\$40,774</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

**Salary Survey**

Pursuant to Section 24-50-104 (4) (c), C.R.S., the Department of Personnel's total compensation report recommends salary adjustments for each year, which are funded by this line item.

*Statutory Authority:* Section 24-50-104, C.R.S.

*Request:* The Department requests an appropriation of \$7,298 total funds, including \$3,803 General Fund, \$3,262 cash funds, and \$233 federal funds.

*Recommendation:* **Staff recommends approval of this request**, in accordance with Committee policy, and the fund splits in the following table, but requests permission to adjust the fund splits if necessary.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

Commissioner's Office and Administrative Services, Salary Survey				
	Total Funds	General Fund	Cash Funds	Federal Funds
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	<u>\$176,518</u>	<u>\$69,052</u>	<u>\$97,963</u>	<u>\$9,503</u>
<b>TOTAL</b>	<b>\$176,518</b>	<b>\$69,052</b>	<b>\$97,963</b>	<b>\$9,503</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$176,518	\$69,052	\$97,963	\$9,503
Centrally appropriated line items	7,298	3,803	3,262	233
Annualize prior year funding	<u>(176,518)</u>	<u>(69,052)</u>	<u>(97,963)</u>	<u>(9,503)</u>
<b>TOTAL</b>	<b>\$7,298</b>	<b>\$3,803</b>	<b>\$3,262</b>	<b>\$233</b>
<b>Increase/(Decrease)</b>	(\$169,220)	(\$65,249)	(\$94,701)	(\$9,270)
Percentage Change	(95.9%)	(94.5%)	(96.7%)	(97.5%)
<b>FY 2016-17 Executive Request:</b>	<b>\$7,298</b>	<b>\$3,803</b>	<b>\$3,262</b>	<b>\$233</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

**Merit Pay**

Employee performance-based pay is centrally appropriated and funded by this line item pursuant to Section 24-50-104 (1) (c) (I), C.R.S.

*Statutory Authority:* Pursuant to Section 24-50-104 (1) (c), C.R.S.

*Request:* The Department requests no appropriation for this line item.

*Recommendation:* **Staff recommends approval of this request**, in accordance with Committee policy, and the fund splits in the following table, but requests permission to adjust the fund splits if necessary.

Commissioner's Office and Administrative Services, Merit Pay				
	Total Funds	General Fund	Cash Funds	Federal Funds
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	<u>\$172,276</u>	<u>\$73,028</u>	<u>\$89,587</u>	<u>\$9,661</u>
<b>TOTAL</b>	<b>\$172,276</b>	<b>\$73,028</b>	<b>\$89,587</b>	<b>\$9,661</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$172,276	\$73,028	\$89,587	\$9,661



*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

Commissioner's Office and Administrative Services, Merit Pay				
	Total Funds	General Fund	Cash Funds	Federal Funds
Annualize prior year funding	(172,276)	(73,028)	(89,587)	(9,661)
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Increase/(Decrease)</b>	(\$172,276)	(\$73,028)	(\$89,587)	(\$9,661)
Percentage Change	(100.0%)	(100.0%)	(100.0%)	(100.0%)
<b>FY 2016-17 Executive Request:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

### **Workers' Compensation**

This line item is used to pay the Department's share of the State's workers' compensation program administered by the Department of Personnel.

*Statutory Authority:* Section 24-30-1510.7, C.R.S.

*Request:* The Department requests an appropriation of \$272,049 total funds, including \$10,578 General Fund and \$261,471 cash funds.

*Recommendation:* **Staff recommends an appropriation of \$253,482 total funds**, in accordance with Committee policy, and the fund splits in the following table, but requests permission to adjust the fund splits if necessary.

Commissioner's Office and Administrative Services, Workers' Compensation			
	Total Funds	General Fund	Cash Funds
<b>FY 2015-16 Appropriation</b>			
S.B. 15-234 (Long Bill)	<u>\$217,025</u>	<u>\$8,445</u>	<u>\$208,580</u>
<b>TOTAL</b>	<b>\$217,025</b>	<b>\$8,445</b>	<b>\$208,580</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$217,025	\$8,445	\$208,580
Centrally appropriated line items	36,457	1,895	34,562
NBA Risk management adjustments	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b>\$253,482</b>	<b>\$10,340</b>	<b>\$243,142</b>
<b>Increase/(Decrease)</b>	\$36,457	\$1,895	\$34,562
Percentage Change	16.8%	22.4%	16.6%
<b>FY 2016-17 Executive Request:</b>	<b>\$272,049</b>	<b>\$10,578</b>	<b>\$261,471</b>

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

Commissioner's Office and Administrative Services, Workers' Compensation			
	Total Funds	General Fund	Cash Funds
Request Above/(Below) Recommendation	\$18,567	\$238	\$18,329

**Operating Expenses**

Expenditures from this line item range from office equipment and supplies to travel expenses to utilities/maintenance costs.

*Statutory Authority:* Section 35-1-104, C.R.S.

*Request:* The Department requests a continuation appropriation of \$242,932 total funds, including \$241,982 reappropriated funds and \$950 federal funds.

*Recommendation:* **Staff recommends approval of this request.**

**Legal Services:**

This line item is used to pay the Department of Law for the provision of attorney and paralegal services for all Divisions.

*Statutory Authority:* Pursuant to 24-31-101 (1) (a), C.R.S., and defined in Section 24-75-112 (1) (i), C.R.S.

*Request:* The Department requests an appropriation of \$817,870 total funds for 8,253 hours, an increase of 3,600 hours over the FY 2015-16 Long Bill.

*Recommendation:* **Staff recommends approving funding sufficient to purchase 8,253 hours of legal services.** The requested number of hours is significantly more than the average annual appropriations since FY 2011-12. The increase in the purchase of legal services is driven by the Department's request for support for the Pesticide Program's inspection and enforcement efforts associated with the recreational marijuana industry. The associated appropriation will be calculated after the Committee sets the common policy for the legal services rate.

Commissioner's Office and Administrative Services, Legal Services				
	Total Funds	General Fund	Cash Funds	Federal Funds
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	\$442,082	\$148,412	\$278,670	\$15,000
H.B. 16-1237 (Supplemental)	114,000	0	114,000	0
Other legislation	<u>28,483</u>	<u>0</u>	<u>28,483</u>	<u>0</u>
<b>TOTAL</b>	<b>\$584,565</b>	<b>\$148,412</b>	<b>\$421,153</b>	<b>\$15,000</b>
<b>FY 2016-17 Recommended Appropriation</b>				

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Commissioner's Office and Administrative Services, Legal Services</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>
FY 2015-16 Appropriation	\$584,565	\$148,412	\$421,153	\$15,000
BA1 Pesticide program inspection & enforcement support	228,000	0	228,000	0
Centrally appropriated line items	5,305	1,781	3,344	180
R2 Hemp regulatory and seed certification program	0	0	0	0
<b>TOTAL</b>	<b>\$817,870</b>	<b>\$150,193</b>	<b>\$652,497</b>	<b>\$15,180</b>
<b>Increase/(Decrease)</b>	\$233,305	\$1,781	\$231,344	\$180
Percentage Change	39.9%	1.2%	54.9%	1.2%
<b>FY 2016-17 Executive Request:</b>	<b>\$817,870</b>	<b>\$150,193</b>	<b>\$652,497</b>	<b>\$15,180</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

**Administrative Law Judge Services**

This line item is used to purchase administrative law services from the Department of Personnel and Administration.

*Statutory Authority:* Sections 24-30-1001 (3) and 24-30-1002, C.R.S.

*Request:* The Department requests an appropriation of \$2,629 cash funds.

*Recommendation:* **Staff recommends an appropriation of \$2,670 cash funds**, in accordance with Committee policy, and the fund splits in the following table, but requests permission to adjust the fund splits if necessary.

<b>Commissioner's Office and Administrative Services, Administrative Law Judge Services</b>		
	<b>Total Funds</b>	<b>Cash Funds</b>
<b>FY 2015-16 Appropriation</b>		
S.B. 15-234 (Long Bill)	<u>\$6,676</u>	<u>\$6,676</u>
<b>TOTAL</b>	<b>\$6,676</b>	<b>\$6,676</b>
<b>FY 2016-17 Recommended Appropriation</b>		
FY 2015-16 Appropriation	\$6,676	\$6,676
NPI Resources for administrative courts	156	156
Centrally appropriated line items	<u>(4,162)</u>	<u>(4,162)</u>
<b>TOTAL</b>	<b>\$2,670</b>	<b>\$2,670</b>
<b>Increase/(Decrease)</b>	<b>(\$4,006)</b>	<b>(\$4,006)</b>

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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Commissioner's Office and Administrative Services, Administrative Law Judge Services		
	Total Funds	Cash Funds
Percentage Change	(60.0%)	(60.0%)
<b>FY 2016-17 Executive Request:</b>	<b>\$2,629</b>	<b>\$2,629</b>
Request Above/(Below) Recommendation	(\$41)	(\$41)

**Payment to Risk Management and Property Funds**

This line item is used to reimburse the Department of Personnel for the Department's share of the State's liability and property insurance.

*Statutory Authority:* Section 24-30-1510 and 24-30-1510.5, C.R.S.

*Request:* The Department requests an appropriation of \$182,637 total funds, including \$29,106 General Fund and \$153,531 cash funds.

*Recommendation:* **Staff recommends an appropriation of \$174,536 total funds**, in accordance with Committee policy, and the fund splits in the following table, but requests permission to adjust the fund splits if necessary.

Commissioner's Office and Administrative Services, Payment to Risk Management and Property Funds			
	Total Funds	General Fund	Cash Funds
<b>FY 2015-16 Appropriation</b>			
S.B. 15-234 (Long Bill)	<u>\$155,570</u>	<u>\$24,767</u>	<u>\$130,803</u>
<b>TOTAL</b>	<b>\$155,570</b>	<b>\$24,767</b>	<b>\$130,803</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$155,570	\$24,767	\$130,803
Centrally appropriated line items	<u>18,966</u>	<u>4,116</u>	<u>14,850</u>
<b>TOTAL</b>	<b>\$174,536</b>	<b>\$28,883</b>	<b>\$145,653</b>
<b>Increase/(Decrease)</b>	\$18,966	\$4,116	\$14,850
Percentage Change	12.2%	16.6%	11.4%
<b>FY 2016-17 Executive Request:</b>	<b>\$182,637</b>	<b>\$29,106</b>	<b>\$153,531</b>
Request Above/(Below) Recommendation	\$8,101	\$223	\$7,878

**Vehicle Lease Payments**

This line item funds the annual payment to the Department of Personnel for the cost of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles pursuant to Section 24-30-1117, C.R.S.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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*Statutory Authority:* Section 24-30-1104 (2), C.R.S.

*Request:* The Department requests an appropriation of \$321,071 total funds, including \$122,707 General Fund, \$194,746 cash funds, and \$3,618 federal funds.

*Recommendation:* **Staff recommends an appropriation of \$285,905 total funds**, in accordance with Committee policy and staff recommendations for Departmental decision items, and the fund splits in the following table. Staff requests permission to adjust the fund splits if necessary.

<b>Commissioner's Office and Administrative Services, Vehicle Lease Payments</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	\$261,926	\$128,641	\$129,492	\$3,793
H.B. 16-1237 (Supplemental)	(48,380)	0	(48,380)	0
<b>TOTAL</b>	<b>\$213,546</b>	<b>\$128,641</b>	<b>\$81,112</b>	<b>\$3,793</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$213,546	\$128,641	\$81,112	\$3,793
NPI Annual fleet vehicle request	25,819	(5,934)	31,928	(175)
R2 Hemp regulatory and seed certification program	25,260	0	25,260	0
BA1 Pesticide program inspection & enforcement support	21,280	0	21,280	0
Centrally appropriated line items	0	0	0	0
<b>TOTAL</b>	<b>\$285,905</b>	<b>\$122,707</b>	<b>\$159,580</b>	<b>\$3,618</b>
<b>Increase/(Decrease)</b>	<b>\$72,359</b>	<b>(\$5,934)</b>	<b>\$78,468</b>	<b>(\$175)</b>
Percentage Change	33.9%	(4.6%)	96.7%	(4.6%)
<b>FY 2016-17 Executive Request:</b>	<b>\$321,071</b>	<b>\$122,707</b>	<b>\$194,746</b>	<b>\$3,618</b>
Request Above/(Below) Recommendation	\$35,166	\$0	\$35,166	\$0

**Information Technology Asset Maintenance**

This line item is used to replace aging software for computers and databases, in an effort to mitigate lost productivity due to aging equipment.

*Statutory Authority:* Cite the relevant statute or statutes.

*Request:* The Department requests a continuation appropriation of \$153,031 total funds, including \$42,041 General Fund and \$110,990 cash funds.

*Recommendation:* **Staff recommends approval of this request.**

**Leased Space**

This line item provides funds for the office space throughout Colorado leased by the Department.

*Statutory Authority:* Article 30 of Title 24, C.R.S.

*Request:* The Department requests a continuation appropriation of \$13,914 cash funds.

*Recommendation:* **Staff recommends approval of this request.**

**Office Consolidation COP**

The Department occupies 13,553 square feet of space at 700 Kipling Street in Lakewood, Colorado. This building is owned by the State and the Department is assessed an annual per square foot charge to cover the State's obligations. In the FY 2015-16 Long Bill, the COP payment was moved from the capital construction section of the budget to the operating section. The lease-purchase

*Statutory Authority:* Sections 24-82-102 (1) (b) and 24-82-801, C.R.S., and H.B. 13-1234

*Request:* The Department requests a continuation appropriation of \$529,063 cash funds.

*Recommendation:* **Staff recommends approval of this request.**

**CORE Operations**

This line item funds the Department's share of a five-phase project to replace the statewide accounting system (CORE) used by the Office of the State Controller to record all state revenues and expenditures.

*Statutory Authority:* Section 24-30-209, C.R.S.

*Request:* The Department requests an appropriation of \$104,575 total funds, including \$9,930 General Fund, \$82,629 cash funds, and \$12,016 federal funds.

*Recommendation:* **Staff recommends an appropriation of \$102,499 total funds**, in accordance with Committee policy, and the fund splits in the following table, but requests permission to adjust the fund splits if necessary.

Commissioner's Office and Administrative Services, CORE Operations				
	Total Funds	General Fund	Cash Funds	Federal Funds
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	<u>\$76,354</u>	<u>\$7,250</u>	<u>\$60,331</u>	<u>\$8,773</u>

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

Commissioner's Office and Administrative Services, CORE Operations				
	Total Funds	General Fund	Cash Funds	Federal Funds
<b>TOTAL</b>	<b>\$76,354</b>	<b>\$7,250</b>	<b>\$60,331</b>	<b>\$8,773</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$76,354	\$7,250	\$60,331	\$8,773
Centrally appropriated line items	<u>26,145</u>	<u>604</u>	<u>22,298</u>	<u>3,243</u>
<b>TOTAL</b>	<b>\$102,499</b>	<b>\$7,854</b>	<b>\$82,629</b>	<b>\$12,016</b>
<b>Increase/(Decrease)</b>	\$26,145	\$604	\$22,298	\$3,243
Percentage Change	34.2%	8.3%	37.0%	37.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$104,575</b>	<b>\$9,930</b>	<b>\$82,629</b>	<b>\$12,016</b>
Request Above/(Below) Recommendation	\$2,076	\$2,076	\$0	\$0

**Payments to OIT**

This line item reflects the request from the Governor's Office of Information Technology (OIT) to consolidate Department appropriations for information technology services from five IT common policy line items: Management and Administration of OIT, Purchase of Services from Computer Center, Multiuse Network Payments, Communication Services Payments, and Information Technology Security.

*Statutory Authority:* Section 24-37.5-104, C.R.S.

*Request:* The Department requests an appropriation of \$1,356,760 total funds, including \$1,032,423 General Fund and \$324,337 cash funds.

*Recommendation:* **Staff recommendation is pending Committee approval** of a common policy for this line item. Staff requests permission to adjust all pending line items and apply a fund split, once Committee policy is established.

Commissioner's Office and Administrative Services, Payments to OIT			
	Total Funds	General Fund	Cash Funds
<b>FY 2015-16 Appropriation</b>			
S.B. 15-234 (Long Bill)	<u>\$1,248,818</u>	<u>\$950,293</u>	<u>\$298,525</u>
<b>TOTAL</b>	<b>\$1,248,818</b>	<b>\$950,293</b>	<b>\$298,525</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$1,248,818	\$950,293	\$298,525
Centrally appropriated line items	98,720	75,121	23,599

<b>Commissioner's Office and Administrative Services, Payments to OIT</b>			
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>
NPI Secure Colorado	<u>9,222</u>	<u>7,009</u>	<u>2,213</u>
<b>TOTAL</b>	<b>\$1,356,760</b>	<b>\$1,032,423</b>	<b>\$324,337</b>
<b>Increase/(Decrease)</b>	\$107,942	\$82,130	\$25,812
Percentage Change	8.6%	8.6%	8.6%
<b>FY 2016-17 Executive Request:</b>	<b>\$1,356,760</b>	<b>\$1,032,423</b>	<b>\$324,337</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0

### **Utilities**

This line item funds the utility costs incurred at state owned buildings. Utility payments are required at the Insectary building in Palisade, and the Inspection and Consumer Services buildings and warehouses in Denver.

*Statutory Authority:* Section 35-1-104, C.R.S.

*Request:* The Department requests a continuation appropriation of \$161,939 total funds, including \$50,000 General Fund and \$111,939 reappropriated funds.

*Recommendation:* **Staff recommends approval of this request.**

### **Agricultural Statistics Bulletin**

The Department contracts with the USDA Statistical Service to publish the annual Colorado Agricultural Statistics bulletin. The bulletin is the compilation of county level data on agricultural commodities, and is used by agricultural trade associations, county assessors, and lending institutions.

*Statutory Authority:* Section 35-1-104 (1) (d), C.R.S.

*Request:* The Department requests a continuation appropriation of \$15,000 cash funds.

*Recommendation:* **Staff recommends approval of this request.**

### **Agriculture Management Fund**

This fund was created pursuant to H.B. 08-1399, and receives 65.0 percent of the interest earned on the sale of unclaimed securities. The moneys received are intended to support numerous initiatives, each directed at furthering the overall mission of the Department. For FY 2015-16 the Department anticipates moneys will be allocated to projects and programs across six divisions, which include: animal traceability and disease mitigation efforts, agricultural marketing initiatives, irrigation at the Palisade Insectary, and the Colorado State Fair.

*Statutory Authority:* Section 35-1-106.9, C.R.S.



*Request:* The Department requests a continuation appropriation of \$2,048,914 cash funds and 2.0 FTE.

*Recommendation:* **Staff recommends approval of this request.**

**Agriculture Leadership and Education Grant Program**

This line item funds a competitive grant program to assist with the program costs for agriculture leadership programs. This program receives its cash funds appropriation from the Agriculture Management Fund, created in Section 35-1-106.9, C.R.S.

*Statutory Authority:* Section 35-1-106.9, C.R.S.

*Request:* The Department requests a continuation appropriation of \$300,000 cash funds.

*Recommendation:* **Staff recommends approval of this request.**

**Indirect Cost Assessment**

Indirect costs for the Department of Agriculture are calculated on a percentage of authorized cash fund spending authority. The indirect cost collection for this division is primarily from the Agriculture Management Cash Fund.

*Statutory Authority:* Section 35-1-104, C.R.S.

*Request:* The Department requests an appropriation of \$199,148 total funds, including \$193,121 cash funds and \$6,027 federal funds.

*Recommendation:* **Staff recommends approval of this request,** but requests permission to adjust all indirect cost line items as necessary based on Committee decisions.

Commissioner's Office and Administrative Services, Indirect Cost Assessment			
	Total Funds	Cash Funds	Federal Funds
<b>FY 2015-16 Appropriation</b>			
S.B. 15-234 (Long Bill)	<u>\$203,114</u>	<u>\$197,014</u>	<u>\$6,100</u>
<b>TOTAL</b>	<b>\$203,114</b>	<b>\$197,014</b>	<b>\$6,100</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$203,114	\$197,014	\$6,100
Indirect cost assessment	<u>(3,966)</u>	<u>(3,893)</u>	<u>(73)</u>
<b>TOTAL</b>	<b>\$199,148</b>	<b>\$193,121</b>	<b>\$6,027</b>
<b>Increase/(Decrease)</b>	<b>(\$3,966)</b>	<b>(\$3,893)</b>	<b>(\$73)</b>

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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<b>Commissioner's Office and Administrative Services, Indirect Cost Assessment</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>Federal Funds</b>
Percentage Change	(2.0%)	(2.0%)	(1.2%)
<b>FY 2016-17 Executive Request:</b>	<b>\$199,148</b>	<b>\$193,121</b>	<b>\$6,027</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0

## (2) Agricultural Services

Agricultural Services includes the majority of the Department's large regulatory and consumer protection programs and is comprised four operating divisions:

- **Animal Industry Division** is responsible for the prevention, traceability, and control of livestock diseases, as well as pest control and oversight of animal care requirements.
- **Plant Industry Division** manages statewide pest control programs; certifies and inspects plant, seed, and pesticide products; and administers the Industrial Hemp Regulatory Program.
- **Inspection and Consumer Services Division** provides metrology and regulatory laboratory services, and inspects a variety of agricultural products and facilities
- **Conservation Services Division** operates programs to enhance natural stewardship, including the Noxious Weed Management Program, and works with the **Conservation Board** which provides administrative oversight and financial assistance to state conservation districts in support of local conservation initiatives.

The primary sources of funding are General Fund and two cash funds: the Plant Health, Pest Control and Environmental Protection Fund, and the Inspection and Consumer Services Cash Fund.

Agricultural Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2015-16 Appropriation</b>						
S.B. 15-234 (Long Bill)	\$13,926,225	\$4,453,063	\$6,988,758	\$84,000	\$2,400,404	122.9
H.B. 16-1237 (Supplemental)	417,392	0	192,392	225,000	0	2.6
Other legislation	<u>535,913</u>	<u>0</u>	<u>535,913</u>	<u>0</u>	<u>0</u>	<u>6.3</u>
<b>TOTAL</b>	<b>\$14,879,530</b>	<b>\$4,453,063</b>	<b>\$7,717,063</b>	<b>\$309,000</b>	<b>\$2,400,404</b>	<b>131.8</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$14,879,530	\$4,453,063	\$7,717,063	\$309,000	\$2,400,404	131.8
BA1 Pesticide program inspection & enforcement support	428,352	0	428,352	0	0	4.7
R2 Hemp regulatory and seed certification program	91,660	0	91,660	0	0	0.0
R1 Pesticide laboratory resources	38,606	0	38,606	0	0	0.7
Staff initiated - General Fund appropriation adjustment	0	0	0	0	0	0.0
NBA Marijuana lab proficiency testing	0	0	0	0	0	0.0
Annualize prior year funding	649,655	84,822	61,460	490,000	13,373	0.0

<b>Agricultural Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Annualize prior year legislation	19,799	0	19,799	0	0	0.0
Indirect cost assessment	(12,402)	0	(8,915)	0	(3,487)	0.0
<b>TOTAL</b>	<b>\$16,095,200</b>	<b>\$4,537,885</b>	<b>\$8,348,025</b>	<b>\$799,000</b>	<b>\$2,410,290</b>	<b>137.2</b>
<b>Increase/(Decrease)</b>	\$1,215,670	\$84,822	\$630,962	\$490,000	\$9,886	5.4
Percentage Change	8.2%	1.9%	8.2%	158.6%	0.4%	4.1%
<b>FY 2016-17 Executive Request:</b>	<b>\$16,273,041</b>	<b>\$4,537,885</b>	<b>\$9,240,866</b>	<b>\$84,000</b>	<b>\$2,410,290</b>	<b>145.2</b>
Request Above/(Below) Recommendation	\$177,841	\$0	\$892,841	(\$715,000)	\$0	8.0

## DECISION ITEMS - AGRICULTURAL SERVICES

### ➔ R1 Pesticide laboratory resources

*Request:* The Department requests an appropriation of \$90,865 from the Marijuana Tax Cash Fund, created in Section 39-28.8-501 (1), C.R.S., and 1.0 FTE. The appropriation will be used to hire a qualified analytical chemist for the Biochemistry Laboratory to address an increase in workload due to the regulation of recreational marijuana.

*Recommendation:* **Staff recommends an increase of \$38,606 cash funds and 0.7 FTE** to the Inspection and Consumer Services Division, which represents the annualization of the Committee's FY 2015-16 supplemental decision on this issue. The appropriation includes personal services and operating costs associated with this request. The total funding for this request, including FY 2015-16 and FY 2016-17, is \$64,643 cash funds and 1.0 FTE.

*Analysis:* The Biochemistry Laboratory is part of the Department's Pesticide Program and provides laboratory analysis services for pesticide residues on all types of materials, including marijuana, animal feeds, soil, vegetation, and water. The BCL supports the following divisions: Inspection and Consumer Services, Plant Industry, and Conservation Services. These analyses are used in determining if a misapplication or misuse of pesticides has occurred. The BCL currently has 2.5 FTE dedicated to this task. The turnaround times for samples can take anywhere from several weeks to months, depending on the number of compounds detected and the levels present.

The BCL tests samples for specific individual chemical constituents, the results of these tests are considered determination. Each sample can have multiple determinations; pesticide residue tests consist of 104 determinations. The Department reports that marijuana pesticide misuse complaint investigations consist of 10-40 samples depending on the size of the grow operation. Samples are classified as either "typical" or "unusual" matrices. Typical matrices include water, soil, vegetation, and swabs. A chemical analyst can complete 100-150 samples per year for typical matrices. Unusual matrices include clothing, animal parts, pieces of building material,

and marijuana. Samples that contain unusual matrices require additional research, which reduces the sample completion rate to as low as 40-50 samples per year.

The Department reports that the number of pesticide misapplication complaints has significantly increased since recreational marijuana became legal. In 2013 and 2014, the Department conducted 44 and 45 misuse complaint investigations, respectively. The anticipated number of investigations conducted in 2015 is 75, a 66.6 percent increase from 2014. Limited staffing resources and the additional workload resulting from marijuana cases has resulted in a significant increase in the BCL's backlog.

<b>Pesticide Misapplication Complaint Investigations</b>	
2013	44
2014	45
2015*	75

\*Projected number of complaint investigations for the 2015 calendar year.

The delivery of testing results and confidence in those results are critical in the Department's efforts to take enforcement actions in a timely manner. Long turnaround times in testing can lead to the degradation of samples, which adversely impacts the Department's ability to recommend regulatory actions in response to an investigation. While per case workload varies widely depending on the type of analyses that must be conducted, the Department has set a sample turnaround target time of 14 to 30 days. This target turnaround time, which the Department believes is attainable, is comparable to commercial laboratories.

The additional 1.0 FTE will allow the BCL to better manage its workload and to reduce its backlog. The Department predicts that within a month of hiring the new analyst there will be a 50.0 percent reduction in sample turnaround time; after three months the turnaround times will fall within the target window of 14 to 30 days. The Department has set a goal for the BCL to achieve the 14-30 day sample turnaround in 95.0 percent of samples tested.



#### **Staff-initiated – General Fund appropriation adjustment**

*Request:* This is a staff-initiated change and was not formally requested by the Department.

*Recommendation:* Staff recommends a \$250,000 General Fund appropriation increase to the Conservation Services Division and a corresponding \$250,000 General Fund appropriation decrease to the Plant Industry Division. This adjustment has a net zero budget impact.

*Analysis:* The Department informed staff that the General Fund appropriations for the Conservation Services and Plant Industry Divisions could be adjusted to better match the divisions' actual expenditures. Upon review of past appropriations and actual expenditures, staff agreed with the Department's assessment.

<b>GF Appropriation History for Select Line Items in Section 2 - Agriculture Services</b>					
	<b>Historical Actual</b>	<b>Recent Actual</b>	<b>Appropriated</b>	<b>Requested</b>	<b>Recommended</b>
	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2016-17</b>
Plant Industry Division	\$350,550	\$114,728	\$623,724	\$633,995	\$383,995
Conservation Services Division*	\$639,983	\$1,007,379	\$893,877	\$1,120,961	\$670,961

\* The FY 2014-15 Recent Actual and FY 2016-17 Requested appropriation for the Conservation Services Division include \$700,000 General Fund for the Noxious Weed Management Fund. This appropriation has been removed from the JBC staff adjusted General Fund appropriation because a new line item has been added specifically for the Noxious Weed Management Fund.

The identification of this inaccurate allocation of General Fund between these two divisions is a result of JBC staff's recommendation last year to cease bottom line funding of this section of the Long Bill. The increased transparency afforded by detailing the fund type for each line item has allowed both staff and the Department to ensure greater accuracy of appropriations.

### ➔ **NBA Marijuana lab proficiency testing**

*Request:* The Department requests an increase of \$15,000 cash funds for the Inspection and Consumer Services Division to support the Colorado Department of Public Health and Environment (CDPHE).

*Recommendation:* **Staff recommends that the Committee incorporate its decision made during JBC staff's CDPHE figure setting presentation.** The Committee approved the request and approved JBC staff's technical adjustment to the request, which made the appropriation to Department of Agriculture reappropriated funds.

## **LINE ITEM DETAIL – AGRICULTURAL SERVICES**

### **Animal Industry Division**

The Animal Industry line item funds the staff responsible for operating expenses and programs including: livestock disease prevention and control, rodent and predator control services, pet animal care facility inspection and licensing and operation of the Rocky Mountain Regional Animal Health Laboratory. This line item is supported by the following cash funds: Diseased Livestock Indemnity Cash Fund, Cervidae Disease Cash Fund, Colorado Aquaculture Cash Fund, Animal Protection Cash Fund, and Pet Animal Care and Facility Cash Fund.

*Statutory Authority:* Sections 35-1-108, 35-50-105, 35-24.5-104 through 108, 35-40-101, 35-42-106, 35-42.5-101, 35-80-109, 35-81-102, C.R.S.

*Request:* The Department requests an appropriation of 26.5 FTE and \$2,731,642 total funds, including \$1,593,902 General Fund, \$960,480 cash funds, and \$177,260 federal funds.

*Recommendation:* **Staff recommends approval of this request** and the fund splits included in the following table. The recommendation includes a continuation amount plus salary survey and merit pay annualizations.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Agricultural Services, Animal Industry Division</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	<u>\$2,684,189</u>	<u>\$1,553,164</u>	<u>\$954,522</u>	<u>\$176,503</u>	<u>26.5</u>
<b>TOTAL</b>	<b>\$2,684,189</b>	<b>\$1,553,164</b>	<b>\$954,522</b>	<b>\$176,503</b>	<b>26.5</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$2,684,189	\$1,553,164	\$954,522	\$176,503	26.5
Annualize prior year funding	<u>47,453</u>	<u>40,738</u>	<u>5,958</u>	<u>757</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,731,642</b>	<b>\$1,593,902</b>	<b>\$960,480</b>	<b>\$177,260</b>	<b>26.5</b>
<b>Increase/(Decrease)</b>	\$47,453	\$40,738	\$5,958	\$757	0.0
Percentage Change	1.8%	2.6%	0.6%	0.4%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$2,731,642</b>	<b>\$1,593,902</b>	<b>\$960,480</b>	<b>\$177,260</b>	<b>26.5</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

**Plant Industry Division**

The Plant Industry line item funds the staff responsible for operating expenses and programs including: organic certification, nursery stock inspection, plant and seed inspection, and commercial and private pesticide applicator testing.

*Statutory Authority:* Sections 35-1-108, 35-4-103, 35-5-103, 35-7-102 and 104, 35-9-108 and 118, 35-10-118, 35-11-104, 35-11.5-104, 35-25-103, 35-26-111, 35-27-114, 35-27.3-108, 35-27.5-103, C.R.S.

*Request:* The Department requests an appropriation of 57.8 FTE and \$6,153,391 total funds, including \$633,995 General Fund, \$4,717,540 cash funds, and \$801,856 federal funds.

*Recommendation:* **Staff recommends an appropriation of 49.8 FTE and \$5,051,772 total funds**, including \$383,995 General Fund, \$3,865,921 cash funds, and \$801,856 federal funds.

The recommendation includes staff adjustments to the Department's prioritized requests (BA1 and R2) that impact this division, a staff-initiated adjustment to the division's General Fund appropriation, and the annualizations of salary survey and merit pay.

<b>Agricultural Services, Plant Industry Division</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	\$4,013,655	\$623,724	\$2,594,803	\$795,128	36.5
Other legislation	535,913	0	535,913	0	6.3

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Agricultural Services, Plant Industry Division</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
H.B. 16-1237 (Supplemental)	<u>166,355</u>	<u>0</u>	<u>166,355</u>	<u>0</u>	<u>2.3</u>
<b>TOTAL</b>	<b>\$4,715,923</b>	<b>\$623,724</b>	<b>\$3,297,071</b>	<b>\$795,128</b>	<b>45.1</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$4,715,923	\$623,724	\$3,297,071	\$795,128	45.1
BA1 Pesticide program inspection & enforcement support	428,352	0	428,352	0	4.7
R2 Hemp regulatory and seed certification program	91,660	0	91,660	0	0.0
Annualize prior year funding	46,038	10,271	29,039	6,728	0.0
Annualize prior year legislation	19,799	0	19,799	0	0.0
Staff initiated - General Fund appropriation adjustment	<u>(250,000)</u>	<u>(250,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$5,051,772</b>	<b>\$383,995</b>	<b>\$3,865,921</b>	<b>\$801,856</b>	<b>49.8</b>
<b>Increase/(Decrease)</b>	\$335,849	(\$239,729)	\$568,850	\$6,728	4.7
Percentage Change	7.1%	(38.4%)	17.3%	0.8%	10.4%
<b>FY 2016-17 Executive Request:</b>	<b>\$6,153,391</b>	<b>\$633,995</b>	<b>\$4,717,540</b>	<b>\$801,856</b>	<b>57.8</b>
Request Above/(Below) Recommendation	\$1,101,619	\$250,000	\$851,619	\$0	8.0

**Inspection and Consumer Services Division**

This line item funds the personal services and operating expenses associated with Inspection and Consumer Services programs including: inspection of animal feed, fertilizer, anhydrous ammonia tanks, eggs, agricultural commodity handlers and dealers, custom meat processors, weighing and measuring devices, and laboratory services. Cash funds from the Inspection and Consumer Services Cash Fund are appropriated to this line item.

*Statutory Authority:* Sections 35-1-108, 35-12-102, 35-13-103, 35-14-107, 35-21-104, 35-60-110, C.R.S.

*Request:* The Department requests an appropriation of 45.6 FTE and \$3,789,272 total funds, including \$1,189,272 General Fund, \$2,200,402 cash funds, \$84,000 reappropriated funds, and \$315,843 federal funds.

*Recommendation:* **Staff recommends an appropriation of 45.6 FTE and \$3,763,050 total funds**, including \$1,189,027 General Fund, \$2,159,180 cash funds, \$99,000 reappropriated funds, and \$315,843 federal funds. The recommendation includes staff adjustments to the Department's prioritized and non-prioritized requests, as well as salary survey and merit pay annualizations.



*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Agricultural Services, Inspection and Consumer Services Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
S.B. 15-234 (Long Bill)	\$3,643,139	\$1,172,298	\$2,072,680	\$84,000	\$314,161	44.6
H.B. 16-1237 (Supplemental)	<u>41,037</u>	<u>0</u>	<u>26,037</u>	<u>15,000</u>	<u>0</u>	<u>0.3</u>
<b>TOTAL</b>	<b>\$3,684,176</b>	<b>\$1,172,298</b>	<b>\$2,098,717</b>	<b>\$99,000</b>	<b>\$314,161</b>	<b>44.9</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$3,684,176	\$1,172,298	\$2,098,717	\$99,000	\$314,161	44.9
Annualize prior year funding	40,268	16,729	21,857	0	1,682	0.0
R1 Pesticide laboratory resources	38,606	0	38,606	0	0	0.7
NBA Marijuana lab proficiency testing	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,763,050</b>	<b>\$1,189,027</b>	<b>\$2,159,180</b>	<b>\$99,000</b>	<b>\$315,843</b>	<b>45.6</b>
<b>Increase/(Decrease)</b>	<b>\$78,874</b>	<b>\$16,729</b>	<b>\$60,463</b>	<b>\$0</b>	<b>\$1,682</b>	<b>0.7</b>
Percentage Change	2.1%	1.4%	2.9%	0.0%	0.5%	1.6%
<b>FY 2016-17 Executive Request:</b>	<b>\$3,789,272</b>	<b>\$1,189,027</b>	<b>\$2,200,402</b>	<b>\$84,000</b>	<b>\$315,843</b>	<b>45.6</b>
Request Above/(Below) Recommendation	\$26,222	\$0	\$41,222	(\$15,000)	\$0	0.0

**Conservation Services Division**

This appropriation includes resources for the Department to collaborate with public and private landowners across Colorado to enhance the stewardship of natural resources related to agricultural practices and lands. Four programs allow the Department to administer efforts associated with the conservation: groundwater protection, biological pest control, noxious weed management, and Colorado State Conservation Board partnership programs. Cash funds are appropriated from the Noxious Weed Cash Fund, and the Plant Health, Pest Control and Environmental Protection Cash Fund.

*Statutory Authority:* Sections 35-5.5-116 and 117, and 35-9-118 (3), C.R.S.

*Request:* The Department requests an appropriation of 15.3 FTE and \$2,573,509 total funds, including \$1,120,961 General Fund, \$626,244 cash funds, and \$826,304 federal funds.

*Recommendation:* **Staff recommends an appropriation of 15.3 FTE and \$2,823,509 total funds**, including \$670,961 General Fund, \$626,244 cash funds, \$700,000 reappropriated funds, and \$826,304 federal funds. The recommendation includes a staff-initiated adjustment to the division's General Fund appropriation, as well as salary survey and merit pay annualizations.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Agricultural Services, Conservation Services Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
S.B. 15-234 (Long Bill)	\$2,547,613	\$1,103,877	\$621,638	\$0	\$822,098	15.3
H.B. 16-1237 (Supplemental)	<u>0</u>	<u>(210,000)</u>	<u>0</u>	<u>210,000</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,547,613</b>	<b>\$893,877</b>	<b>\$621,638</b>	<b>\$210,000</b>	<b>\$822,098</b>	<b>15.3</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$2,547,613	\$893,877	\$621,638	\$210,000	\$822,098	15.3
Staff initiated - General Fund appropriation adjustment	250,000	250,000	0	0	0	0.0
Annualize prior year funding	<u>25,896</u>	<u>(472,916)</u>	<u>4,606</u>	<u>490,000</u>	<u>4,206</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,823,509</b>	<b>\$670,961</b>	<b>\$626,244</b>	<b>\$700,000</b>	<b>\$826,304</b>	<b>15.3</b>
<b>Increase/(Decrease)</b>	\$275,896	(\$222,916)	\$4,606	\$490,000	\$4,206	0.0
Percentage Change	10.8%	(24.9%)	0.7%	233.3%	0.5%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$2,573,509</b>	<b>\$1,120,961</b>	<b>\$626,244</b>	<b>\$0</b>	<b>\$826,304</b>	<b>15.3</b>
Request Above/(Below) Recommendation	(\$250,000)	\$450,000	\$0	(\$700,000)	\$0	0.0

**Appropriation to the Noxious Weed Management Fund**

During the 2014 Legislative Session, the General Assembly approved the appropriation of \$700,000 General Fund for the Noxious Weed Management Grant Program, which is administered by the Conservation Services Division. Pursuant to H.B. 16-1237, this line item was added to provide greater transparency for that appropriation and to facilitate the direct appropriation of money into the Noxious Weed Management Fund.

*Statutory Authority:* Sections 35-5.5-116 (1), C.R.S.

*Request:* The Department did not request an appropriation for this line item because the line item was added during the current session's supplemental cycle.

*Recommendation:* **Staff recommends an appropriation of \$700,000 General Fund.** This appropriation appears as reappropriated funds in the Conservation Services Division.

<b>Agricultural Services, Appropriation to the Noxious Weed Management Fund</b>		
	<b>Total Funds</b>	<b>General Fund</b>
<b>FY 2015-16 Appropriation</b>		
H.B. 16-1237 (Supplemental)	\$210,000	\$210,000
S.B. 15-234 (Long Bill)	<u>0</u>	<u>0</u>

<b>Agricultural Services, Appropriation to the Noxious Weed Management Fund</b>		
	<b>Total Funds</b>	<b>General Fund</b>
<b>TOTAL</b>	<b>\$210,000</b>	<b>\$210,000</b>
<b>FY 2016-17 Recommended Appropriation</b>		
FY 2015-16 Appropriation	\$210,000	\$210,000
Annualize prior year funding	<u>490,000</u>	<u>490,000</u>
<b>TOTAL</b>	<b>\$700,000</b>	<b>\$700,000</b>
<b>Increase/(Decrease)</b>	\$490,000	\$490,000
Percentage Change	233.3%	233.3%
<b>FY 2016-17 Executive Request:</b>	\$0	\$0
Request Above/(Below) Recommendation	(\$700,000)	(\$700,000)

### **Lease Purchase Lab Equipment**

During the 2007 Legislative Session, the General Assembly approved the inclusion of this line item to lease-purchase laboratory equipment for the Department's biochemistry laboratory, which performs sample analyses that support the regulatory enforcement activities of Inspection and Consumer Services programs, the Plant Industry division, and the Conservation Board.

*Statutory Authority:* Sections 35-1-104, C.R.S.

*Request:* The Department requests a continuation appropriation of \$99,360 cash funds.

*Recommendation:* **Staff recommends approval of this request.**

### **Indirect Costs**

This line item funds a portion of the costs of the Commissioner's Office as well as the Division's share of statewide indirect costs. This line item represents indirect cost assessments from Animal Industry, Inspection and Consumer Services, Plant Industry, and Conservation Services.

*Statutory Authority:* Section 35-1-104, C.R.S.

*Request:* The Department requests \$925,867 total funds, including \$636,840 cash funds and \$289,027.

*Recommendation:* **Staff recommends approval of this request**, but requests permission to adjust all indirect cost line items as necessary based on Committee decisions.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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<b>Agricultural Services, Indirect Cost Assessment</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>Federal Funds</b>
<b>FY 2015-16 Appropriation</b>			
S.B. 15-234 (Long Bill)	<u>\$938,269</u>	<u>\$645,755</u>	<u>\$292,514</u>
<b>TOTAL</b>	<b>\$938,269</b>	<b>\$645,755</b>	<b>\$292,514</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$938,269	\$645,755	\$292,514
Indirect cost assessment	<u>(12,402)</u>	<u>(8,915)</u>	<u>(3,487)</u>
<b>TOTAL</b>	<b>\$925,867</b>	<b>\$636,840</b>	<b>\$289,027</b>
<b>Increase/(Decrease)</b>	<b>(\$12,402)</b>	<b>(\$8,915)</b>	<b>(\$3,487)</b>
Percentage Change	(1.3%)	(1.4%)	(1.2%)
<b>FY 2016-17 Executive Request:</b>	<b>\$925,867</b>	<b>\$636,840</b>	<b>\$289,027</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0

### (3) Agricultural Markets Division

The Agricultural Markets Division promotes Colorado's agricultural products and services to domestic and international markets, provides export assistance, and develops value-added business ventures. The Markets Division is also responsible for promoting Colorado's wine industry, administering the Colorado Proud brand, and operating the agricultural products inspection program (including potato inspection).

<b>Agricultural Markets Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
S.B. 15-234 (Long Bill)	<u>\$4,829,690</u>	<u>\$689,079</u>	<u>\$3,169,055</u>	<u>\$45,000</u>	<u>\$926,556</u>	<u>41.4</u>
<b>TOTAL</b>	<b>\$4,829,690</b>	<b>\$689,079</b>	<b>\$3,169,055</b>	<b>\$45,000</b>	<b>\$926,556</b>	<b>41.4</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$4,829,690	\$689,079	\$3,169,055	\$45,000	\$926,556	41.4
Annualize prior year funding	39,023	10,762	26,596	0	1,665	0.0
Indirect cost assessment	<u>(1,485)</u>	<u>0</u>	<u>(1,434)</u>	<u>0</u>	<u>(51)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,867,228</b>	<b>\$699,841</b>	<b>\$3,194,217</b>	<b>\$45,000</b>	<b>\$928,170</b>	<b>41.4</b>
<b>Increase/(Decrease)</b>	\$37,538	\$10,762	\$25,162	\$0	\$1,614	0.0
Percentage Change	0.8%	1.6%	0.8%	0.0%	0.2%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$4,867,228</b>	<b>\$699,841</b>	<b>\$3,194,217</b>	<b>\$45,000</b>	<b>\$928,170</b>	<b>41.4</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	(0.0)

### DECISION ITEMS - AGRICULTURAL MARKETS DIVISION (NONE)

None.

### LINE ITEM DETAIL - AGRICULTURAL MARKETS DIVISION

#### (A) Agriculture Markets

##### Program Costs

This line item funds the personal services and operation expenses for the Agricultural Markets Division.

*Statutory Authority:* Sections 35-1-108 and 35-28-105, C.R.S.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

**Request:** The Department requests an appropriation of 5.4 FTE and \$1,474,246 total funds, including \$499,841 General Fund, \$50,454 cash funds, and \$923,951 federal funds.

**Recommendation:** Staff recommends approval of this request.

Agricultural Markets Division, Agricultural Markets, Program Costs					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	<u>\$1,461,819</u>	<u>\$489,079</u>	<u>\$50,454</u>	<u>\$922,286</u>	<u>5.4</u>
<b>TOTAL</b>	<b>\$1,461,819</b>	<b>\$489,079</b>	<b>\$50,454</b>	<b>\$922,286</b>	<b>5.4</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$1,461,819	\$489,079	\$50,454	\$922,286	5.4
Annualize prior year funding	<u>12,427</u>	<u>10,762</u>	<u>0</u>	<u>1,665</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,474,246</b>	<b>\$499,841</b>	<b>\$50,454</b>	<b>\$923,951</b>	<b>5.4</b>
<b>Increase/(Decrease)</b>	\$12,427	\$10,762	\$0	\$1,665	0.0
Percentage Change	0.9%	2.2%	0.0%	0.2%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$1,474,246</b>	<b>\$499,841</b>	<b>\$50,454</b>	<b>\$923,951</b>	<b>5.4</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

**Economic Development Grants**

This line item shows any grants funds the Division receives from the Governor's Economic Development Commission pursuant to Section 24-46-105, C.R.S.

**Statutory Authority:** Sections 35-104 (1) (dd) and 35-28-103, C.R.S.

**Request:** The Department requests a continuation appropriation of \$45,000 reappropriated funds.

**Recommendation:** Staff recommends approval of this request.

**Agricultural Development Board**

This program and board was created by H.B. 01-1086 to assist in the development of agricultural processing facilities in Colorado. The source of funding for this program is the transfer of \$500,000 from the Operational Account of the Severance Tax Trust Fund pursuant to Section 35-75-205 (1.5) (a), C.R.S.

**Statutory Authority:** Section 35-75-104 (1), C.R.S.

**Request:** The Department requests a continuation appropriation of \$500,000 cash funds.

**Recommendation: Staff recommends approval of this request.**

**Wine Promotion Board**

The Colorado Wine Promotion Board is responsible for promoting Colorado wines. The Board funds research, development, promotion, and marketing. Pursuant to Section 35-29.5-105, C.R.S. funds from the Wine Promotion Cash Fund are continuously appropriated. At least one-third of the revenue in the fund shall go toward research and development, at least one-third shall go toward promotion and the remainder to administrative costs.

**Statutory Authority:** Sections 35-104 (1) (dd) and 35-29.5-103, C.R.S.

**Request:** The Department requests an appropriation of 1.5 FTE and \$574,246 cash funds.

**Recommendation: Staff recommends approval of this request.**

Agricultural Markets Division, Agricultural Markets, Wine Promotion Board			
	Total Funds	Cash Funds	FTE
<b>FY 2015-16 Appropriation</b>			
S.B. 15-234 (Long Bill)	<u>\$572,493</u>	<u>\$572,493</u>	<u>1.5</u>
<b>TOTAL</b>	<b>\$572,493</b>	<b>\$572,493</b>	<b>1.5</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$572,493	\$572,493	1.5
Annualize prior year funding	<u>1,753</u>	<u>1,753</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$574,246</b>	<b>\$574,246</b>	<b>1.5</b>
<b>Increase/(Decrease)</b>	\$1,753	\$1,753	0.0
Percentage Change	0.3%	0.3%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$574,246</b>	<b>\$574,246</b>	<b>1.5</b>
Request Above/(Below) Recommendation	\$0	\$0	0.0

**Indirect Cost Assessment**

This line item funds a portion of the costs of the Commissioner's Office as well as the Division's share of statewide indirect costs.

**Statutory Authority:** Section 35-1-104, C.R.S.

**Request:** The Department requests an appropriation of \$14,081 total funds, including \$9,862 cash funds and \$4,219 federal funds.

**Recommendation:** Staff recommends approval of this request, but requests permission to adjust all indirect cost line items as necessary based on Committee decisions.

Agricultural Markets Division, Agricultural Markets, Indirect Cost Assessment			
	Total Funds	Cash Funds	Federal Funds
<b>FY 2015-16 Appropriation</b>			
S.B. 15-234 (Long Bill)	<u>\$14,270</u>	<u>\$10,000</u>	<u>\$4,270</u>
<b>TOTAL</b>	<b>\$14,270</b>	<b>\$10,000</b>	<b>\$4,270</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$14,270	\$10,000	\$4,270
Indirect cost assessment	<u>(189)</u>	<u>(138)</u>	<u>(51)</u>
<b>TOTAL</b>	<b>\$14,081</b>	<b>\$9,862</b>	<b>\$4,219</b>
<b>Increase/(Decrease)</b>	<b>(\$189)</b>	<b>(\$138)</b>	<b>(\$51)</b>
Percentage Change	(1.3%)	(1.4%)	(1.2%)
<b>FY 2016-17 Executive Request:</b>	<b>\$14,081</b>	<b>\$9,862</b>	<b>\$4,219</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0

## (B) Agricultural Products Inspection

### Program Costs

This line item funds the agricultural products inspectors who provide size and grade inspection services to fruit and vegetable growers and shippers throughout the state. Cash funds for this line item are appropriated from the Agricultural Products Inspection Cash Fund.

*Statutory Authority:* Sections 35-23-102 and 108, C.R.S.

*Request:* The Department requests an appropriation of 34.5 FTE and \$2,167,056 total funds, including \$200,000 General Fund and \$1,967,056 cash funds.

**Recommendation:** Staff recommends approval of this request.

Agricultural Markets Division, Agricultural Products Inspection, Program Costs				
	Total Funds	General Fund	Cash Funds	FTE
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	<u>\$2,142,213</u>	<u>\$200,000</u>	<u>\$1,942,213</u>	<u>34.5</u>
<b>TOTAL</b>	<b>\$2,142,213</b>	<b>\$200,000</b>	<b>\$1,942,213</b>	<b>34.5</b>



*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Agricultural Markets Division, Agricultural Products Inspection, Program Costs</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$2,142,213	\$200,000	\$1,942,213	34.5
Annualize prior year funding	<u>24,843</u>	<u>0</u>	<u>24,843</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,167,056</b>	<b>\$200,000</b>	<b>\$1,967,056</b>	<b>34.5</b>
<b>Increase/(Decrease)</b>	\$24,843	\$0	\$24,843	0.0
Percentage Change	1.2%	0.0%	1.3%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$2,167,056</b>	<b>\$200,000</b>	<b>\$1,967,056</b>	<b>34.5</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**Indirect Cost Assessment**

This line item funds a portion of the costs of the Commissioner's Office as well as the Division's share of statewide indirect costs.

*Statutory Authority:* Section 35-1-104, C.R.S.

*Request:* The Department requests an appropriation of \$92,599 cash funds.

*Recommendation:* **Staff recommends approval of this request**, but requests permission to adjust all indirect cost line items as necessary based on Committee decisions.

<b>Agricultural Markets Division, Agricultural Products Inspection, Indirect Cost Assessment</b>		
	<b>Total Funds</b>	<b>Cash Funds</b>
<b>FY 2015-16 Appropriation</b>		
S.B. 15-234 (Long Bill)	<u>\$93,895</u>	<u>\$93,895</u>
<b>TOTAL</b>	<b>\$93,895</b>	<b>\$93,895</b>
<b>FY 2016-17 Recommended Appropriation</b>		
FY 2015-16 Appropriation	\$93,895	\$93,895
Indirect cost assessment	<u>(1,296)</u>	<u>(1,296)</u>
<b>TOTAL</b>	<b>\$92,599</b>	<b>\$92,599</b>
<b>Increase/(Decrease)</b>	(\$1,296)	(\$1,296)
Percentage Change	(1.4%)	(1.4%)
<b>FY 2016-17 Executive Request:</b>	<b>\$92,599</b>	<b>\$92,599</b>
Request Above/(Below) Recommendation	\$0	\$0

## **(4) Brand Board**

The Brand Board records and administers livestock brands; inspects and verifies ownership prior to the sale, transport, or slaughter of livestock; inspects and licenses alternative livestock facilities; and facilitates the return of stray or stolen livestock. Pursuant to Section 35-41-101 (5) (a), C.R.S., the Brand Board constitutes an enterprise for the purposes of Section 20 of Article X of the State constitution (TABOR).

<b>Brand Board</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	<u>\$4,252,044</u>	<u>\$0</u>	<u>\$4,252,044</u>	<u>59.0</u>
<b>TOTAL</b>	<b>\$4,252,044</b>	<b>\$0</b>	<b>\$4,252,044</b>	<b>59.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$4,252,044	\$0	\$4,252,044	59.0
Annualize prior year funding	49,101	0	49,101	0.0
Indirect cost assessment	<u>(2,274)</u>	<u>0</u>	<u>(2,274)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,298,871</b>	<b>\$0</b>	<b>\$4,298,871</b>	<b>59.0</b>
<b>Increase/(Decrease)</b>	\$46,827	\$0	\$46,827	0.0
Percentage Change	1.1%	0.0%	1.1%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$4,298,871</b>	<b>\$0</b>	<b>\$4,298,871</b>	<b>59.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

### **DECISION ITEMS – BRAND BOARD (NONE)**

None.

### **LINE ITEM DETAIL – BRAND BOARD**

#### **Brand Inspection**

This line item funds all personal services and operating costs related to the services provided by the Brand Board.

*Statutory Authority:* Sections 35-1-104, 35-41-101, and 35-55-112, C.R.S.

*Request:* The Department requests an appropriation of 59.0 FTE and \$4,081,414 cash funds.

*Recommendation:* **Staff recommends approval of this request.**

<b>Brand Board, Brand Inspection</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
S.B. 15-234 (Long Bill)	<u>\$4,032,313</u>	<u>\$4,032,313</u>	<u>59.0</u>
<b>TOTAL</b>	<b>\$4,032,313</b>	<b>\$4,032,313</b>	<b>59.0</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$4,032,313	\$4,032,313	59.0
Annualize prior year funding	<u>49,101</u>	<u>49,101</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,081,414</b>	<b>\$4,081,414</b>	<b>59.0</b>
<b>Increase/(Decrease)</b>	\$49,101	\$49,101	0.0
Percentage Change	1.2%	1.2%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$4,081,414</b>	<b>\$4,081,414</b>	<b>59.0</b>
Request Above/(Below) Recommendation	\$0	\$0	0.0

### **Alternative Livestock**

This line item supports the inspection and licensing of alternative livestock facilities including the selling, trading, bartering, or otherwise transferring of any domesticated elk or fallow deer in the State. Funding for this line item is from the Alternative Livestock Cash Fund.

*Statutory Authority:* Section 35-41.5-116, C.R.S.

*Request:* The Department requests a continuation appropriation of \$15,000 cash funds.

*Recommendation:* **Staff recommends approval of this request.**

### **Brand Estray Fund**

This line item funds the: care of any livestock found on public or private lands within Colorado, whose owner is either unknown or are outside the limits of their usual range or pasture; and reimbursements to owners of estray animals. The sale of estray animals generates revenue for this fund, and moneys are exempt from the TABOR spending limit as they are managed by the Brand Board, which is an enterprise pursuant to Section 20 of Article X of the Colorado Constitution.

*Statutory Authority:* Section 35-41-102, C.R.S.

*Request:* The Department requests a continuation appropriation of \$40,000 cash funds.

*Recommendation:* **Staff recommends approval of this request.**

**Indirect Cost Assessment**

This line item funds a portion of the costs of the Commissioner's Office as well as the Division's share of statewide indirect costs. The Brand Board and Alternative Livestock programs benefit from a statutory cap of 3.6 percent of each program's annual expenditures that can be collected for indirect costs.

*Statutory Authority:* Sections 35-1-104, 35-41-102, and 35-41.5.116, C.R.S.

*Request:* The Department requests an appropriation of \$162,457 cash funds.

*Recommendation:* **Staff recommends approval of this request**, but requests permission to adjust all indirect cost line items as necessary based on Committee decisions.

Brand Board, Indirect Cost Assessment		
	Total Funds	Cash Funds
<b>FY 2015-16 Appropriation</b>		
S.B. 15-234 (Long Bill)	<u>\$164,731</u>	<u>\$164,731</u>
<b>TOTAL</b>	<b>\$164,731</b>	<b>\$164,731</b>
<b>FY 2016-17 Recommended Appropriation</b>		
FY 2015-16 Appropriation	\$164,731	\$164,731
Indirect cost assessment	<u>(2,274)</u>	<u>(2,274)</u>
<b>TOTAL</b>	<b>\$162,457</b>	<b>\$162,457</b>
<b>Increase/(Decrease)</b>	(\$2,274)	(\$2,274)
Percentage Change	(1.4%)	(1.4%)
<b>FY 2016-17 Executive Request:</b>	<b>\$162,457</b>	<b>\$162,457</b>
Request Above/(Below) Recommendation	\$0	\$0

## **(5) Colorado State Fair**

The Colorado State Fair Authority is administered by an eleven-member Board of Commissioners and is primarily responsible for putting on the eleven-day State Fair event held each August. Much of the funding for this division comes from the revenue collected during the annual fair event and from non-fair events held at the fairgrounds during the rest of the year. The Fair also receives funding from a variety of other sources including: the city and county of Pueblo, various small grants, and 25.0 percent of the interest earned on the sale of unclaimed securities (HB 08-1399, Buescher/Isgar).

<b>Colorado State Fair</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	\$8,925,912	\$300,000	\$8,625,912	26.9
H.B. 15-1367 Contingent appropriations	<u>300,000</u>	<u>300,000</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$9,225,912</b>	<b>\$600,000</b>	<b>\$8,625,912</b>	<b>26.9</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$9,225,912	\$600,000	\$8,625,912	26.9
BA2 CSFA financial assistance	300,000	300,000	0	0.0
Annualize prior year funding	(12,500)	(50,000)	37,500	0.0
Annualize prior year legislation	0	(300,000)	300,000	0.0
Indirect cost assessment	<u>(1,564)</u>	<u>0</u>	<u>(1,564)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$9,511,848</b>	<b>\$550,000</b>	<b>\$8,961,848</b>	<b>26.9</b>
<b>Increase/(Decrease)</b>	<b>\$285,936</b>	<b>(\$50,000)</b>	<b>\$335,936</b>	<b>0.0</b>
Percentage Change	3.1%	(8.3%)	3.9%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$10,011,848</b>	<b>\$1,050,000</b>	<b>\$8,961,848</b>	<b>26.9</b>
Request Above/(Below) Recommendation	\$500,000	\$500,000	\$0	0.0

## **DECISION ITEMS – COLORADO STATE FAIR**

### **➔ BA2 CSFA financial assistance**

*Request:* The Department requests \$750,000 General Fund to support operations and maintenance costs at the Colorado State Fair Authority (Authority).

*Recommendation:* **Staff recommends \$300,000 General Fund and the creation of a new line item: State Fair Facilities Maintenance.** Staff also recommends the inclusion of a request for information associated with this new line item, which will ask the Department to provide a list of projects for which this funding will be used.

*Analysis:* The State Fairgrounds reside on approximately 100 acres with over 50 separate buildings and facilities. The year-round use of these facilities is critical to the Authority because off-season rentals generate approximately \$700,000 in revenue annually. While there are some exceptions, most notably the Event Center that opened in 1995, most of these facilities are over 50 years old and require maintenance and upkeep. Many of the buildings need only minimal maintenance; however, some of the more frequently used facilities require significant repairs.

The Authority estimates that the short-term cost of repairs and maintenance may be between \$1-1.5 million, while the five year costs may be roughly \$3-4 million. The Authority has limited access to sources of funding other than the Colorado State Fair Authority Cash Fund, created in Section 35-65-107.5, C.R.S., which has experienced a cash deficit in recent fiscal years. The table below outlines the anticipated governmental appropriations in FY 2016-17. Of the appropriations shown, those highlighted are dedicated to facility maintenance and improvements. The non-highlighted appropriations can be used for general operating and personnel costs. The \$500,000 from Pueblo County's Ballot Issue 1B is a one-time allocation that must be used to improve the Fairground's gates and the hardscape surrounding the gates outside the property's walls.

<b>Anticipated Non-Operating Revenue from Governmental Sources, FY 2016-17</b>			
<b>Funding Source</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>
Interest transfer from Unclaimed Property			
Tourism Promotion Trust Fund*	1,140,000	0	1,150,000
Agriculture Management Fund Transfer	500,000	0	500,000
H.B. 15-1367 (Retail Marijuana Taxes)	300,000	0	300,000
Long Bill - 4H/FFA Programs line item**	250,000	250,000	0
Long Bill - Facility Maintenance line item**	300,000	300,000	0
<b>Sub-total</b>	<b>2,500,000</b>	<b>550,000</b>	<b>1,950,000</b>
<b>Non-State Sources - Budgeted for CY 2015</b>			
			<b>Ballot Issue 1B</b>
City of Pueblo	125,000	125,000	0
Pueblo County	675,000	175,000	500,000
Colorado State Fair Foundation (non-governmental)	100,000	100,000	
<b>Sub-total</b>	<b>900,000</b>	<b>400,000</b>	<b>500,000</b>
<b>Grand Total</b>	<b>3,400,000</b>		

\* Estimate provided by the Department of Agriculture.

\*\* Staff Recommended appropriations for FY 2016-17

The Authority reports that an optimal annual maintenance budget would be \$450,000 to \$500,000; however, due to annual cash flow challenges related to non-fair time operating

expense, the Authority has been unable to perform adequate maintenance on these facilities, resulting in deterioration. Many of these buildings require only minor repairs, such as refurbishing walls and paint, carpet or flooring, or minor electrical and exterior brick and mortar repairs. Other buildings require more significant repairs, including HVAC units, roofing, and plumbing. These maintenance projects are not eligible for controlled maintenance funding pursuant to Section 24-30-1303.9, C.R.S.

The refurbishment of the horse show area, which has a total of 450 stables, is a top priority for the Authority. The 200 stone stables were built in 1938 and the wood stables were built in 1968. The stone stables have been recently rehabilitated using State Historical Funds and are part of the State's Historic Register. The 250 wood stables have received only minimal maintenance since their construction and suffer from wear; there were at least ten horse escapes during the 11-day Fair this year. The wash racks used for the horses have poor drainage and pose a significant health risk to the animals because standing water attracts disease carrying insects. This work will include the replacement of stall doors and latches, repaving of stalls and the event area, and painting. The Authority plans to use \$150,000 cash funds from H.B. 15-1367 (Retail Marijuana Taxes) and \$100,000 from the Colorado State Fair Foundation to make improvements to the horse show area.

Another prioritized project is to address the ceiling of the Livestock Pavilion. The Pavilion is in a state of general disrepair, with ceiling holes and crumbling insulation. The Authority, utilizing an emergency grant from the Department of Agriculture, had to repair the building's doors to bring them up to code in order to prevent the closing of the building prior to the 2014 State Fair. The use of emergency funding to address critical projects is not ideal and does not allow the Authority to effectively budget for their maintenance and upkeep needs. The Authority plans to use \$150,000 cash funds from H.B. 15-1367 to make improvements to the Livestock Pavilion.

### ***Staff Recommendation Analysis***

The addition of a new line item specifically for the funding of the rehabilitation and maintenance of the Colorado State Fairgrounds will provide the Department and the Authority with ability to plan for capital improvements. Having a dedicated line item for this funding will provide the Committee with greater oversight and control over the pace of facility improvements. While the \$300,000 General Fund recommended by staff is significantly lower than the Department's request, the non-state sources of funding more than make up for the difference. If in the out years the Committee deems it necessary to increase funding for capital improvements at the Fairgrounds, the recommended new line item will allow for such targeted appropriations.

## **LINE ITEM DETAIL – COLORADO STATE FAIR**

### **Program Costs**

This line item includes all personal services and operating costs related to running and maintaining the State Fair and fairgrounds in Pueblo, Colorado.

*Statutory Authority:* Sections 35-1-104 and 35-65-100.3 through 408, C.R.S.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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**Request:** The Department requests an appropriation of 26.9 FTE and 9,300,143 total funds, including \$750,000 General Fund and \$8,550,143 cash funds.

**Recommendation:** Staff recommends an appropriation of 26.9 FTE and \$8,550,143 cash funds, which includes salary survey and merit pay annualizations.

Colorado State Fair, Program Costs				
	Total Funds	General Fund	Cash Funds	FTE
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	\$8,512,643	\$0	\$8,512,643	26.9
H.B. 15-1367 Contingent appropriations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$8,512,643</b>	<b>\$0</b>	<b>\$8,512,643</b>	<b>26.9</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$8,512,643	\$0	\$8,512,643	26.9
Annualize prior year funding	37,500	0	37,500	0.0
BA2 CSFA financial assistance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$8,550,143</b>	<b>\$0</b>	<b>\$8,550,143</b>	<b>26.9</b>
<b>Increase/(Decrease)</b>	\$37,500	\$0	\$37,500	0.0
Percentage Change	(3.1%)	0.0%	0.4%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$9,300,143</b>	<b>\$750,000</b>	<b>\$8,550,143</b>	<b>26.9</b>
Request Above/(Below) Recommendation	\$750,000	\$750,000	\$0	0.0

**FFA and 4H Program Funding**

This line item provides funding to maintain and support 4H and FFA programs, ensure youth participation and the success of the Junior Livestock Sale, and enhance the financial stability of the State Fair.

**Statutory Authority:** Section 35-1-104, C.R.S.

**Request:** The Department requests an appropriation of \$550,000 total funds, including \$250,000 General Fund and \$300,000 cash funds.

**Recommendation:** Staff recommends approval of this request.



*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

Colorado State Fair, FFA and 4H Funding			
	Total Funds	General Fund	Cash Funds
<b>FY 2015-16 Appropriation</b>			
H.B. 15-1367 Contingent appropriations	\$300,000	\$300,000	\$0
S.B. 15-234 (Long Bill)	<u>250,000</u>	<u>250,000</u>	<u>0</u>
<b>TOTAL</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$0</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$550,000	\$550,000	\$0
Annualize prior year legislation	<u>0</u>	<u>(300,000)</u>	<u>300,000</u>
<b>TOTAL</b>	<b>\$550,000</b>	<b>\$250,000</b>	<b>\$300,000</b>
<b>Increase/(Decrease)</b>	\$0	(\$300,000)	\$300,000
Percentage Change	54.5%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$550,000</b>	<b>\$250,000</b>	<b>\$300,000</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0

**State Fair Financial Stability Study**

This line item provides funding for the rehabilitation and maintenance of the Colorado State Fairgrounds' facilities and grounds.

*Statutory Authority:* Section 35-1-104, C.R.S., and S.B. 15-234 (Long Bill) Footnote 1

*Request:* The Department requests an appropriation of \$50,000 General Fund.

*Recommendation:* **Staff recommends no appropriation for this line item.** After conferring with the Department, it was agreed that their request did not correctly annualize the funding for this line item. This line item was a one-time appropriation in FY 2015-16 to fund the study.

Colorado State Fair, State Fair Financial Stability Study		
	Total Funds	General Fund
<b>FY 2015-16 Appropriation</b>		
S.B. 15-234 (Long Bill)	<u>\$50,000</u>	<u>\$50,000</u>
<b>TOTAL</b>	<b>\$50,000</b>	<b>\$50,000</b>
<b>FY 2016-17 Recommended Appropriation</b>		
FY 2015-16 Appropriation	\$50,000	\$50,000
Annualize prior year funding	<u>(50,000)</u>	<u>(50,000)</u>

Colorado State Fair, State Fair Financial Stability Study		
	Total Funds	General Fund
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>
<b>Increase/(Decrease)</b>	(\$50,000)	(\$50,000)
Percentage Change	(100.0%)	(100.0%)
<b>FY 2016-17 Executive Request:</b>	<b>\$50,000</b>	<b>\$50,000</b>
Request Above/(Below) Recommendation	\$50,000	\$50,000

**State Fair Facilities Maintenance (NEW LINE ITEM)**

This line item provides funding for the rehabilitation and maintenance of the Colorado State Fairgrounds' facilities and grounds.

*Statutory Authority:* Section 35-1-104, C.R.S.

*Request:* The Department requests an appropriation \$750,000 General Fund to the Colorado State Fair's Program Costs line item.

*Recommendation:* **Staff recommends the creation of this new line item and an appropriation of \$300,000 General Fund.** Staff also recommends an accompanying request for information regarding planned facility maintenance projects.

Colorado State Fair, State Fair Facilities Maintenance		
	Total Funds	General Fund
<b>FY 2015-16 Appropriation</b>		
S.B. 15-234 (Long Bill)	<u>\$0</u>	<u>\$0</u>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>
<b>FY 2016-17 Recommended Appropriation</b>		
FY 2015-16 Appropriation	\$0	\$0
BA2 CSFA financial assistance	<u>300,000</u>	<u>300,000</u>
<b>TOTAL</b>	<b>\$300,000</b>	<b>\$300,000</b>
<b>Increase/(Decrease)</b>	\$300,000	\$300,000
Percentage Change	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$0</b>	<b>\$0</b>
Request Above/(Below) Recommendation	(\$300,000)	(\$300,000)

**Indirect Cost Assessment**

The State Fair currently provides its own accounting services, assists with one-third of the personal services associated with the Department's Public Information Officer, and provides all of the Department's controlled maintenance services. As a result, the State Fair's indirect cost assessment is lower than other divisions.

*Statutory Authority:* Section 35-1-104, C.R.S.

*Request:* The Department requests an appropriation of \$111,705 cash funds.

*Recommendation:* **Staff recommends approval of this request**, but requests permission to adjust all indirect cost line items as necessary based on Committee decisions.

Colorado State Fair, Indirect Cost Assessment		
	Total Funds	Cash Funds
<b>FY 2015-16 Appropriation</b>		
S.B. 15-234 (Long Bill)	<u>\$113,269</u>	<u>\$113,269</u>
<b>TOTAL</b>	<b>\$113,269</b>	<b>\$113,269</b>
<b>FY 2016-17 Recommended Appropriation</b>		
FY 2015-16 Appropriation	\$113,269	\$113,269
Indirect cost assessment	<u>(1,564)</u>	<u>(1,564)</u>
<b>TOTAL</b>	<b>\$111,705</b>	<b>\$111,705</b>
<b>Increase/(Decrease)</b>	(\$1,564)	(\$1,564)
Percentage Change	(1.4%)	(1.4%)
<b>FY 2016-17 Executive Request:</b>	<b>\$111,705</b>	<b>\$111,705</b>
Request Above/(Below) Recommendation	\$0	\$0

## **(6) Conservation Board**

The Conservation Board oversees programs to conserve Colorado's soil and natural resources in conjunction with 77 local districts and helps coordinate regional and statewide efforts to address conservation issues. The State Conservation Board is comprised of eight members from the conservation districts and one appointee of the Governor. Issues addressed by this division include: soil erosion, agricultural runoff, forest/rangeland management, noxious weed control, salinity, and energy conservation. The Board is also responsible for maintaining the official maps and legal descriptions of the 77 districts as well as monitoring local board elections.

<b>Conservation Board</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	<u>\$2,139,127</u>	<u>\$1,183,762</u>	<u>\$450,000</u>	<u>\$505,365</u>	<u>5.2</u>
<b>TOTAL</b>	<b>\$2,139,127</b>	<b>\$1,183,762</b>	<b>\$450,000</b>	<b>\$505,365</b>	<b>5.2</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$2,139,127	\$1,183,762	\$450,000	\$505,365	5.2
Annualize prior year funding	<u>13,809</u>	<u>12,393</u>	<u>0</u>	<u>1,416</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,152,936</b>	<b>\$1,196,155</b>	<b>\$450,000</b>	<b>\$506,781</b>	<b>5.2</b>
<b>Increase/(Decrease)</b>	\$13,809	\$12,393	\$0	\$1,416	0.0
Percentage Change	0.6%	1.0%	0.0%	0.3%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$2,152,936</b>	<b>\$1,196,155</b>	<b>\$450,000</b>	<b>\$506,781</b>	<b>5.2</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

### **DECISION ITEMS – COLORADO STATE FAIR (NONE)**

None.

### **LINE ITEM DETAIL – COLORADO STATE FAIR**

#### **Program Costs**

This line item funds the personal services and operating expenses for the Conservation Board.

*Statutory Authority:* Sections 35-1-104 and 35-70-101 through 122, C.R.S.

*Request:* The Department requests an appropriation of \$487,388 General Fund and 5.2 FTE.

*Recommendation:* **Staff recommends approval of the request.**

<b>Conservation Board, Program Costs</b>			
	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
S.B. 15-234 (Long Bill)	<u>\$474,995</u>	<u>\$474,995</u>	<u>5.2</u>
<b>TOTAL</b>	<b>\$474,995</b>	<b>\$474,995</b>	<b>5.2</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$474,995	\$474,995	5.2
Annualize prior year funding	<u>12,393</u>	<u>12,393</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$487,388</b>	<b>\$487,388</b>	<b>5.2</b>
<b>Increase/(Decrease)</b>	\$12,393	\$12,393	0.0
Percentage Change	2.6%	2.6%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$487,388</b>	<b>\$487,388</b>	<b>5.2</b>
Request Above/(Below) Recommendation	\$0	\$0	0.0

### **Distributions to Soil Conservation Districts**

The Conservation Board distributes funds directly to local conservation districts to assist with operating expenses (e.g. travel, clerical and technical assistance, office expenses, district elections), pursuant to Section 35-1-106.7, C.R.S. Distributions are made via a competitive grant process according to evaluation criteria, which examine a district's long range plans, annual workload, number of district meetings held each year, participation in conservation activities, and the district's plan to implement education programs.

*Statutory Authority:* Section 35-70-103 (5) (g), C.R.S.

*Request:* The Department requests a continuation appropriation of \$483,767 General Fund.

*Recommendation:* **Staff recommends approval of the request.**

### **Matching Grants to Districts**

This line item provides funds for conservation districts to address on-the-ground conservation problems that have been identified at the local level. The conservation districts that receive funds must provide a dollar-for-dollar match. Funding for this line item is from funds transferred from the Operational Account of the Severance Tax Trust Fund pursuant to Section 39-29-109.3 (2) (b), C.R.S. This transfer is scheduled to end on December 31, 2022.

*Statutory Authority:* Sections 35-1-106.7 and 35-70-103 (5) (g), C.R.S.

**Request:** The Department requests a continuation appropriation of \$675,000 total funds, including \$225,000 General Fund and \$450,000 cash funds.

**Recommendation:** Staff recommends approval of the request.

**Salinity Control Grants**

The salinity control grants from the U.S. Bureau of Reclamation are distributed to five soil conservation districts in the Upper Colorado River Basin through the Department of Natural Resources. These moneys fund projects to line irrigation canals, install water pipes, and implement other irrigation management practices that minimize exposure of water to salt bearing soils.

**Statutory Authority:** Section 35-70-103 (5) (g), C.R.S.

**Request:** The Department requests an appropriation of \$506,781 federal funds.

**Recommendation:** Staff recommends approval of the request.

Conservation Board, Salinity Control Grants		
	Total Funds	Federal Funds
<b>FY 2015-16 Appropriation</b>		
S.B. 15-234 (Long Bill)	<u>\$505,365</u>	<u>\$505,365</u>
<b>TOTAL</b>	<b>\$505,365</b>	<b>\$505,365</b>
<b>FY 2016-17 Recommended Appropriation</b>		
FY 2015-16 Appropriation	\$505,365	\$505,365
Annualize prior year funding	<u>1,416</u>	<u>1,416</u>
<b>TOTAL</b>	<b>\$506,781</b>	<b>\$506,781</b>
<b>Increase/(Decrease)</b>	\$1,416	\$1,416
Percentage Change	0.3%	0.3%
<b>FY 2016-17 Executive Request:</b>	<b>\$506,781</b>	<b>\$506,781</b>
Request Above/(Below) Recommendation	\$0	\$0

## **Long Bill Footnotes and Requests for Information**

### **LONG BILL FOOTNOTES**

Staff recommends continuing the following footnote:

- 1 Department of Agriculture, Agriculture Services, Plant Industry Division – It is the General Assembly’s intent that the portion of this appropriation used by the Division to support the inspection and enforcement of pesticide use on marijuana and industrial hemp crops not be annualized for any fiscal year after FY 2017-18.

Comment: Staff recommends the footnote be continued on the Plant Industry Division line item to continue expressing the General Assembly’s intent for the time limit on the funds used for the inspection and enforcement of pesticide use on marijuana and industrial hemp crops.

### **REQUESTS FOR INFORMATION**

Staff recommends the following new requests for information:

- 1 Department of Agriculture, Colorado State Fair, Program Costs – The Department is requested to provide on November 1, 2016 a strategic business plan for the Colorado State Fair Authority. The plan should include specific actions the Authority plans to implement in response to the Colorado State Fair Facility Management Consulting Study that was delivered to the Authority on March 1, 2016. The plan should also include an updated mission statement, a staffing plan, a rental fee increase plan, and any actions already implemented.

Comment: The information provided in the Department response will provide the Committee and its staff with information on how the Department and the Colorado State Fair Authority plan to implement the necessary changes to achieve financial sustainability. This information will be used to evaluate future appropriation requests.

- 2 Department of Agriculture, Colorado State Fair, State Fair Facilities Maintenance – The Department is requested to provide on November 1, 2016 a report on facility maintenance projects for the Colorado State Fairgrounds. This report should include the following for each facility with planned maintenance: facility name, the type and nature of maintenance, the anticipated cost of the maintenance, the expenditures to-date on the maintenance, and the anticipated completion date.

Comment: The information provided in the Department response on planned facility maintenance at the Colorado State Fairgrounds will aid in the Committee’s oversight of the Authority. The information will allow for greater accuracy in planning future appropriations for this purpose.

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

**Appendix A: Number Pages**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
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**DEPARTMENT OF AGRICULTURE**  
**Don Brown, Commissioner**

**(1) COMMISSIONER'S OFFICE AND ADMINISTRATIVE SERVICES**

This division provides administrative and technical support for department divisions and programs, including accounting budgeting, and human resources. cash funds are from various fees and the reappropriated funds are from departmental and statewide indirect cost recoveries. Federal funds are from federal grants for agricultural purposes.

Personal Services	<u>1,088,468</u>	<u>1,216,480</u>	<u>1,601,893</u>	<u>1,635,471</u>	<u>1,635,471</u>
FTE	17.5	16.7	16.7	16.7	16.7
General Fund	178,741	222,447	305,571	337,186	337,186
Cash Funds	0	424	8,057	8,165	8,165
Reappropriated Funds	909,727	993,609	1,173,627	1,173,627	1,173,627
Federal Funds	0	0	114,638	116,493	116,493
Health, Life, and Dental	<u>2,054,944</u>	<u>1,963,808</u>	<u>2,178,910</u>	<u>2,242,232</u>	<u>2,242,232</u>
General Fund	518,245	726,809	712,713	889,679	889,679
Cash Funds	1,441,357	1,236,999	1,373,343	1,325,131	1,325,131
Federal Funds	95,342	0	92,854	27,422	27,422
Short-term Disability	<u>29,150</u>	<u>32,753</u>	<u>35,488</u>	<u>29,524</u>	<u>29,524</u>
General Fund	7,785	13,367	13,883	10,525	10,525
Cash Funds	19,022	19,386	19,694	17,703	17,703
Federal Funds	2,343	0	1,911	1,296	1,296

\* Indicates decision item.



***JBC Staff Staff Figure Setting - FY 2016-17***  
***Staff Working Document - Does Not Represent Committee Decision***

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
S.B. 04-257 Amortization Equalization					
Disbursement	<u>630,509</u>	<u>654,611</u>	<u>709,705</u>	<u>938,839</u>	<u>938,839</u>
General Fund	168,695	267,267	277,853	334,750	334,750
Cash Funds	411,377	387,344	393,626	562,886	562,886
Federal Funds	50,437	0	38,226	41,203	41,203
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>568,674</u>	<u>613,671</u>	<u>685,511</u>	<u>929,059</u>	<u>929,059</u>
General Fund	151,758	250,536	268,381	331,263	331,263
Cash Funds	371,382	363,135	380,207	557,022	557,022
Federal Funds	45,534	0	36,923	40,774	40,774
Salary Survey	<u>549,150</u>	<u>440,968</u>	<u>176,518</u>	<u>7,298</u>	<u>7,298</u>
General Fund	165,804	179,967	69,052	3,803	3,803
Cash Funds	346,136	261,001	97,963	3,262	3,262
Federal Funds	37,210	0	9,503	233	233
Merit Pay	<u>249,959</u>	<u>141,506</u>	<u>172,276</u>	<u>0</u>	<u>0</u>
General Fund	74,821	77,582	73,028	0	0
Cash Funds	157,462	63,924	89,587	0	0
Federal Funds	17,676	0	9,661	0	0
Workers' Compensation	<u>161,359</u>	<u>195,784</u>	<u>217,025</u>	<u>272,049</u>	<u>253,482</u> *
General Fund	3,135	3,135	8,445	10,578	10,340
Cash Funds	158,224	192,649	208,580	261,471	243,142

\* Indicates decision item.

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
Operating Expenses	<u>241,982</u>	<u>1,052,008</u>	<u>242,932</u>	<u>242,932</u>	<u>242,932</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	241,982	241,827	241,982	241,982	241,982
Federal Funds	0	810,181	950	950	950
Legal Services	<u>380,713</u>	<u>371,325</u>	<u>584,565</u>	<u>817,870</u>	<u>817,870</u> *
General Fund	150,027	71,804	148,412	150,193	150,193
Cash Funds	226,436	299,521	421,153	652,497	652,497
Federal Funds	4,250	0	15,000	15,180	15,180
Administrative Law Judge Services	<u>4,446</u>	<u>1,313</u>	<u>6,676</u>	<u>2,629</u>	<u>2,670</u> *
Cash Funds	4,446	1,313	6,676	2,629	2,670
Payment to Risk Management and Property Funds	<u>147,063</u>	<u>156,601</u>	<u>155,570</u>	<u>182,637</u>	<u>174,536</u>
General Fund	24,870	24,870	24,767	29,106	28,883
Cash Funds	122,193	131,731	130,803	153,531	145,653
Vehicle Lease Payments	<u>217,822</u>	<u>191,641</u>	<u>213,546</u>	<u>321,071</u>	<u>285,905</u> *
General Fund	87,930	48,093	128,641	122,707	122,707
Cash Funds	103,503	116,131	81,112	194,746	159,580
Federal Funds	26,389	27,417	3,793	3,618	3,618
Information Technology Asset Maintenance	<u>153,031</u>	<u>133,377</u>	<u>153,031</u>	<u>153,031</u>	<u>153,031</u>
General Fund	42,041	42,041	42,041	42,041	42,041
Cash Funds	110,990	91,336	110,990	110,990	110,990

\* Indicates decision item.

***JBC Staff Staff Figure Setting - FY 2016-17***  
***Staff Working Document - Does Not Represent Committee Decision***

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
Leased Space	<u>121,311</u>	<u>13,914</u>	<u>13,914</u>	<u>13,914</u>	<u>13,914</u>
General Fund	39,209	0	0	0	0
Cash Funds	82,102	13,914	13,914	13,914	13,914
Capitol Complex Leased Space	<u>213,608</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	149,603	0	0	0	0
Cash Funds	64,005	0	0	0	0
Office Consolidation COP	<u>0</u>	<u>0</u>	<u>529,063</u>	<u>529,063</u>	<u>529,063</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	529,063	529,063	529,063
CORE Operations	<u>66,270</u>	<u>78,818</u>	<u>76,354</u>	<u>104,575</u>	<u>102,499</u>
General Fund	9,783	10,196	7,250	9,930	7,854
Cash Funds	56,487	68,622	60,331	82,629	82,629
Federal Funds	0	0	8,773	12,016	12,016
Payments to OIT	<u>0</u>	<u>1,188,097</u>	<u>1,248,818</u>	<u>1,356,760</u>	<u>1,356,760</u> *
General Fund	0	860,680	950,293	1,032,423	1,032,423
Cash Funds	0	327,417	298,525	324,337	324,337
Utilities	<u>161,939</u>	<u>161,939</u>	<u>161,939</u>	<u>161,939</u>	<u>161,939</u>
General Fund	50,000	50,000	50,000	50,000	50,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	111,939	111,939	111,939	111,939	111,939
Agricultural Statistics	<u>0</u>	<u>14</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Cash Funds	0	14	15,000	15,000	15,000

\* Indicates decision item.

***JBC Staff Staff Figure Setting - FY 2016-17***  
***Staff Working Document - Does Not Represent Committee Decision***

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
Agriculture Management Fund	<u>1,976,283</u>	<u>2,904,611</u>	<u>2,048,914</u>	<u>2,048,914</u>	<u>2,048,914</u>
FTE	1.4	2.0	2.0	2.0	2.0
Cash Funds	1,976,283	2,904,611	2,048,914	2,048,914	2,048,914
Adult Agriculture Leadership Grant Program	<u>0</u>	<u>0</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	300,000	300,000	300,000
Indirect Cost Assessment	<u>195,377</u>	<u>197,014</u>	<u>203,114</u>	<u>199,148</u>	<u>199,148</u>
Cash Funds	195,377	197,014	197,014	193,121	193,121
Federal Funds	0	0	6,100	6,027	6,027
Purchase of Services from Computer Center	<u>921,093</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	632,600	0	0	0	0
Cash Funds	288,493	0	0	0	0
Colorado State Network	<u>157,528</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	61,569	0	0	0	0
Cash Funds	95,959	0	0	0	0
Communication Services Payments	<u>16,049</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	4,009	0	0	0	0
Cash Funds	12,040	0	0	0	0
Information Technology Security	<u>10,721</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	7,306	0	0	0	0
Cash Funds	3,415	0	0	0	0

\* Indicates decision item.

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

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	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>TOTAL - (1) Commissioner's Office and Administrative Services</b>	10,317,449	11,710,253	11,730,762	12,503,955	12,440,086
<i>FTE</i>	<u>18.9</u>	<u>18.7</u>	<u>18.7</u>	<u>18.7</u>	<u>18.7</u>
General Fund	2,527,931	2,848,794	3,080,330	3,354,184	3,351,647
Cash Funds	6,246,689	6,676,486	6,784,552	7,357,011	7,295,679
Reappropriated Funds	1,263,648	1,347,375	1,527,548	1,527,548	1,527,548
Federal Funds	279,181	837,598	338,332	265,212	265,212

\* Indicates decision item.

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
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**(2) AGRICULTURAL SERVICES**

The section is divided into four distinct divisions: (1) Animal Industry Division; (2) Plant Industry; (3) Inspection and Consumer Services Division; and (4) Conservation Services Division.

Animal Industry Division	<u>2,396,282</u>	<u>2,430,237</u>	<u>2,684,189</u>	<u>2,731,642</u>	<u>2,731,642</u>
FTE	27.6	25.5	26.5	26.5	26.5
General Fund	1,419,967	1,489,046	1,553,164	1,593,902	1,593,902
Cash Funds	528,569	573,643	954,522	960,480	960,480
Federal Funds	447,746	367,548	176,503	177,260	177,260
Vaccine and Service Fund	<u>279,868</u>	<u>354,963</u>	0	0	0
FTE	0.4	1.0	0.0	0.0	0.0
Cash Funds	279,868	354,963	0	0	0
Plant Industry Division	<u>3,102,272</u>	<u>3,350,883</u>	<u>4,715,923</u>	<u>6,153,391</u>	<u>5,051,772</u> *
FTE	40.3	36.5	45.1	57.8	49.8
General Fund	350,550	114,728	623,724	633,995	383,995
Cash Funds	1,977,644	2,420,030	3,297,071	4,717,540	3,865,921
Federal Funds	774,078	816,125	795,128	801,856	801,856
Inspection and Consumer Services Division	<u>3,593,726</u>	<u>3,550,114</u>	<u>3,684,176</u>	<u>3,789,272</u>	<u>3,763,050</u> *
FTE	43.4	44.6	44.9	45.6	45.6
General Fund	1,055,240	924,023	1,172,298	1,189,027	1,189,027
Cash Funds	2,118,499	2,232,231	2,098,717	2,200,402	2,159,180
Reappropriated Funds	0	55,853	99,000	84,000	99,000
Federal Funds	419,987	338,007	314,161	315,843	315,843

\* Indicates decision item.

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
Conservation Services Division	<u>2,253,662</u>	<u>2,889,078</u>	<u>2,547,613</u>	<u>2,573,509</u>	<u>2,823,509</u>
FTE	14.5	15.3	15.3	15.3	15.3
General Fund	639,983	1,007,379	893,877	1,120,961	670,961
Cash Funds	569,864	843,026	621,638	626,244	626,244
Reappropriated Funds	0	0	210,000	0	700,000
Federal Funds	1,043,815	1,038,673	822,098	826,304	826,304
Appropriation to the Noxious Weed Management					
Fund	<u>0</u>	<u>0</u>	<u>210,000</u>	<u>0</u>	<u>700,000</u>
General Fund	0	0	210,000	0	700,000
Cash Funds	0	0	0	0	0
Lease Purchase Lab Equipment	<u>0</u>	<u>0</u>	<u>99,360</u>	<u>99,360</u>	<u>99,360</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	99,360	99,360	99,360
Indirect Cost Assessment	<u>734,806</u>	<u>763,900</u>	<u>938,269</u>	<u>925,867</u>	<u>925,867</u>
Cash Funds	589,625	618,733	645,755	636,840	636,840
Federal Funds	145,181	145,167	292,514	289,027	289,027
<b>TOTAL - (2) Agricultural Services</b>	12,360,616	13,339,175	14,879,530	16,273,041	16,095,200
<b>FTE</b>	<u>126.2</u>	<u>122.9</u>	<u>131.8</u>	<u>145.2</u>	<u>137.2</u>
General Fund	3,465,740	3,535,176	4,453,063	4,537,885	4,537,885
Cash Funds	6,064,069	7,042,626	7,717,063	9,240,866	8,348,025
Reappropriated Funds	0	55,853	309,000	84,000	799,000
Federal Funds	2,830,807	2,705,520	2,400,404	2,410,290	2,410,290

\* Indicates decision item.

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
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**(3) AGRICULTURAL MARKETS DIVISION**

This division provides marketing assistance and related support to Colorado agricultural-based businesses competing in local, national, and international arenas. The reappropriated funds are from a transfer from the Economic Development Commission, in the Office of the Governor.

**(A) Agricultural Markets**

Program Costs	<u>1,099,103</u>	<u>1,377,673</u>	<u>1,461,819</u>	<u>1,474,246</u>	<u>1,474,246</u>
FTE	7.4	5.4	5.4	5.4	5.4
General Fund	446,232	469,145	489,079	499,841	499,841
Cash Funds	0	26,284	50,454	50,454	50,454
Federal Funds	652,871	882,244	922,286	923,951	923,951
Economic Development Grants	<u>55,342</u>	<u>0</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>
Reappropriated Funds	0	0	45,000	45,000	45,000
Federal Funds	55,342	0	0	0	0
Agricultural Development Board	<u>197,818</u>	<u>108,846</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	197,818	108,846	500,000	500,000	500,000
Wine Promotion Board	<u>604,662</u>	<u>779,107</u>	<u>572,493</u>	<u>574,246</u>	<u>574,246</u>
FTE	1.5	1.5	1.5	1.5	1.5
Cash Funds	604,662	779,107	572,493	574,246	574,246
Indirect Cost Assessment	<u>35,058</u>	<u>11,548</u>	<u>14,270</u>	<u>14,081</u>	<u>14,081</u>
Cash Funds	29,928	10,000	10,000	9,862	9,862
Federal Funds	5,130	1,548	4,270	4,219	4,219

\* Indicates decision item.



**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>SUBTOTAL - (A) Agricultural Markets</b>	1,991,983	2,277,174	2,593,582	2,607,573	2,607,573
<i>FTE</i>	<u>8.9</u>	<u>6.9</u>	<u>6.9</u>	<u>6.9</u>	<u>6.9</u>
General Fund	446,232	469,145	489,079	499,841	499,841
Cash Funds	832,408	924,237	1,132,947	1,134,562	1,134,562
Reappropriated Funds	0	0	45,000	45,000	45,000
Federal Funds	713,343	883,792	926,556	928,170	928,170
<b>(B) Agricultural Products Inspection</b>					
Program Costs	<u>1,863,439</u>	<u>2,097,139</u>	<u>2,142,213</u>	<u>2,167,056</u>	<u>2,167,056</u>
<i>FTE</i>	<u>30.1</u>	<u>34.5</u>	<u>34.5</u>	<u>34.5</u>	<u>34.5</u>
General Fund	200,000	200,000	200,000	200,000	200,000
Cash Funds	1,663,439	1,897,139	1,942,213	1,967,056	1,967,056
Indirect Cost Assessment	<u>92,539</u>	<u>93,895</u>	<u>93,895</u>	<u>92,599</u>	<u>92,599</u>
Cash Funds	92,539	93,895	93,895	92,599	92,599
<b>SUBTOTAL - (B) Agricultural Products Inspection</b>	1,955,978	2,191,034	2,236,108	2,259,655	2,259,655
<i>FTE</i>	<u>30.1</u>	<u>34.5</u>	<u>34.5</u>	<u>34.5</u>	<u>34.5</u>
General Fund	200,000	200,000	200,000	200,000	200,000
Cash Funds	1,755,978	1,991,034	2,036,108	2,059,655	2,059,655
<b>TOTAL - (3) Agricultural Markets Division</b>	3,947,961	4,468,208	4,829,690	4,867,228	4,867,228
<i>FTE</i>	<u>39.0</u>	<u>41.4</u>	<u>41.4</u>	<u>41.4</u>	<u>41.4</u>
General Fund	646,232	669,145	689,079	699,841	699,841
Cash Funds	2,588,386	2,915,271	3,169,055	3,194,217	3,194,217
Reappropriated Funds	0	0	45,000	45,000	45,000
Federal Funds	713,343	883,792	926,556	928,170	928,170

\* Indicates decision item.

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
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**(4) BRAND BOARD**

The Brand Board is responsible for inspecting cattle, horse, and alternative livestock brands to verify ownership at the time of sale, transport, or slaughter, and constitutes an enterprise for the purposes of Section 20 of Article X of the Colorado Constitution.

Brand Inspection	<u>3,905,478</u>	<u>4,061,812</u>	<u>4,032,313</u>	<u>4,081,414</u>	<u>4,081,414</u>
FTE	55.1	59.0	59.0	59.0	59.0
General Fund	0	0	0	0	0
Cash Funds	3,905,478	4,061,812	4,032,313	4,081,414	4,081,414
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Alternative Livestock	<u>15,000</u>	<u>15,019</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Cash Funds	*15,000	15,019	15,000	15,000	15,000
Brand Estray Fund	<u>68,016</u>	<u>0</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
General Fund	0	0	0	0	0
Cash Funds	68,016	0	40,000	40,000	40,000
Indirect Cost Assessment	<u>168,019</u>	<u>164,684</u>	<u>164,731</u>	<u>162,457</u>	<u>162,457</u>
Cash Funds	168,019	164,684	164,731	162,457	162,457
<b>TOTAL - (4) Brand Board</b>	<b>4,156,513</b>	<b>4,241,515</b>	<b>4,252,044</b>	<b>4,298,871</b>	<b>4,298,871</b>
FTE	<u>55.1</u>	<u>59.0</u>	<u>59.0</u>	<u>59.0</u>	<u>59.0</u>
General Fund	0	0	0	0	0
Cash Funds	4,156,513	4,241,515	4,252,044	4,298,871	4,298,871
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Indicates decision item.

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>(5) COLORADO STATE FAIR</b>					
This division administers the State Fair under the guidance of the State Fair Authority. Cash funds are from the fees collected by the State Fair during its 11-day event, and from non-fair events held at the State Fairgrounds in Pueblo, Colorado.					
Program Costs	<u>7,412,903</u>	<u>8,664,640</u>	<u>8,512,643</u>	<u>9,300,143</u>	<u>8,550,143</u> *
FTE	24.4	26.9	26.9	26.9	26.9
General Fund	0	0	0	750,000	0
Cash Funds	7,412,903	8,664,640	8,512,643	8,550,143	8,550,143
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
FFA and 4H Funding	<u>0</u>	<u>237,800</u>	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>
General Fund	0	237,800	550,000	250,000	250,000
Cash Funds	0	0	0	300,000	300,000
State Fair Financial Stability Study	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
General Fund	0	0	50,000	50,000	0
Indirect Cost Assessment	<u>107,602</u>	<u>113,269</u>	<u>113,269</u>	<u>111,705</u>	<u>111,705</u>
Cash Funds	107,602	113,269	113,269	111,705	111,705
State Fair Facilities Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>300,000</u> *
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	300,000
<b>TOTAL - (5) Colorado State Fair</b>	<b>7,520,505</b>	<b>9,015,709</b>	<b>9,225,912</b>	<b>10,011,848</b>	<b>9,511,848</b>
<b>FTE</b>	<u><b>24.4</b></u>	<u><b>26.9</b></u>	<u><b>26.9</b></u>	<u><b>26.9</b></u>	<u><b>26.9</b></u>
General Fund	0	237,800	600,000	1,050,000	550,000
Cash Funds	7,520,505	8,777,909	8,625,912	8,961,848	8,961,848
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

\* Indicates decision item.

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>(6) CONSERVATION BOARD</b>					
This division works to preserve Colorado's natural resources including reducing soil erosion and flood damage, as well as protecting underground water reserves.					
Program Costs	<u>439,008</u>	<u>417,275</u>	<u>474,995</u>	<u>487,388</u>	<u>487,388</u>
FTE	5.6	5.2	5.2	5.2	5.2
General Fund	439,008	417,275	474,995	487,388	487,388
Reappropriated Funds	0	0	0	0	0
Distribution to Soil Conservation Districts	<u>391,714</u>	<u>391,496</u>	<u>483,767</u>	<u>483,767</u>	<u>483,767</u>
General Fund	391,714	391,496	483,767	483,767	483,767
Matching Grants to Districts	<u>444,222</u>	<u>605,801</u>	<u>675,000</u>	<u>675,000</u>	<u>675,000</u>
General Fund	225,000	225,000	225,000	225,000	225,000
Cash Funds	219,222	380,801	450,000	450,000	450,000
Salinity Control Grants	<u>1,021,926</u>	<u>1,550,034</u>	<u>505,365</u>	<u>506,781</u>	<u>506,781</u>
FTE	1.8	0.0	0.0	0.0	0.0
Federal Funds	1,021,926	1,550,034	505,365	506,781	506,781
<b>TOTAL - (6) Conservation Board</b>	<b>2,296,870</b>	<b>2,964,606</b>	<b>2,139,127</b>	<b>2,152,936</b>	<b>2,152,936</b>
<b>FTE</b>	<b><u>7.4</u></b>	<b><u>5.2</u></b>	<b><u>5.2</u></b>	<b><u>5.2</u></b>	<b><u>5.2</u></b>
General Fund	1,055,722	1,033,771	1,183,762	1,196,155	1,196,155
Cash Funds	219,222	380,801	450,000	450,000	450,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,021,926	1,550,034	505,365	506,781	506,781

\* Indicates decision item.

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

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	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>TOTAL - Department of Agriculture</b>	40,599,914	45,739,466	47,057,065	50,107,879	49,366,169
<i>FTE</i>	<u>271.0</u>	<u>274.1</u>	<u>283.0</u>	<u>296.4</u>	<u>288.4</u>
General Fund	7,695,625	8,324,686	10,006,234	10,838,065	10,335,528
Cash Funds	26,795,384	30,034,608	30,998,626	33,502,813	32,548,640
Reappropriated Funds	1,263,648	1,403,228	1,881,548	1,656,548	2,371,548
Federal Funds	4,845,257	5,976,944	4,170,657	4,110,453	4,110,453

\* Indicates decision item.