

This file contains the following documents:

1. March 1, 2012, JBC Staff Initiated Memo titled: Department of Agriculture Figure Setting.
2. March 5, 2012, JBC Staff document titled: FY 2012-13 Figure Setting: Department of Agriculture.

MEMORANDUM

TO: Joint Budget Committee

FROM: Joy Huse

SUBJECT: Department of Agriculture Figure Setting

DATE: March 1, 2012

Decision Item #3 – Continued Improvements to Budget Efficiencies and Transparency

The Department requests a revision to the letternote for the Agricultural Services Division. The requested revision would provide the Department with additional flexibility when utilizing cash funds.

Staff recommends that the Committee approve the requested revision to the letternote based on the assumption that the Committee wants to continue the approved policy from the FY 2011-12 supplemental request.

Prior to a staff initiated reorganization during FY 2011-12 figure setting, the Agricultural Services Division letternote did not indicate specific cash funds appropriations, rather ‘various cash funds’ within the Department. The letternote indicating specific cash funds removed flexibility that allowed the Department to vary specific cash fund expenditures, according to program demands to reflect the true cost of administering such programs.

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2012-13 STAFF FIGURE SETTING
DEPARTMENT OF AGRICULTURE**

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

**Prepared By:
Joy Huse, JBC Staff
March 5, 2012**

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**DEPARTMENT OF AGRICULTURE
FY 2012-13 STAFF FIGURE SETTING**

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DEPARTMENT OF AGRICULTURE John Salazar, 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	1,665,658	1,245,291	1,282,140	1,421,352	1,396,463	*
<i>FTE</i>	<u>16.7</u>	<u>14.1</u>	<u>14.7</u>	<u>15.7</u>	<u>15.7</u>	
General Fund	423,509	40,909	266,767	339,860	407,487	
Cash Funds	0	0	18,031	18,031	17,715	
Reappropriated Funds	1,242,149	1,204,382	997,342	952,107	861,857	
Federal Funds	0	0	0	111,354	109,404	
Health, Life, and Dental	715,894	1,388,816	1,631,507	1,696,378	1,875,940	
General Fund	388,000	253,085	285,788	309,560	428,370	
Cash Funds	294,000	1,135,731	1,284,766	1,314,086	1,368,250	
Reappropriated Funds	33,894	0	0	0	0	
Federal Funds	0	0	60,953	72,732	79,320	
Short-term Disability	3,565	18,960	25,447	25,366	22,928	*
General Fund	3,000	3,525	5,387	6,085	5,279	
Cash Funds	0	15,435	18,358	17,577	15,981	
Reappropriated Funds	565	0	0	0	0	
Federal Funds	0	0	1,702	1,704	1,668	
S.B. 04-257 Amortization Equalization Disbursement	180,693	272,642	403,551	458,594	448,066	*
General Fund	69,000	52,959	86,230	110,012	128,951	
Cash Funds	105,000	219,683	290,403	317,774	288,923	
Reappropriated Funds	6,693	0	0	0	0	
Federal Funds	0	0	26,918	30,808	30,192	

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S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>98,465</u>	<u>212,065</u>	<u>324,736</u>	<u>394,105</u>	<u>384,526</u> *
General Fund	39,530	41,525	69,745	94,542	110,287
Cash Funds	55,000	170,540	233,360	273,087	248,293
Reappropriated Funds	3,935	0	0	0	0
Federal Funds	0	0	21,631	26,476	25,946
Workers' Compensation	<u>175,559</u>	<u>178,095</u>	<u>176,054</u>	<u>180,422</u>	<u>Pending</u>
General Fund	50,978	41,877	28,153	3,414	
Cash Funds	123,026	134,639	147,901	177,008	
Federal Funds	1,555	1,579	0	0	
Operating Expenses	<u>115,172</u>	<u>112,622</u>	<u>117,122</u>	<u>122,084</u>	<u>122,084</u>
General Fund	115,172	112,622	112,622	116,634	116,634
Cash Funds	0	0	4,500	4,500	4,500
Federal Funds	0	0	0	950	950
Legal Services	<u>282,022</u>	<u>270,422</u>	<u>352,279</u>	<u>352,279</u>	<u>Pending</u> *
General Fund	90,460	81,196	105,770	105,770	
Cash Funds	187,312	184,976	246,509	246,509	
Federal Funds	4,250	4,250	0	0	
Administrative Law Judge Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,359</u>	<u>Pending</u>
Cash Funds	0	0	0	3,359	
Purchase of Services from Computer Center	<u>21,811</u>	<u>384,926</u>	<u>520,491</u>	<u>635,437</u>	<u>618,791</u>
General Fund	21,811	283,890	382,813	467,354	455,111
Cash Funds	0	101,036	137,678	168,083	163,680

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Multiuse Network Payments	<u>0</u>	<u>129,317</u>	<u>182,691</u>	<u>196,283</u>	<u>207,118</u>
General Fund	0	50,735	71,404	76,716	80,951
Cash Funds	0	78,582	111,287	119,567	126,167
Management and Administration of OIT	<u>10,005</u>	<u>132,976</u>	<u>134,856</u>	<u>17,160</u>	<u>17,413</u>
General Fund	10,005	103,229	104,395	13,284	13,480
Cash Funds	0	29,747	30,461	3,876	3,933
Payment to Risk Management and Property Funds	<u>156,144</u>	<u>46,910</u>	<u>108,062</u>	<u>137,613</u>	<u>Pending</u>
General Fund	59,374	15,347	29,403	24,567	
Cash Funds	95,554	31,197	78,659	113,046	
Federal Funds	1,216	366	0	0	
Vehicle Lease Payments	<u>188,672</u>	<u>212,237</u>	<u>214,761</u>	<u>246,519</u>	<u>Pending</u> *
General Fund	57,103	54,283	73,377	88,441	
Cash Funds	104,068	130,706	139,331	154,285	
Federal Funds	27,501	27,248	2,053	3,793	
Information Technology Asset Maintenance	<u>152,964</u>	<u>153,031</u>	<u>153,031</u>	<u>153,031</u>	<u>153,031</u> *
General Fund	42,041	34,705	34,705	34,705	42,041
Cash Funds	110,923	118,326	118,326	118,326	110,990
Leased Space	<u>102,514</u>	<u>105,478</u>	<u>110,751</u>	<u>121,864</u>	<u>121,864</u>
General Fund	48,275	48,142	43,026	39,214	39,214
Cash Funds	54,239	57,336	67,725	82,650	82,650
Capitol Complex Leased Space	<u>170,084</u>	<u>166,973</u>	<u>171,145</u>	<u>190,529</u>	<u>Pending</u>
General Fund	138,747	136,205	139,608	155,420	
Cash Funds	31,337	30,768	31,537	35,109	

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Communication Services Payments	<u>14,781</u>	<u>13,550</u>	<u>14,542</u>	<u>13,815</u>	<u>12,427</u>
General Fund	9,473	8,684	9,283	3,454	3,107
Cash Funds	5,308	4,866	5,259	10,361	9,320
Utilities	<u>145,292</u>	<u>136,404</u>	<u>146,318</u>	<u>146,318</u>	<u>146,318</u> *
General Fund	91,051	61,027	66,939	66,939	91,051
Cash Funds	54,241	75,377	79,379	79,379	55,267
Agricultural Statistics	<u>9,273</u>	<u>6,857</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Cash Funds	9,273	6,857	15,000	15,000	15,000
Grants	3,630,113	3,778,381	2,686,127	0	0
<i>FTE</i>	<u>13.7</u>	<u>15.4</u>	<u>13.0</u>	<u>0.0</u>	<u>0.0</u>
Federal Funds	3,630,113	3,778,381	2,686,127	0	0
Agriculture Management Fund	1,131,232	1,164,091	1,665,186	2,111,842	2,107,936
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>3.0</u>
Cash Funds	1,131,232	1,164,091	1,665,186	2,111,842	2,107,936
Indirect Cost Assessment	<u>217,997</u>	<u>150,885</u>	<u>99,760</u>	<u>24,400</u>	<u>24,000</u>
Cash Funds	0	0	18,705	18,300	17,900
Federal Funds	217,997	150,885	81,055	6,100	6,100
Total Funds - (1) Commissioner's Office and Administrative Services	9,187,910	10,280,929	10,535,557	8,663,750	7,673,905
<i>FTE</i>	<u>30.4</u>	<u>29.5</u>	<u>27.7</u>	<u>15.7</u>	<u>18.7</u>
General Fund	1,657,529	1,423,945	1,915,415	2,055,971	1,921,963
Cash Funds	2,360,513	3,689,893	4,742,361	5,401,755	4,636,505
Reappropriated Funds	1,287,236	1,204,382	997,342	952,107	861,857
Federal Funds	3,882,632	3,962,709	2,880,439	253,917	253,580

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(2) AGRICULTURAL SERVICES DIVISION

The division is divided into four distinct programs: (1) Inspection and Consumer Services; (2) Plant Industry; (3) Animal Industry; and (4) Fruit and Vegetable Inspections.

Animal Industry	0	0	1,947,036	2,224,989	2,189,516 *
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>22.5</u>	<u>25.5</u>	<u>25.5</u>
General Fund	0	0	1,406,355	1,439,376	1,416,428
Cash Funds	0	0	540,681	530,613	522,153
Federal Funds	0	0	0	255,000	250,935
Vaccine and Service Fund	341,332	318,495	323,367	324,320	323,473
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Cash Funds	341,332	318,495	323,367	324,320	323,473
Plant Industry	0	0	3,172,578	3,868,415	3,821,149
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>34.7</u>	<u>36.5</u>	<u>36.5</u>
General Fund	0	0	342,439	349,463	345,193
Cash Funds	0	0	2,260,119	2,304,133	2,275,980
Federal Funds	0	0	570,020	1,214,819	1,199,976
Inspection and Consumer Services	0	0	3,174,952	3,494,527	3,412,479 *
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>45.6</u>	<u>45.6</u>	<u>45.6</u>
General Fund	0	0	0	0	962,425
Cash Funds	0	0	3,174,952	3,238,527	2,198,321
Federal Funds	0	0	0	256,000	251,733
Conservation Services	0	0	1,295,716	1,717,214	1,688,634
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>13.0</u>	<u>15.3</u>	<u>15.3</u>
General Fund	0	0	676,936	691,196	678,132
Cash Funds	0	0	608,780	616,018	605,545
Federal Funds	0	0	10,000	410,000	404,957
Lease Purchase Lab Equipment	<u>63,136</u>	<u>63,136</u>	<u>85,992</u>	<u>99,360</u>	<u>99,360</u> *
General Fund	21,045	0	0	39,672	0

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Cash Funds	42,091	63,136	85,992	59,688	99,360
Indirect Cost Assessment	<u>711,360</u>	<u>730,538</u>	<u>534,928</u>	<u>574,688</u>	<u>488,982</u> *
Cash Funds	639,262	656,468	516,223	513,078	427,372
Federal Funds	72,098	74,070	18,705	61,610	61,610
Program Costs	11,479,892	10,667,441	0	0	0
<i>FTE</i>	<u>138.8</u>	<u>140.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	3,067,768	2,687,052	0	0	0
Cash Funds	7,348,386	7,546,817	0	0	0
Reappropriated Funds	517,282	0	0	0	0
Federal Funds	546,456	433,572	0	0	0
Noxious Weed Management Grant Program	<u>0</u>	<u>184</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	184	0	0	0
Cervidae Disease Revolving Fund	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	10	0	0	0	0
Operating Expenses for Aquaculture	<u>23,848</u>	<u>26,425</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	23,848	26,425	0	0	0
Total Funds - (2) Agricultural Services Division	12,619,578	11,806,219	10,534,569	12,303,513	12,023,593
<i>FTE</i>	<u>138.8</u>	<u>140.4</u>	<u>116.8</u>	<u>123.9</u>	<u>123.9</u>
General Fund	3,088,813	2,687,052	2,425,730	2,519,707	3,402,178
Cash Funds	8,394,929	8,611,525	7,510,114	7,586,377	6,452,204
Reappropriated Funds	517,282	0	0	0	0
Federal Funds	618,554	507,642	598,725	2,197,429	2,169,211

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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	433,229	473,399	490,508	1,411,286	1,402,555
<i>FTE</i>	<u>4.0</u>	<u>4.4</u>	<u>4.7</u>	<u>5.4</u>	<u>5.4</u>
General Fund	421,202	0	0	446,832	444,068
Cash Funds	12,027	473,399	490,508	50,454	50,142
Federal Funds	0	0	0	914,000	908,345
Economic Development Grants	<u>41,884</u>	<u>30,762</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>
Reappropriated Funds	41,884	30,762	45,000	45,000	45,000
Agricultural Development Board	541,678	543,529	574,261	0	0
<i>FTE</i>	<u>0.5</u>	<u>0.3</u>	<u>0.5</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	541,678	543,529	574,261	0	0
Wine Promotion Board	635,311	557,935	566,933	569,613	567,205
<i>FTE</i>	<u>1.3</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>
Cash Funds	635,311	557,935	566,933	569,613	567,205
Indirect Cost Assessment	<u>3,861</u>	<u>3,127</u>	<u>12,471</u>	<u>13,420</u>	<u>13,200</u>
Cash Funds	3,861	3,127	12,471	9,150	8,930
Federal Funds	0	0	0	4,270	4,270

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Total Funds - (A) Agricultural Markets	1,655,963	1,608,752	1,689,173	2,039,319	2,027,960
<i>FTE</i>	<u>5.8</u>	<u>6.2</u>	<u>6.7</u>	<u>6.9</u>	<u>6.9</u>
General Fund	421,202	0	0	446,832	444,068
Cash Funds	1,192,877	1,577,990	1,644,173	629,217	626,277
Reappropriated Funds	41,884	30,762	45,000	45,000	45,000
Federal Funds	0	0	0	918,270	912,615

(B) Agricultural Products Inspection

Program Costs	0	0	2,005,613	2,035,253	2,005,230
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>34.5</u>	<u>34.5</u>	<u>34.5</u>
General Fund	0	0	200,000	200,000	200,000
Cash Funds	0	0	1,805,613	1,835,253	1,805,230
Indirect Cost Assessment	0	0	116,408	111,000	111,000
Cash Funds	0	0	116,408	111,000	111,000

Total Funds - (B) Agricultural Products Inspection	0	0	2,122,021	2,146,253	2,116,230
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>34.5</u>	<u>34.5</u>	<u>34.5</u>
General Fund	0	0	200,000	200,000	200,000
Cash Funds	0	0	1,922,021	1,946,253	1,916,230

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Total Funds - (3) Agricultural Markets Division	1,655,963	1,608,752	3,811,194	4,185,572	4,144,190
<i>FTE</i>	<u>5.8</u>	<u>6.2</u>	<u>41.2</u>	<u>41.4</u>	<u>41.4</u>
General Fund	421,202	0	200,000	646,832	644,068
Cash Funds	1,192,877	1,577,990	3,566,194	2,575,470	2,542,507
Reappropriated Funds	41,884	30,762	45,000	45,000	45,000
Federal Funds	0	0	0	918,270	912,615

(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	3,645,244	3,986,489	3,792,626	3,854,380	3,786,048
<i>FTE</i>	<u>54.0</u>	<u>57.9</u>	<u>66.3</u>	<u>66.3</u>	<u>66.3</u>
Cash Funds	3,645,244	3,986,489	3,792,626	3,854,380	3,786,048
 Alternative Livestock	 <u>11,262</u>	 <u>12,248</u>	 <u>95,662</u>	 <u>15,000</u>	 <u>15,000</u>
Cash Funds	11,262	12,248	95,662	15,000	15,000
 Brand Estray Fund	 <u>32,257</u>	 <u>25,477</u>	 <u>94,050</u>	 <u>40,000</u>	 <u>40,000</u>
Cash Funds	32,257	25,477	94,050	40,000	40,000
 Indirect Cost Assessment	 <u>142,379</u>	 <u>142,379</u>	 <u>142,498</u>	 <u>139,298</u>	 <u>136,838</u>
Cash Funds	142,379	142,379	142,498	139,298	136,838

Total Funds - (4) Brand Board	3,831,142	4,166,593	4,124,836	4,048,678	3,977,886
<i>FTE</i>	<u>54.0</u>	<u>57.9</u>	<u>66.3</u>	<u>66.3</u>	<u>66.3</u>
Cash Funds	3,831,142	4,166,593	4,124,836	4,048,678	3,977,886

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(5) COLORADO STATE FAIR

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	7,157,294	7,313,284	8,297,541	8,322,215	8,295,690
<i>FTE</i>	<u>22.7</u>	<u>23.3</u>	<u>26.9</u>	<u>26.9</u>	<u>26.9</u>
Cash Funds	7,157,294	7,313,284	8,297,541	8,322,215	8,295,690
Indirect Cost Assessment	<u>131,803</u>	<u>143,055</u>	<u>91,277</u>	<u>89,301</u>	<u>87,837</u>
Cash Funds	131,803	143,055	91,277	89,301	87,837
Total Funds - (5) Colorado State Fair	7,289,097	7,456,339	8,388,818	8,411,516	8,383,527
<i>FTE</i>	<u>22.7</u>	<u>23.3</u>	<u>26.9</u>	<u>26.9</u>	<u>26.9</u>
Cash Funds	7,289,097	7,456,339	8,388,818	8,411,516	8,383,527

(6) CONSERVATION BOARD

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	425,865	372,811	431,503	439,011	431,505
<i>FTE</i>	<u>5.2</u>	<u>4.2</u>	<u>5.2</u>	<u>5.2</u>	<u>5.2</u>
General Fund	425,865	372,811	431,503	439,011	431,505
Distribution to Soil Conservation Districts	<u>191,714</u>	<u>191,714</u>	<u>191,714</u>	<u>191,714</u>	<u>191,714</u>
General Fund	191,714	191,714	191,714	191,714	191,714
Matching Grants to Districts	<u>400,597</u>	<u>476,383</u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>
Cash Funds	400,597	476,383	450,000	450,000	450,000
Salinity Control Grants	<u>1,477,720</u>	<u>1,188,272</u>	<u>498,450</u>	<u>500,000</u>	<u>500,000</u>
Federal Funds	1,477,720	1,188,272	498,450	500,000	500,000

**FY 2012-13 Joint Budget Committee Staff Figure Setting
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	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Staff Recommendation
Total Funds - (6) Conservation Board	2,495,896	2,229,180	1,571,667	1,580,725	1,573,219
<i>FTE</i>	<u>5.2</u>	<u>4.2</u>	<u>5.2</u>	<u>5.2</u>	<u>5.2</u>
General Fund	617,579	564,525	623,217	630,725	623,219
Cash Funds	400,597	476,383	450,000	450,000	450,000
Federal Funds	1,477,720	1,188,272	498,450	500,000	500,000
Total Funds - Department of Agriculture	37,079,586	37,548,012	38,966,641	39,193,754	37,776,320
<i>FTE</i>	<u>256.9</u>	<u>261.5</u>	<u>284.1</u>	<u>279.4</u>	<u>282.4</u>
General Fund	5,785,123	4,675,522	5,164,362	5,853,235	6,591,428
Cash Funds	23,469,155	25,978,723	28,782,323	28,473,796	26,442,629
Reappropriated Funds	1,846,402	1,235,144	1,042,342	997,107	906,857
Federal Funds	5,978,906	5,658,623	3,977,614	3,869,616	3,835,406

**DEPARTMENT OF AGRICULTURE
FY 2012-13 STAFF FIGURE SETTING**

Committee of Reference SMART Act Recommendation Letter for the Department

House Committee of Agriculture, Livestock, and Natural Resources

Received January 26, 2012

Recommendations:

The House Committee of Agriculture, Livestock, and Natural Resources recommended the following changes:

1. The committee voted 8-5 to recommend that the funding of Inspection and Consumer Services Programs in the Department of Agriculture be funded with 50 percent General Funds and 50 percent cash funds.
2. The committee voted 8-5 to recommend that the indirect cost caps be kept in place for the Brand Board.

Senate Committee of Agriculture, Natural Resources, and Energy

Received January 23, 2012

Recommendations:

The Senate Committee of Agriculture, Natural Resources, and Energy did not provide a recommendation on the Department's FY 2012-13 budget.

**DEPARTMENT OF AGRICULTURE
FY 2012-13 STAFF FIGURE SETTING**

(1) COMMISSIONER'S OFFICE AND ADMINISTRATION 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. The Administrative Services section 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 items.

Decision Item #2: Permanent Refinance of Inspection and Consumer Services Programs

The Department included a budget request to extend the cash financing provisions of H.B. 10-1377 to finance Inspection and Consumer Services Programs permanently with cash funds. **Staff recommended that the Committee sponsor legislation which was not elected as a JBC sponsored bill during the budget briefing cycle.** This Division is affected by the reversion of cash funds to general fund financing in ten line items, approximately \$265,000. Staff recommendation for each of these line items reflects current law and shows funding source splits in accordance with the sunset of H.B. 10-1377.

Personal Services

Personal Services supports FTE in the Commissioner's Office whom provide business support functions for the Department, including human resources, budget, accounting, financial staff, general administrative service staff and administrative services.

Request: The Department requests an appropriation of \$1,421,352 total funds (including \$339,860 General Fund) and 15.7 FTE. This request includes restoration of the PERA reduction (S.B. 11-076), and the sunset of H.B. 10-1377.

Staffing Summary	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request
Senior Management and Administrative Staff	4.0	4.0	4.0
General Professionals	4.2	4.7	4.7
Accounting and Budget Staff	5.9	6.0	6.0
Veterinarian	0.0	0.0	1.0
FTE Total	14.1	14.7	15.7

Recommendation: **Staff recommends an appropriation of \$1,396,463 total funds, of which \$408,824 is General Fund and 15.7 FTE.** Staff's recommendation is calculated in accordance with Committee policy and is outlined in the following table:

**DEPARTMENT OF AGRICULTURE
FY 2012-13 STAFF FIGURE SETTING**

Commissioner's Office - Personal Services						
	GF	CF	RF	FF	Total	FTE
FY 2011-12 Long Bill Appropriation	\$294,625	\$18,031	\$997,342	0	\$1,309,998	14.7
PERA Contribution Reduction (S.B. 11-076)	(27,858)	0	0	0	(27,858)	0.0
Subtotal FY 2011-12 Appropriation	\$266,767	\$18,031	\$997,342	\$0	\$1,282,140	14.7
Restore PERA contribution (SB 11-076)	27,858	0	0	0	27,858	0.0
Sunset of HB 10-1377	108,229	0	(108,229)	0	0	0.0
FY 2012-13 Indirect Fund Split Adjustment	13,256	0	(13,256)	0	0	0.0
Federal Funds Transparency Adjustment	0	0	0	111,354	111,354	1.0
Personal Services Base Reduction	(7,286)	(316)	(15,337)	(1,950)	(24,889)	0.0
Recommended FY 2012-13 Appropriation	\$408,824	\$17,715	860,520	\$109,404	\$1,396,463	15.7

Health, Life, and Dental

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

Request: The Department requests an appropriation of \$1,696,378 including a General Fund appropriation of \$309,560.

Recommendation: **Staff recommends, in accordance with Committee policy, an appropriation of \$1,875,940 including a General Fund appropriation of \$428,370.**

Short-term Disability

This line item funds the Department's share of the short-term disability program for state employees which is administered by the Department of Personnel and Administration (DPA). The Department requests an appropriation of \$25,366, of which \$6,085 is General Fund. **Staff recommends, in accordance with Committee policy, an appropriation of \$22,928 total funds, of which \$5,279 is General Fund.**

S.B. 04-257 Amortization Equalization Disbursement

This line item funds the costs associated pursuant to S.B. 04-257, which requires statutorily defined increases of state contributions for employees PERA accounts. The Department requests an appropriation of \$458,594 (including \$110,012 of General Fund). **Staff recommends, in accordance with Committee policy, an appropriation of \$448,066 total funds of which \$128,951 is General Fund.**

**DEPARTMENT OF AGRICULTURE
FY 2012-13 STAFF FIGURE SETTING**

S.B. 06-235 Supplemental Amortization Equalization Disbursement

Senate Bill 06-235 created a mechanism to increase the State's PERA contribution rate, in lieu of pay increases, beginning on January 1, 2008. The Department requests an appropriation of \$394,105, of which \$94,542 is General Fund. **Staff recommends, in accordance with Committee policy, an appropriation of \$384,526 total funds of which \$110,287 is General Fund.**

Workers' Compensation

This line item is used to pay the Department's share of the State's workers' compensation program administered by DPA. The Department requests an appropriation of \$180,422 (\$3,414 General Fund). **Staff recommendation for this line item is pending the approval of a Committee policy.** Staff requests permission to adjust the line item and apply a fund split once Committee policy is established.

Operating Expenses

Expenditures from this line item range from office equipment and supplies to travel expenses to utilities/maintenance costs. The Department requests an appropriation of \$122,084 (\$116,634 General Fund) for this line item. **Staff recommends an appropriation of \$122,084 including \$116,634 General Fund, which is a continuation of the FY 2011-12 appropriation level.**

Legal Services

This line item is used to pay the Department of Law for the provision of legal services for all Divisions. The Department requests an appropriation of \$352,279, of which \$105,770 is General Fund for 4,653 legal service hours. **Staff recommends 4,653 hours of services, the dollar amount is pending the Committee policy of the hourly rate for FY 2012-13 legal services.** Staff requests permission to apply a funding split when Committee policy has been established.

Administrative Law Judge Services (new line item)

The FY 2012-13 budget request reflects a new allocation of Administrative Law Judge Services, equal to \$3,359. These costs are requested as cash funds based on where prior year claims were generated. This line item had not been requested before FY 2012-13 as the Department had not required this service until 2011.

Request: The Department requests an appropriation of \$3,359 cash funds for this line item.

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

**DEPARTMENT OF AGRICULTURE
FY 2012-13 STAFF FIGURE SETTING**

Purchase of Services from Computer Center

This line item provides payments to the Governor's Office of Information Technology for the Department's share of the State's computer system.

Request: The Department requests an appropriation of \$635,437 total funds, of which \$467,354 is General Fund. This request includes an increase of \$114,946 based on anticipated OIT Common Policy Adjustments.

Recommendation: **Staff recommends an appropriation of \$618,791 in accordance with Committee policy which includes \$455,111 General Fund and \$163,680 cash funds.**

Multiuse Network Payments

This line item was added as part of the statewide information technology consolidation and is used to reimburse the Governor's Office of Information Technology for the Department's share of the statewide multi-use network.

Request: The Department is requesting an appropriation of \$196,283, of which \$76,716 is General Fund. This is an increase of \$13,592 pursuant to anticipated OIT Common Policy adjustments.

Recommendation: **Staff recommends an appropriation of \$207,118 which includes \$80,951 General Fund and \$126,167 cash funds.**

Management and Administration of OIT

This line item was added as part of the information technology consolidation, and is used to reimburse the Governor's Office of Information Technology for the Department's share of the Management and Administration of OIT.

Request: The Department requests an appropriation of \$17,160 for this purpose, of which \$13,284 is General Fund. The request reflects prior year true ups attributable to previous years' budget variance.

Recommendation: **Staff recommends an appropriation of \$17,413 including \$13,480 General Fund and \$3,933 cash funds.**

Payment to Risk Management and Property Funds

This line item is used to reimburse DPA for the Department's share of the State's liability and property insurance. The Department requests \$137,613, of which \$24,567 is General Fund. **Staff recommendation is pending the approval of a Committee policy.** Staff requests permission to adjust the line item and apply a fund spilt once Committee policy is established.

**DEPARTMENT OF AGRICULTURE
FY 2012-13 STAFF FIGURE SETTING**

Vehicle Lease Payments

This line item funds the annual payment to DPA 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.

Request: The Department requests \$246,519 total funds, of which \$88,441 is General Fund. The Department's request includes the replacement of nine vehicles as outlined in the following table:

Program that Uses the Vehicle	Type of Vehicle	Model Year	Dec 2011 Mileage	Projected May 2013 Mileage
Animal Industry	¾ T 4X4 Truck	2006	175,148	226,499
Animal Industry	¾ T 4X4 Truck	2008	110,837	196,050
Animal Industry	Sedan	2005	131,222	167,165
Colorado State Fair	PU ½ TON, 4X4	2002	144,467	157,057
Colorado State Fair	PU ½ TON, 4X4	2000	138,382	143,723
Inspection and Consumer Services	Sedan	2006	127,340	182,437
Plant Industry	PU ½ TON, 4X4	2005	155,371	189,087
Plant Industry	PU ½ TON, 4X4	2007	136,210	181,415
Plant Industry	PU ½ TON, 4X4	2005	151,981	164,295

Analysis of Replacement Request: All requested vehicles' mileage will exceed 110,000 miles in FY 2012-13, which meets the mileage criteria used by the Department of Personnel and Administration as the threshold for very high mileage replacement.

Recommendation: **Staff recommends the replacement of nine vehicles. The dollar figure of staff's recommendation is pending the approval of a Committee policy.** Once a Committee policy is established, staff requests permission to adjust the line item and apply a fund split.

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. The Department requests \$153,031 for this purpose, of which \$34,705 is General Fund. **Staff recommends the Department's request for a total appropriation of \$153,031.**

**DEPARTMENT OF AGRICULTURE
FY 2012-13 STAFF FIGURE SETTING**

Leased Space

This line item provides funds for the Department's seven sites where office space is leased throughout Colorado.

Request: The Department requests an appropriation of \$121,864 for leased space: \$39,214 General Fund and \$82,650 cash funds.

Recommendation: **Staff recommends an appropriation of \$121,864 total funds, of which \$39,214 is General Fund, and \$82,650 is cash funds.**

Capitol Complex Leased Space

The Department requests \$190,529 (\$155,420 General Fund) for 13,554 square feet at 700 Kipling Avenue for the main offices. **Staff recommends funding for 13,554 square feet of space; the dollar amount is pending the approval of a Committee policy.** Staff requests permission to adjust the line item and apply a fund split once Committee policy for this line item is established.

Communication Services Payment

This line item provides the funds for the Department's share of the State's public safety communications infrastructure, which is maintained by the Governor's Office of Information Technology. The Department requests \$13,815 for communication services payments, of which \$3,454 is General Fund. **Staff recommends an appropriation of \$12,427 which includes \$3,107 General Fund and \$9,320 cash funds.**

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.

Request: The Department requests a continuation appropriation of \$146,318 total funds, of which \$66,939 is General Fund and \$79,379 is cash funds.

Recommendation: **Staff recommends an appropriation of \$146,318 total funds of which \$91,051 is General Fund.**

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.

**DEPARTMENT OF AGRICULTURE
FY 2012-13 STAFF FIGURE SETTING**

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

Recommendation: **Staff recommends a continuation appropriation of \$15,000 cash funds.**

Grants (old line item)

Prior to the FY 2012-13 budget request, this line item represented all federal grants the Department garners each year, excluding U.S. Environmental Protection Agency grants the Department receives for pesticide efforts that require a cash fund match. For FY 2012-13 the Department has adjusted the request and moved the federal grant funds and associated FTE to the appropriate Divisions. This action resulted in a net decrease of approximately \$128,000 and 4.2 FTE.

Request: The FY 2012-13 budget request does not include an appropriation for this line item.

Recommendation: **Staff recommends no appropriation for this line item.**

Agriculture Management Fund

This fund was created pursuant to H.B. 08-1399 and added this line item to the FY 2009-10 Long Bill. The Fund 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 2012-13 the Department anticipates moneys will be allocated to: Conservation District support, noxious weed management, agriculture marketing enhancements, homeland security efforts, and animal disease mitigation efforts.

Request: The Department anticipates the Fund will receive a total of \$2,000,000 in FY 2012-13. The Department requests an appropriation of \$2,111,842 cash funds to be used as outlined in the table below:

Agriculture Management Fund FY 2012-13	
Description	Total
OUTREACH COORDINATOR	\$45,000
ECON IMPACT/OUTREACH	21,862
ENERGY PERF CONTRACT	100,000
LARG ANIMAL INVESTIGATIONS	13,562
USA HERD SW	150,000
PREDATOR CONTROL	50,000
TRACEABILITY	48,156

**DEPARTMENT OF AGRICULTURE
FY 2012-13 STAFF FIGURE SETTING**

Agriculture Management Fund FY 2012-13	
Description	Total
MASS COMPARATOR	34,280
BEEF PROMOTION	40,000
LOCAL FOOD PROMOTION	25,000
MILET PROMOTION	3,220
COLO PROUD	334,000
CONSERVATION GRANTS	400,000
NOXIOUS WEEDS	220,000
ALLOCATED FOR PROJECTS	500,000
INDIRECT COSTS	18,705
Total	\$2,003,785
FY 2012-13 AGM Fund Line Request	2,111,842
Remaining Spending Authority	\$108,057

Recommendation: **Staff recommends an appropriation of \$2,107,936 cash funds and 3.0 FTE.** During figure setting for FY 2011-12 the FTE were removed from this line item where they had previously been appropriated. Staff believes these FTE should be reflected for informational purposes in the Long Bill as they are being expended by the Department.

Indirect Cost Assessment

Indirect costs for the Department of Agriculture are calculated on an FTE ratio of total costs for the personal services line item in the Commissioner’s Office, and statewide indirect costs. The total cost of these items is divided among total FTE for the Department. Statute prohibits total recuperation of indirect costs for various programs in the Department. The difference between the FTE assessment rate and the total cost of indirect costs is financed by General Fund appropriations.

Request: The Department requests an appropriation of \$24,400 (\$18,300 cash funds and \$6,100 federal funds).

Recommendation: **Staff recommends an appropriation of \$24,000 to reflect the reduction in the personal services line item in the Commissioner’s Office. Staff requests permission to adjust indirect cost line items and apply fund splits located in all Divisions, in accordance with final Committee policy.**

**DEPARTMENT OF AGRICULTURE
FY 2012-13 STAFF FIGURE SETTING**

(2) AGRICULTURAL SERVICES DIVISION

This division administers the majority of the Department’s major programs and is comprised of four distinct programs listed below. The primary source of funding is from three cash funds: the Agricultural Productions Inspection Fund, the Inspection and Consumer Services Cash Fund; and the Plant Health, Pest Control and Environmental Protection Fund.

1. Inspection and Consumer Services Programs: These programs ensure compliance with product quality standards through licensing and inspection; certify commercial (large and small) weights and measurement devices; and analyze fertilizer and animal feed for chemical contaminants.
2. Fruit and Vegetable Inspection: This program performs mandatory and non-mandatory inspections to determine grade, size, and quality of fruits and vegetables being sold in Colorado.
3. Animal Industry: This program provides for the: monitoring of the health of livestock and other animals used in various fields of agriculture, and if needed, the prevention and control of livestock disease; licensing and inspection of pet animal facilities; implementation of pest control; and investigation of animal cruelty claims.
4. Plant Industry: This program: manages statewide pest control programs; registers pesticides and pesticide applicators; inspects plants and plant byproducts intended for domestic or international export; oversees the organic certification program; and inspects nursery stock for quality and health.

Animal Industry

This line item funds the staff responsible for animal industry programs, and associated operating expenses. Animal industry programs include: 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 includes 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 Cash Fund.

Staffing Summary	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request	FY 2012-13 Recomm.
State Veterinarian	1.0	1.0	1.0	1.0
Administrative Staff	5.8	6.2	6.7	6.7
General Professionals	7.5	7.5	10.0	10.0
Scientists	3.0	3.0	3.0	3.0
Veterinarians	4.2	4.8	4.8	4.8
FTE Total	21.5	22.5	25.5	25.5

**DEPARTMENT OF AGRICULTURE
FY 2012-13 STAFF FIGURE SETTING**

Request: The Department requested \$2,224,989 and 25.5 FTE. The request includes restoration the PERA contribution (S.B. 11-076), restoration of a five percent General Fund operating cut, a reduction in aquaculture spending authority, and a federal funds grant adjustment of \$255,000 previously appropriated to the Commissioner’s Office.

Recommendation: **Staff recommends an appropriation of \$2,189,516 total funds, of which \$1,416,428 is General Fund, \$522,153 is cash funds and 25.5 FTE.** Staff’s recommendation is calculated in accordance with Committee policy and outlined in the table below:

Agricultural Services Division – Animal Industry					
	GF	CF	FF	Total Funds	FTE
FY 2011-12 Long Bill Appropriation	\$1,433,392	\$549,050	\$0	\$1,982,442	22.5
PERA Contribution Reduction (S.B. 11-076)	(27,037)	(8,369)	0	(35,406)	0.0
Subtotal FY 2011-12 Appropriation	\$1,406,355	\$540,681	\$0	\$1,947,036	22.5
Restore PERA contribution (S.B. 11-076)	27,037	8,369	0	35,406	0.0
Reduce Aquaculture Spending Authority	0	(18,437)	0	(18,437)	0.0
Restore 5% Operating Reduction	5,984	0	0	5,984	0.0
Federal Funds Transparency Adjustment	0	0	255,000	255,000	3.0
Personal Services Base Reduction	(22,948)	(8,460)	(4,066)	(35,473)	0.0
Recommended FY 2012-13 Appropriation	\$1,416,428	\$522,153	250,934	\$2,189,516	25.5

Vaccine and Service Fund

The Vaccine and Service Fund provides money for the vaccination of heifer calves against brucellosis, the testing of livestock for brucellosis, and the identification and disposal of reactor livestock. The source of revenue is cash proceeds from the sale of vaccines and services. Moneys are continuously appropriated pursuant to Section 35-50-106, C.R.S.

Request: The Department requests \$324,320 cash funds and 1.0 FTE, which reflects restoration of the PERA contribution reduction (S.B. 11-076).

Recommendation: **Staff recommends \$323,473 cash funds and 1.0 FTE.** Staff’s recommendation is outlined in the following table and calculated in accordance with Committee policy:

**DEPARTMENT OF AGRICULTURE
FY 2012-13 STAFF FIGURE SETTING**

Vaccine and Service Fund		
	CF	FTE
FY 2011-12 Long Bill Appropriation	\$324,320	1.0
PERA Contribution Reduction (S.B. 11-076)	(953)	0.0
Subtotal FY 2011-12 Appropriation	\$323,367	1.0
Restore PERA contribution (S.B. 11-076)	953	0.0
Personal Services Base Reduction	(847)	0.0
Recommended FY 2012-13 Appropriation	\$323,473	1.0

Plant Industry

This line item funds the staff responsible for plant industry programs and associated operating expenses. Plant industry programs include: Organic certification, nursery stock inspection, plant and seed inspection, and commercial and private pesticide applicator testing.

Staffing Summary	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request	FY 2012-13 Recomm.
Division Director	1.0	1.0	1.0	1.0
Administrative Staff	9.3	9.3	9.7	9.7
General Professionals	22.9	23.4	24.8	24.8
Information Technology Staff	1.0	1.0	1.0	1.0
Technicians	0.0	0.0	0.0	0.0
Scientist	0.0	0.0	0.0	0.0
FTE Total	34.2	34.7	36.5	36.5

Request: The Department requested \$3,868,415 and 36.5 FTE (\$349,463 General Fund, \$2,304,133 cash funds, and \$1,214,819 federal funds). The request includes the restoration of the PERA contribution (S.B. 11-076), restoration of a five percent General Fund operating cut, and a federal funds grant adjustment.

Recommendation: **Staff recommends an appropriation of \$3,821,149 total funds, of which \$345,193 is General Fund, \$2,275,980 is cash funds, \$1,199,976 is federal funds and 36.5 FTE.** Staff's recommendation is outline in the table below and is calculated in accordance with Committee policy:

**DEPARTMENT OF AGRICULTURE
FY 2012-13 STAFF FIGURE SETTING**

Plant Industry - Program Costs					
	GF	CF	FF	Total Funds	FTE
FY 2011-12 Long Bill Appropriation	\$348,011	\$2,304,133	\$572,819	\$3,224,963	34.7
PERA Contribution Reduction (S.B. 11-076)	(5,572)	(44,014)	(2,799)	(52,385)	0.0
Subtotal FY 2011-12 Appropriation	\$342,439	\$2,260,119	\$570,020	\$3,172,578	34.7
Restore PERA contribution (S.B. 11-076)	5,572	44,014	2,799	52,385	0.0
Restore 5% Operating Reduction	1,452	0	0	1,452	0.0
Federal Funds Transparency Adjustment	0	0	642,000	642,000	1.8
Personal Services Base Reduction	(4,270)	(28,153)	(14,843)	(47,266)	0.0
Recommended FY 2012-13 Appropriation	\$345,193	\$2,275,980	\$1,199,976	\$3,821,149	36.5

Decision Item #2: Permanent Refinance of Inspection and Consumer Services Programs

The Department included a request to extend the cash financing provisions of H.B. 10-1377 to finance Inspection and Consumer Services Programs permanently with cash funds. **Staff recommended that the Committee sponsor legislation which was not elected as a JBC sponsored bill during the budget briefing cycle.** This Division is affected by the reversion of cash funds to general fund financing in three line items, approximately \$1.1 million. Staff recommendation for each of these line items reflects current law and shows funding source splits in accordance with the sunset of H.B. 10-1377.

Inspection and Consumer Services

This line item funds the personal services and operating expenses associated with the Inspection and Consumer Services Programs. Programs include: 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.

Staffing Summary	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request	FY 2012-13 Recomm.
Division Director	1.0	1.0	1.0	1.0
Administrative Staff	5.9	6.0	6.0	6.0
General Professionals	24.7	26.0	26.0	26.0
Information Technology Staff	1.0	1.0	1.0	1.0
Laboratory Technicians	2.8	4.0	4.0	4.0
Other Technicians	3.0	3.0	3.0	3.0
Scientists	3.7	4.6	4.6	4.6
FTE Total	42.1	45.6	45.6	45.6

**DEPARTMENT OF AGRICULTURE
FY 2012-13 STAFF FIGURE SETTING**

Request: The Department's request of \$3,494,527 includes the restoration of the PERA contribution (S.B. 11-076), restoration of a five percent operating cut, a federal funds adjustment.

Recommendation: Staff recommends a total appropriation of \$3,412,479 funds and 45.6 FTE. Pursuant to H.B. 10-1377 the Inspection and Consumer Services Programs have reverted to a General Fund and cash funds split, increasing General Fund need by \$962,425 in this line item. Staff's recommendation is calculated in accordance with Committee policy and outlined in the following table:

Inspection and Consumer Services - Program Costs					
	GF	CF	FF	Total Funds	FTE
FY 2011-12 Long Bill Appropriation	\$0	\$3,210,055	\$0	\$3,210,055	45.6
PERA Contribution Reduction (S.B. 11-076)	0	(35,703)	0	(35,703)	0.0
H.B. 11-1159	0	600	0	600	0.0
Subtotal FY 2011-12 Appropriation	\$0	\$3,174,952	\$0	\$3,174,952	45.6
Restore PERA contribution (S.B. 11-076)	0	35,703	0	35,703	0.0
H.B. 11-1159	150	(150)	0	0	0.0
H.B. 10-1377	974,518	(974,518)	0	0	0.0
Restore 5% Operating Reduction	4,070	0	0	4,070	0.0
Federal Funds Transparency Adjustment	0	0	256,000	256,000	0.0
Personal Services Base Reduction	(16,313)	(37,666)	(4,267)	(58,246)	0.0
Recommended FY 2012-13 Appropriation	\$962,425	\$2,198,321	\$251,733	\$3,412,479	45.6

Conservation Services

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.

Staffing Summary	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request	FY 2012-13 Recomm.
Division Director	1.0	1.0	1.0	1.0
Administrative Staff	2.5	2.5	2.5	2.5
General Professionals	7.9	8.7	10.9	10.9
Scientist	0.8	0.9	0.9	0.9
FTE Total	12.2	13.0	15.3	15.3

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Request: The Department requests an appropriation of \$1,717,214 including 15.3 FTE. The request reflects the restoration of the PERA contribution (S.B. 11-076), restoration of a five percent operating cut, and a federal funds adjustment.

Recommendation: **Staff recommends an appropriation of \$1,688,634 total funds and 15.3 FTE.** Staff's recommendation is calculated in accordance with Committee policy and outlined in the following table:

Conservation - Program Costs					
	GF	CF	FF	Total Funds	FTE
FY 2011-12 Long Bill Appropriation	\$683,779	\$613,123	\$10,000	\$1,306,902	13.0
PERA Contribution Reduction (S.B. 11-076)	(6,843)	(4,343)	0	(11,186)	0.0
Subtotal FY 2011-12 Appropriation	\$676,936	\$608,780	\$10,000	\$1,295,716	13.0
Restore PERA contribution (S.B. 11-076)	6,843	4,343	0	11,186	0.0
Restore 5% Operating Reduction	2,855	0	0	2,855	0.0
Federal Funds Transparency Adjustment	0	0	400,000	400,000	2.3
Personal Services Base Reduction	(8,502)	(7,578)	(5,043)	(21,123)	0.0
Recommended FY 2012-13 Appropriation	\$678,132	\$605,545	\$404,957	\$1,688,634	15.3

Decision Item #1: Renewal of 5 Year Lease Purchase Authority for Lab Equipment

This request reflects a renewal in spending authority to enter lease purchase agreements for biochemistry laboratory equipment. The Department believes the outdated equipment causes operating inefficiencies and needs to be updated after the expiration of the current spending authority at the end of FY 2011-12. The spending authority request applies to the Inspection and Consumer Services Cash Fund (16R), the Plant Health, Pest Control and Environmental Protection Cash Fund (23S), and General Fund in sum \$76,590 cash funds and \$22,770 General Fund.

Staff recommends approving the request for renewal of spending authority to enter lease purchase lab equipment agreements for five years. Additionally, staff recommends an appropriation of \$99,360 to be financed with 100.0 percent cash funds from the Inspection and Consumer Services Cash Fund and the Plant, Health, Pest Control and Environmental Protection fund and requests permission to apply a funding split.

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 compliance activities of ICS programs, the Plant Industry, and the Conservation Board. Within the ICS Division, the lab provides analyses

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for animal feed, feed drugs, and fertilizer programs to guard against crop and livestock contamination. Within the Plant Industry Division, the lab provides analyses for the pesticide registrations division and the pesticide enforcement investigations. The lab also provides groundwater analysis for the Conservation Board groundwater protection program.

Request: The Department requests \$99,360 cash funds.

Recommendation: **Staff recommends an appropriation of \$99,360 cash funds from the Inspection and Consumer Services Cash Fund and the Plant, Health, Pest Control and Environmental Protection fund and requests permission to apply a funding split.**

Indirect Costs

This line item funds a portion of the costs of the Commissioner's Office and for the Department's share of statewide indirect costs. This line item represents the indirect costs of the Animal Industry, Plant Industry, Inspection and Consumer Services, and Conservation Services.

Request: The Department requests \$574,688 total funds for this purpose.

Recommendation: **Staff recommends an appropriation of \$488,982 including \$427,372 cash funds.** Staff's recommendation reflects the reduction of \$76,250 reflecting the reversion of the Inspection and Consumer Services line item financing from cash funds to General Fund.

(3) AGRICULTURAL MARKETS DIVISION

The Agricultural Markets Division strives to increase export sales of Colorado agricultural products within domestic and international markets. Beginning in FY 2011-12 this Division's Long Bill Section will reflect the appropriation for the Fruit and Vegetable Inspection Program to align the Long Bill appropriations with Division responsibilities.

Staff Summary	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request	FY 2012-13 Recomm.
Division Manager	0.7	1.0	1.0	1.0
Administrative Staff	1.4	1.5	1.5	1.5
General Professionals	5.8	5.7	5.9	5.9
Fruit and Veg Inspectors	27.9	33.0	33.0	33.0
FTE Total	35.8	41.2	41.4	41.4

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(A) Agricultural Markets

Program Costs

This line item funds the FTE responsible for marketing Colorado's agricultural products, and associated operating expenses.

Request: The Department requests an appropriation of \$1,411,286 and 5.4 FTE.

Recommendation: **Staff recommends an appropriation of \$1,402,555 funds and 5.4 FTE.** The recommendation includes the reversion of cash fund to General Fund financing of \$444,068. Staff's recommendation is outlined in the following table:

Agricultural Markets Division - Program Costs					
	GF	CF	FF	Total	FTE
FY 2011-12 Long Bill Appropriation	0	\$497,110	0	\$497,110	4.7
PERA Contribution Reduction (S.B. 11-076)	0	(6,602)	0	(6,602)	0.0
Subtotal FY 2011-12 Appropriation	\$0	\$490,508	\$0	\$490,508	4.7
Annualize FY 2011-12 refinance	446,656	(446,656)	0	0	0.0
Restore PERA contribution (S.B. 11-076)	0	6,602	0	6,602	0.0
Restore 5% Operating Reduction	176	0	0	176	0.0
Federal Funds Transparency Adjustment	0	0	914,000	914,000	.7
Personal Services Base Reduction	(2,764)	(312)	(5,655)	(8,731)	0.0
Recommended FY 2012-13 Appropriation	\$444,068	\$50,142	\$908,345	\$1,402,555	5.4

Economic Development Grants

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

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

Recommendation: **Staff recommends an appropriation level of \$45,000 reappropriated funds.**

Budget Amendment #1: Extend Severance Tax Funding for ACRE for an Additional 5 Years

The Advancing Colorado's Renewable Energy (ACRE) program was first created pursuant to H.B. 06-1322. The Legislature approved a transfer of \$500,000 from the operational account of the Severance Tax Trust Fund for three years to promote agricultural energy related projects. Subsequent legislation, S.B. 09-124, extended the transfer from two additional years. The transfer is scheduled to sunset at the end of FY 2011-12.

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The Department did not feel confident requesting this funding until they received a third-party evaluation of the ACRE program which provided specific measurable successes from the approximately \$2.4 million that has been allocated for projects since FY 2006-07. The following are some of the most notable successes:

- Nine projects created 15 permanent jobs and 229 temporary jobs;
- One project saved 550,000 gallons of diesel annually;
- Two projects saved 2,600,000 decatherms of natural gas annually;
- Three projects save 240,600 kilowatt-hours of electric annually; and
- Five projects contributing to the reduction of over 100,000 tons of CO₂ equivalent emissions annually.

The Agriculture Value-Added Development board is responsible for accepting and processing grant applications and awarding moneys to selected recipients. The projects are submitted in one of three areas: research, feasibility, and implementation. A grant recipient may apply for funds in any of these areas as a specific project evolves. In addition to the funds provided through the ACRE program matching funds for ACRE projects ranged from 150.0 percent to approximately 600.0 percent.

To continue the \$500,000 transfer to the Agricultural Development Board the JBC will need to sponsor legislation to revise Section 35-75-205 (1.5), C.R.S. and Section 39-29-109.3, C.R.S. **Staff recommends that the committee sponsor a bill to extend the severance tax transfer to the Agriculture Development Board for five years.**

JBC- sponsored legislation would continue the transfer from the Operational Account of the Severance Tax Trust Fund by \$500,000 per year, starting in FY 2012-13. Based on the December 2011 Legislative Council Staff Revenue Forecast, the Operational Account will not have sufficient revenues to support currently authorized expenditures in FY 2012-13. Increasing authorized expenditures from the Operational Account of the Severance Tax Trust Fund in FY 2012-13 could require reductions in expenditures for other Tier 2 programs (either proportional reductions driven by statute or targeted reductions by the General Assembly) in order to accommodate the additional spending.

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.

Request: The Department does not request an appropriation in the FY 2012-13 budget request.

Recommendation: **Staff recommends no appropriation.**

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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.

Request: The Department requests an appropriation of \$569,613 cash funds and 1.5 FTE.

Recommendation: **Staff recommends \$567,205 cash funds and 1.5 FTE, which is outlined in the following table:**

Wine Promotion Board Line Item		
	CF	FTE
FY 2011-12 Long Bill Appropriation	\$569,613	1.5
PERA Contribution Reduction (S.B. 11-076)	(2,680)	0.0
Subtotal FY 2011-12 Appropriation	\$566,933	1.5
Restore PERA contribution (S.B. 11-076)	\$2,680	0.0
Personal Services Base Reduction	(2,408)	0.0
Recommended FY 2012-13 Appropriation	\$567,205	1.5

Indirect Cost Assessment

This line item funds a portion of the costs of the Commissioner's Office and for the Department's share of statewide indirect costs.

Request: The Department has requested an appropriation of \$13,420 funds.

Recommendation: **Staff recommends an appropriation of \$13,200 (\$8,930 cash funds and \$4,270 federal funds).**

(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.

Request: The Department requests an appropriation of \$2,035,253 including \$200,000 of General Fund and 34.5 FTE.

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Recommendation: **Staff recommends an appropriation of \$1,978,540 total funds and 34.5 FTE, calculated in accordance with Committee policy.** Staff's recommendation is outlined in the following table:

Program Costs - Agricultural Products Inspection				
	General Fund	Cash Funds	Total Funds	FTE
FY 2011-12 Long Bill Appropriation	\$200,000	\$1,835,253	\$2,035,253	34.5
PERA Contribution Reduction (S.B. 11-076)	0	(29,640)	(29,640)	0.0
Subtotal FY 2011-12 Appropriation	\$200,000	\$1,805,613	\$2,005,613	34.5
Restore PERA contribution	0	29,640	29,640	0.0
Personal Services Base Reduction	(2,950)	(27,073)	(30,023)	0.0
Recommended FY 2012-13 Appropriation	\$200,000	\$1,808,180	\$1,978,540	34.5

Policy Option to Reduce General Fund -- Eliminate Potato Subsidy. The State presently pays \$200,000 of the Mandatory Fruit & Vegetable Inspection program's operational costs. The remainder of operational costs are paid from the Agricultural Products Inspection fund, pursuant to Section 35-23-114 (3) (a), C.R.S. Although this option would require a statutory change, the Committee could elect to refinance \$200,000 of General Fund with \$200,000 of Agricultural Management Fund. Additionally, the Committee could elect to sponsor legislation to permanently eliminate this General Fund subsidy.

Indirect Cost Assessment

This line item funds the Division's portion of the costs of the Commissioner's Office and for the Department's share of statewide indirect costs.

Request: The Department requests \$111,000 of cash funds for this purpose.

Recommendation: **Staff recommends an appropriation of \$111,000 cash funds.**

(4) BRAND BOARD

The Brand Board administrates livestock brands; inspects alternative livestock facilities; verifies ownership prior to the sale, transport, or slaughter of livestock; 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).

Brand Inspection

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

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Staff Summary	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request	FY 2012-13 Recomm.
Division Manager	1.0	1.0	1.0	1.0
Accounting Staff	1.0	1.0	1.0	1.0
Administrative Staff General	4.3	4.8	4.8	4.8
Professionals	1.0	1.0	1.0	1.0
Inspectors	50.4	58.5	58.5	58.5
Veterinarian	0.2	0.0	0.0	0.0
FTE Total	57.9	66.3	66.3	66.3

Request: The Department requests an appropriation of \$3,854,380 cash funds and 66.3 FTE.

Recommendation: **Staff recommends an appropriation of \$3,786,048 from the Brand Inspection Cash Fund and 66.3 FTE.** The following table summarizes the staff recommendation:

Brand Inspection - Brand Board		
	CF	FTE
FY 2011-12 Long Bill Appropriation	\$3,862,617	66.3
PERA Contribution Reduction (S.B. 11-076)	(69,991)	0.0
Subtotal FY 2011-12 Appropriation	\$3,792,626	66.3
Restore PERA contribution (S.B. 11-076)	69,991	0.0
Annualize Brand Assessment	(8,237)	0.0
Personal Services Base Reduction	(68,332)	0.0
Recommended FY 2012-13 Appropriation	\$3,786,048	66.3

Alternative Livestock

This line item funds the selling, trading, giving, 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.

Request: The Department requests an appropriation of \$15,000 cash funds, reflecting a decrease in spending authority of \$80,662 cash funds.

Recommendation: **Staff recommends an appropriation of \$15,000 cash funds from the Alternative Livestock Cash Fund.**

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Brand Estray Fund

This line item funds the care and feeding 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. Revenue for this fund is from the sale proceeds of estray animals, 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.

Request: The Department requests an appropriation of \$40,000 cash funds, reflecting a decrease in spending authority of \$54,050 cash funds.

Recommendation: **Staff recommends an appropriation of \$40,000 cash funds from the Brand Estray Cash Fund.**

Indirect Cost Assessment

This line item funds a portion of the costs of the Commissioner's Office and for the Department'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 appropriation that can be collected for indirect costs.

Request: The Department requests an appropriation of \$139,298 cash funds.

Recommendation: **Staff recommends an appropriation of \$136,838 cash funds.**

(5) COLORADO STATE FAIR

The Colorado State Fair is administered by the eleven member State Fair Authority. The source of funding for this Division is from fees collected by the Colorado State Fair during its eleven day run each August and from non-fair events held at the fairgrounds during the rest of the year. Additionally, pursuant to H.B. 08-1399 the State Fair receives 25.0 percent of the interest earned on the sale of unclaimed securities.

Staff Summary	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request	FY 2012-13 Recomm.
Fair Manager	1.0	1.0	1.0	1.0
Accounting Staff	3.6	4.0	4.0	4.0
Administrative and Customer Support Staff	3.0	3.0	3.0	3.0
General Labor and Structural Trade Staff	6.8	8.6	8.6	8.6
General Professionals	7.9	9.3	9.3	9.3
Technician	1.0	1.0	1.0	1.0
FTE Total	23.3	26.9	26.9	26.9

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Program Costs

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

Request: The Department requests \$8,322,215 cash funds and 26.9 FTE, which includes the restoration of the PERA Contribution Reduction (S.B. 11-076).

Recommendation: **Staff recommends an appropriation of \$8,295,690 cash funds and 26.9 FTE, which is outlined in the following table and calculated in accordance with Committee policy:**

Colorado State Fair - Program Costs		
	CF	FTE
FY 2011-12 Long Bill Appropriation	\$8,322,215	26.9
PERA Contribution Reduction (S.B. 11-076)	(24,674)	0.0
Subtotal FY 2011-12 Appropriation	\$8,297,541	26.9
Restore PERA contributions (S.B. 11-076)	24,674	0.0
Personal Services Base Reduction	(26,525)	0.0
Recommended FY 2012-13 Appropriation	\$8,295,690	26.9

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 65.5 percent of the total 'per FTE' costs that would have otherwise been applied to this Division to recover department and statewide overhead costs.

Request: The Department has requested \$89,301 cash funds for this line item.

Recommendation: **Staff recommends an appropriation of \$87,837 cash funds.**

(6) CONSERVATION BOARD

The Conservation Board oversees programs to conserve Colorado's soil and natural resources in conjunction with 77 local districts. The State Conservation Board is comprised of eight members from the 77 district boards, plus one appointee of the Governor. The eight elected members represent each of the major watershed systems in Colorado. Board staff provide technical assistance to the local districts and help coordinate regional and statewide efforts to address conservation issues. 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.

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Staff Summary	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request	FY 2012-13 Recomm.
Administrative Staff	0.2	0.2	0.2	0.2
General Professionals	4.0	5.0	5.0	5.0
FTE Total	4.2	5.2	5.2	5.2

Program Costs

This line item funds the personal services and operating expenses for this Division.

Request: The Department requests an appropriation of \$439,011 General Fund. This request includes the restoration of the PERA contribution reduction (S.B. 11-076) and the annualization of a five percent General Fund operating cut.

Recommendation: **Staff recommends \$431,505 General Fund and 5.2 FTE which is outlined in the following table:**

Conservation Board - Program Costs		
	GF	FTE
FY 2011-12 Long Bill Appropriation	\$436,879	5.2
PERA Contribution Reduction (S.B. 11-076)	(5,376)	0.0
Subtotal FY 2011-12 Appropriation	\$431,503	5.2
Restore PERA contribution (S.B. 11-076)	5,376	0.0
Restore 5% Operating Reduction	2,132	0.0
Personal Services Base Reduction	(7,506)	0.0
Recommended FY 2012-13 Appropriation	\$431,505	5.2

Distributions to Conservation Districts

The Conservation Board distributes direct assistance funds to the 77 conservation districts based on annual evaluations of each district's program. Districts are required to use these funds for travel, clerical, technical assistance and other operating expenses, pursuant to Section 35-1-106.7, C.R.S. Distributions are made 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. The difference between a given district's State distribution and its actual administration costs is covered by the sale of conservation products in the various districts as well as the authority to increase levies up to one-half of one mill to fund the full amount of the district budget. It should be noted that some districts depend on these moneys to fund most of their budget and some rely on these moneys to only a small degree.

Request: The Department requests a continuing funding level of \$191,714 General Fund.

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Recommendation: **Staff recommends a continuation appropriation of \$191,714 General Fund.** These distributions are the primary component of the Conservation District program and are essential to maintaining the network of the 77 local districts.

Matching Grants to Districts

This line item funds on-the-ground conservation problems that have been identified at the local level. The conservation district that receives a grant must provide a dollar-for-dollar match for any grant dollars received. 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., the transfer of funds ends on December 31, 2022.

Request: The Department requests an appropriation of \$450,000 cash funds.

Recommendation: **Staff recommends an appropriation of \$450,000 cash funds.**

Salinity Control Grants

The salinity control grants are distributed to four soil conservation districts in the 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.

Request: The Department requests \$500,000 federal funds. This request includes the restoration of the PERA contribution reduction (S.B. 11-076).

Recommendation: **Staff recommends an appropriation of \$500,000 federal funds.**

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Long Bill Footnotes

Staff recommends that the following footnote be discontinued:

Department of Agriculture, Agricultural Services Division -- It is the intent of the General Assembly that expenditures for these services should be recorded only against the Long Bill group total for the Agricultural Services Division.

Requests for Information

None.