

**DEPARTMENT OF AGRICULTURE
FY 2016-17 JOINT BUDGET COMMITTEE HEARING AGENDA**

**Wednesday, January 6, 2015
1:30 pm – 3:00 pm**

1:30-1:40 INTRODUCTIONS AND OPENING COMMENTS

1:40-2:00 DEPARTMENT OVERVIEW

1. During the 2015 interim, the Department expressed concern about the financial health of the Agriculture Management Fund (AMF). This concern was later shown to be misplaced, as the AMF is solvent and in good financial standing. Please provide a detailed description of why this concern was raised. What caused the Department to initially express concern regarding the AMF's solvency? Does the Department of Agriculture use different accounting methodologies than the Department of Treasury? What steps has the Department of Agriculture taken to ensure this type of scenario does not occur again?

The Department recognized that its concern regarding the Agriculture Management Fund was, in fact, misplaced during 2015. As soon as the Department gained new information indicating there was no issue with the solvency of the Agriculture Management Fund, this information was communicated during the 2015 session.

CDA does not use different accounting methodologies than the Department of Treasury, and is not aware of any reason why the Department of Treasury and the State's accounting system would show a different available cash balance. The Agriculture Management Fund receives its income directly from a transfer performed by the Department of the Treasury. The Department continues to take advantage of any new training opportunities for staff, related to the State's accounting system.

2. On November 30th the Office of the State Controller reported that OSPB denied the Colorado State Fair Authority's request for a loan from the Department of Treasury, one that the Authority had received in past years. Please provide a detailed description of the impact of this loan denial on the Authority's FY 2015-16 and FY 2016-17 budgets. In regards to prior loans to the Authority, what is the remaining balance (i.e., principal and interest) to be paid off of past loans?

The Department does not have any outstanding loan balances. Loans from the treasury pool are not paid in the traditional manner. When a loan is requested, it is requested for the largest negative cash balance through the fiscal year. As revenues are earned, the negative cash balance is reduced, rather than the Department receiving the amount of the loan to offset the negative cash balance.

The Department solicited the following response from the Office of the State Controller regarding budgetary impacts:

The statute related to loans and advances (CRS 24-75-203) does not address the situation where a loan is disapproved. According to State Treasury, until a loan is approved, any fund in a negative cash situation would be charged negative interest. The department should re-classify this negative interest as an interest expense.

The statute includes the language "upon the prior written approval of the governor and the controller as to the purpose and amount, the state treasurer may lend the approved amount....." So, an unapproved loan is a statutory violation. In a contract situation, the State Controller has the authority to ratify statutory violations, but I'm not sure that extends to other statutes such as the loans and advances statute.

The statute further provides that the General Assembly may place limitations on the amount to be loaned through appropriation or notation in the general appropriation bill. Until that occurs, there would be no budgetary impact of the loan denial.

3. In regard to the Colorado State Fair Authority's financial sustainability study currently under way, how does the Authority plan to use the business plans produced by the study? Will preliminary findings be made available to the JBC? Will the study provide comparisons and lessons learned from state fairs in other states? Does the Authority have a timeline for implementation of the study's findings?

The Authority plans to implement the recommendations of the study immediately, to the extent that the recommendations are possible to implement. Currently, the study is scheduled to be available on March 1, 2016. The Department is not aware of any preliminary findings at this point, but will work with CDA's JBC analyst as information becomes available. The study will provide comparisons of other states.

2:00-2:20 BIOCHEMISTRY LABORATORY APPROPRIATION REQUEST

4. Considering the current demand for pesticide testing of marijuana crops, what has contributed to the increase in demand for these tests? Does the Department anticipate continued growth in this demand? If so, what are the Department's workload growth projections for pesticide testing of marijuana crops?

CDA has received over 50 complaints on pesticide use on marijuana since March 2015. This is more complaints than are typically received for all pesticide uses in a year. The future is uncertain in terms of complaints received. Most of the 2015 complaints were from the City and County of Denver inspecting marijuana grow facilities. If other local jurisdictions take an active role in this industry there will likely be more complaints.

We are hoping we will only have 50 or 60 marijuana complaints a year however we have no way to predict the actions of the industry. Depending on the size of the facility the number of samples taken for any one complaint can be from 5 to approximately 30.

5. Please provide a list of the municipalities that conduct pesticide testing of marijuana crops. Is the Biochemistry Laboratory the only state run lab that conducts this testing?

There are no municipalities or counties conducting pesticide testing for marijuana crops. The CDA biochemistry laboratory is currently the only state run laboratory that conducts pesticide testing on cannabis.

6. Does the Department work in cooperation with commercial and municipal labs conducting the same type tests? How does the Department determine jurisdiction for pesticide testing and misuse investigations?

CDA does not work in cooperation with the commercial labs. These labs are private entities with no regulatory responsibility at this time. CDPHE and DOR-MED are in the process of setting up a process to certify private labs for pesticide testing.

By statute the CDA has sole jurisdiction over enforcement of pesticide use based on a statewide uniformity clause in the Pesticide Applicators' Act (C.R.S. 35-10). When we receive a complaint of misuse we investigate to determine if a misuse has occurred. Part of the investigation is to take samples. Municipalities and counties can enforce their health statutes. This is what Denver Environmental Health has been doing.

7. Please provide a list of the approved or recommended pesticides to be used on marijuana crops. Does the Department have an organic certification program for marijuana?

The department maintains a list of pesticides that can be used without it being a violation of the pesticide label. The list is kept current on our website. As a regulatory agency we do not recommend specific pesticides. Here is the link to the website for the list:
<https://www.colorado.gov/pacific/sites/default/files/atoms/files/Pesticides%20that%20can%20be%20used%20to%20produce%20marijuana%2012-3-15.pdf>

There is no organic certification program for marijuana. Organic certification is a federal program under the USDA Agricultural Marketing Service and certification of marijuana not allowed.

2:20-2:40 INDUSTRIAL HEMP REGULATORY AND SEED CERTIFICATION PROGRAM APPROPRIATION REQUEST

8. Please explain why the Department is requesting an increase in spending authority from the Marijuana Tax Cash Fund and a decrease in spending authority from the Industrial Hemp Registration Program Cash Fund.

The one-time funding request from the Marijuana Tax Cash Fund is intended to fund program operations for one year, until the Industrial Hemp Cash Fund can fully fund the program. The legislature amended the Industrial Hemp Act in the 2015 session to allow CDA to change the matrix for setting registration fees. This change will help in future years, but the full benefit will not provide sufficient funding until the 2017-18 fiscal year.

9. Please provide a list of all departments that are involved with the Industrial Hemp Regulatory and Seed Certification Program. What are the roles of these departments and what do they contribute to the Program?

The CDA is the only Department involved in the regulation of the Industrial Hemp Regulatory and Seed Certification Program. The CDA registers growers who want to raise hemp. The CDA inspects growers (collects plant samples) to verify the plant is in fact hemp. The plant samples are analyzed by the CDA biochemistry laboratory. CDA takes enforcement actions for samples that fail to be hemp. The CDA is also importing hemp seed to provide to institutions of higher education for hemp research. Finally, CDA is beginning a seed certification program to provide seed for use in the state that will meet the hemp THC threshold.

We hope to be able to work with Colorado State University on the seed certification program because they currently have seed certification programs for other crops. CSU also has several research farms around the state that can be used to perform the trials. However, there are several items that need to be worked out for CSU to feel their federal funding is not at risk by participating in the program.

10. Is the Department aware of any research and development projects focusing on the use of hemp oil in vehicles? If so, what findings has this research produced?

CDA is not aware of any research in this area.

11. Please provide an overview of the types of research and development projects being conducted in Colorado?

Because CDA only regulates the cultivation of hemp and not the processing or use of hemp we are not always aware of research past the cultivation phase. For research and development in cultivation the current focus is primarily on which varieties grow well in our climate and still maintain their THC concentration of at or below 0.3%. Colorado State University is beginning to do agronomic research. The University of Colorado is currently conducting research to map the genes in cannabis. Adam's State University is conducting economic impact studies on industrial hemp for fiber production in the San Luis valley.

12. Please provide an update on the implementation of the seed certification program. Has the Department identified any opportunities to incentive the growth of the industrial hemp industry, specifically for the growth of in-state hemp processing infrastructure?

In 2015 we imported our first hemp seed and it was grown on two of CSU's research farms. We have hired a hemp seed certification specialist to advance this program. With the funding we received from the General Assembly in 2015, and the resources requested for FY 2015-16 and FY 2016-17 we will make significant strides in 2016 and 2017 to establish a seed certification program.

Implementation of the certified seed program will bring industrial hemp production in line with other traditional agricultural crops giving farmers confidence that the crops planted from certified seed will meet state, federal and international hemp THC guidelines for marketing purposes without increased inspection or testing costs.

To date the CDA has focused on the regulatory program for hemp and insuring the industry has the opportunity to grow within the mandate of the program. Now that production is increasing, CDA will engage the Industrial Hemp Advisory Committee on what they see as needs to promote growth of the industry. CDA will likely focus on areas that will benefit the producer as that is our traditional role in agricultural marketing.

13. Please provide an overview of the Canadian industrial hemp industry. What factors have led to its success? Which of those factors could be replicated in Colorado?

The Canadian industry is much different than the industry in the U.S. due to the fact hemp is legal under federal law in Canada. Health Canada controls the importation, production, processing, possession, sale, transportation, delivery and offering for sale of industrial hemp. The Canada hemp regulatory system is a seed to sale system more closely aligned to the Colorado marijuana regulatory program than the Colorado hemp regulatory program.

The Canada program was started in 1994. Canada set up a program by which they develop certified seed to be used in their country prior to letting anyone grow the crop. This prevented a lot of the issues CDA is facing, by controlling what seed was planted and knowing that the seed would produce a crop that is at or less than 0.3% THC. This eliminates the need for most THC testing in hemp and thereby reduces costs to both the growers and the regulating agencies. It also provides greater confidence from law enforcement that the hemp is not marijuana.

Additionally, since the crop is legal federally seed and other hemp plant parts can be moved across provincial lines. This allows for a national process of developing hemp processing facilities rather than every province having to do this independently.

Whether the Canadian hemp production system is a success or not is dependent on how you

define success. Even with a high number of products that can be made from hemp, Canada's product has fluctuated greatly in the 21 years of their program. The most recent statistics show production around 85,000 acres in 2015 after reaching a high of 108,000 acres planted in 2014. The acreage had been increasing consistently from 2008 to 2014. While 85,000 acres sounds like a lot, for a crop that can be grown across the whole country this is still a very small amount.

The program Colorado is putting together is more of a commercial type system, within required regulatory mandates. The CDA does not nor does any other agency control processing, possession, sale, transportation, delivery and offering for sale of industrial hemp. We believe this approach will allow the market to develop more quickly, develop where the industry is growing rather than being directed, and therefore the success of the program will be market driven.

2:40-3:00 NOXIOUS WEED MANAGEMENT FUND SPENDING AUTHORITY

14. Does the Department support JBC staff's recommendation for legislation amending the statute authorizing the Noxious Weed Management Fund?

Yes, the Department supports the JBC staff recommendation for legislation. Roll-forward spending authority will streamline the process to award and deliver funding to grantees, simplify accounting procedures, reduce the amount of paperwork involved for all parties, and enable the Department to make better and full use of the funds allocated by the General Assembly each year.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

1. Provide a list of any legislation that the Department has: (a) not implemented or (b) partially implemented. Explain why the Department has not implemented or has only partially implemented the legislation on this list.

The Department has partially implemented H.B. 15-1367 (Retail Marijuana Taxes) and S.B. 15-196 (Industrial Hemp Certified Seeds Concentration Test), and has requested additional resources to fully implement both pieces of legislation.

2. Please provide a detailed description of all program hotlines administered by the Department, including:
 - a. The purpose of the hotline;
 - b. Number of FTE allocated to the hotline;
 - c. The line item through which the hotline is funded; and
 - d. All outcome data used to determine the effectiveness of the hotline.

CDA does not administer any hotlines.

3. Describe the Department's experience with the implementation of the new CORE accounting system.
 - a. How has the implementation improved business processes in the Department?

The Department hopes that business processes can be reviewed once staff is comfortable with the implementation of all modules in CORE.

- b. What challenges has the Department experienced since implementation and how have they been resolved (i.e. training, processes, reports, payroll)?

The timing of payroll expenditures posting to CORE has been challenging. The Department is able to project payroll expenses but cannot complete other tasks related to expenditures (indirect costs, POTS allocations, Grant expenses processing) until payroll data is posted in CORE.

- c. What impact have these challenges had on the Department's access to funding streams?

The Department is not aware of any challenges related to funding streams.

- d. How has the implementation of CORE affected staff workload?

The implementation of CORE and turnover of staff has increased staff workload. The Department is optimistic that new training opportunities will become available, which may help reduce the increased workload.

- e. Do you anticipate that CORE implementation will result in the need for a permanent

increase in staff? If so, indicate whether the Department is requesting additional funding for FY 2016-17 to address it.

At this point the Department is not asking for additional resources. Should the trends experienced in the first year of implementation continue to affect staff workload, future budget requests may be submitted.

4. If the Department receives federal funds of any type, please provide a detailed description of any federal sanctions for state activities of which the Department is already aware. In addition, please provide a detailed description of any sanctions that MAY be issued against the Department by the federal government during FFY 2015-16.

The Department is not aware of any federal sanctions for FFY 2015-16.

5. Does the Department have any outstanding high priority recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office and dated October 2015 (link below)? What is the department doing to resolve the outstanding high priority recommendations?

The only outstanding audit finding is regarding anhydrous ammonia registration. The Department anticipates this recommendation will be fully implemented when the ag license inspection database is complete.

6. Is the department spending money on public awareness campaigns related to marijuana? How is the department working with other state departments to coordinate the campaigns?

CDA is not spending any money for this purpose.

7. Based on the Department's most recent available record, what is the FTE vacancy rate by department and by division? What is the date of the report?

This information was provided by the Department of Personnel.

8. For FY 2014-15, do any line items in your Department have reversions? If so, which line items, which programs within each line item, and for what amounts (by fund source)? What are the reasons for each reversion? Do you anticipate any reversions in FY 2015-16? If yes, in which programs and line items do you anticipate this reversions occurring? How much and in which fund sources do you anticipate the reversion being?

Based on the letter from OSPB to the Joint Budget Committee on November 30, 2015, CDA is considering this response complete. Should the Committee require additional information, we are pleased to provide it.

9. Are you expecting an increase in federal funding with the passage of the FFY 2015-16 federal

budget? If yes, in which programs and what is the match requirement for each of the programs?

Based on the letter from OSPB to the Joint Budget Committee on November 30, 2015, CDA is considering this response complete. Should the Committee require additional information, we are pleased to provide it.

10. For FY 2014-15, did your department exercise a transfer between lines that is allowable under state statute? If yes, between which line items and programs did this transfer occur? What is the amount of each transfer by fund source between programs and/or line items? Do you anticipate transfers between line items and programs for FY 2015-16? If yes, between which line items/programs and for how much (by fund source)?

Based on the letter from OSPB to the Joint Budget Committee on November 30, 2015, CDA is considering this response complete. Should the Committee require additional information, we are pleased to provide it.



Joint Budget Committee Hearing

January 6, 2016



Mission

To strengthen and advance Colorado's agriculture industry; promote a safe, high quality, and sustainable food supply; and protect consumers, the environment, and natural resources.



Department Budget Priorities

- Secure funding for the Department's Pesticide Program, Inspection and Consumer Services Pesticide Lab, the Hemp Regulatory and Seed Certification Program and the Colorado State Fair.
- The JBC was briefed on the request for 1.0 FTE for the ICS labs to reduce the backlog of samples, and reduce wait times from several weeks or months to 14 days.
- In addition, the Hemp and Seed Certification Program demand continues to grow at an unanticipated rate. Resources are requested for one year, until the program revenues are sufficient to fully support program operations.



Department Budget Priorities

- Budget Amendment Requests
- Pesticide Applicator Inspection and Enforcement Resources
 - \$1.7 million from the Marijuana Tax Cash Fund and 14.0 FTE.
- CDA regulates pesticide distribution and use in the state to prevent adverse effects on the individual and the environment.
- This request is for staff to conduct pesticide applicator inspection, complaint investigation and enforcement, and pesticide education for new pesticide users.
- Projected 489% increase in pesticide inspections for FY 2016-17.
- Increased inspection demand has created a backlog of 200 inspections (normally 30 this time of year).
- Colorado State Fair Funding \$750,000 General Fund.



Agriculture Management Fund

- Department recognizes that its concern about the solvency of the Agriculture Management fund was an overreaction to a lack of information.
- When new information indicated there was no issue with the fund's solvency, actions were taken to notify others of the fund's positive balance.
- Staff turnover coupled with a new financial system and the presence of a CFO who was totally unfamiliar with CORE, led to misinterpretation of account balances.
- CDA continues to take advantage of training and as the new financial system has evolved, information has become more readily available.
- The Department does not engage in different accounting practices than the Department of Treasury.



Colorado State Fair

- The Department believes that the Fair, as a showcase for Agriculture (and other industries) statewide, should receive some level of support from the General Fund to sustain critical educational programs such as 4H and FFA in addition to providing support for the maintenance and operations of the State owned facilities.
- As stated in Governor Hickenlooper's Budget Request for FY 2016-17, "While the State Fair itself is a profitable event, these profits alone cannot sustain the year-round operations of the fairgrounds and its attendant buildings."
- The Colorado State Fair has applied for an annual loan in recent fiscal years to bridge the gap between non-fair time revenues and expenditures.
 - For FY 2014-15, 78.3 percent of non-fair time revenue was obligated to pay the utilities bills at the fairgrounds.



Colorado State Fair

- The Department has recently submitted a Budget Amendment request for \$750,000 General Fund. Approval of this request will reduce the non-fair time cash flow challenges experienced on an annual basis, fund non-fair time operating expenses and allow small improvement projects for the state fairgrounds.
- State Fair Study: The Division plans to implement the recommendations of the study immediately.
- Currently, the study is scheduled to be available on March 1, 2016. The Department is not aware of any preliminary findings at this point, but will work with CDA's JBC analyst as information becomes available.
- The study will provide comparisons of other states.



Biochemistry Lab Request

- Pesticide complaints have increased by 120% since March 2015. Prior to regulating pesticide use on marijuana, CDA received 45 complaints a year.
- When complaints are received, a field inspector or investigator is dispatched to collect samples, normally within 48 hours. Samples are delivered to the lab for analysis.
- The current wait time for analysis is several weeks to several months. CDA is confident that with additional resources for the lab, a 14 day waiting period can be achieved.
- A corresponding Capital Development Committee request for \$860,000 Marijuana Tax Cash Funds for lab equipment has been submitted.



Biochemistry Lab Request

- CDA has sole jurisdiction over enforcement of pesticide use based on the statewide uniformity clause in the Pesticide Applicators' Act.
 - No collaboration with private labs.
 - No municipalities conducting pesticide enforcement.
 - Municipalities can investigate pesticide use under authority of health statutes.
 - City and County of Denver has referred the majority of the complaints received in 2015 to CDA.
 - If other local jurisdictions take an active role in this industry there will likely be more complaints.
- The Department maintains an acceptable use pesticide list, posted on the website.



Industrial Hemp Regulatory and Seed Certification Program

- Budget request is to fund the program for one year until the Industrial Hemp Cash Fund has sufficient revenue.
- The General Assembly, via HB 15-196, allowed for a new matrix for fee setting. Revenue for these fee changes will not be fully realized until FY 2016-17.
- CDA is the only Department involved in the regulation of industrial hemp.
- Collaborating with CSU to certify seeds with less than 0.3% THC content for sale to growers.
- Other universities are researching economic impact, industrial production and cannabis genes.



Industrial Hemp Regulatory and Seed Certification Program

- In 2015 CDA imported our first hemp seed and it was grown on two of CSU's research farms and Adam's State University is growing seed for a research project in the San Luis Valley.
- With the funding received from the General Assembly in 2015, and the resources requested for FY 2015-16 and FY 2016-17, CDA will make significant strides in 2016 and 2017 to establish a seed certification program.
- Implementation of the certified seed program will bring industrial hemp production in line with other traditional agricultural crops giving farmers confidence that the crops planted from certified seed will meet state, federal and international hemp THC guidelines without increased inspection or testing costs.
- Now that production is increasing, CDA will engage the Industrial Hemp Advisory Committee on what they see as needs to promote growth of the industry.



Noxious Weed Management Recommendation

- The Department supports the JBC staff recommendation for legislation.
- Roll-forward spending authority will streamline the process to award and deliver funding to grantees, simplify accounting procedures, reduce the amount of paperwork involved for all parties, and enable the Department to make better and full use of the funds allocated by the General Assembly each year.



Conclusion

- With less than one-tenth of one percent of the State's General Fund appropriations, the Department of Agriculture works to sustain and enhance Colorado's \$40 billion agricultural industry, supports approximately 170,000 jobs, and protects consumers, animals, and the environment.
- Questions/Discussion

**DEPARTMENT OF AGRICULTURE
FY 2016-17 JOINT BUDGET COMMITTEE HEARING AGENDA**

**Wednesday, January 6, 2015
1:30 pm – 3:00 pm**

1:30-1:40 INTRODUCTIONS AND OPENING COMMENTS

1:40-2:00 DEPARTMENT OVERVIEW

1. During the 2015 interim, the Department expressed concern about the financial health of the Agriculture Management Fund (AMF). This concern was later shown to be misplaced, as the AMF is solvent and in good financial standing. Please provide a detailed description of why this concern was raised. What caused the Department to initially express concern regarding the AMF's solvency? Does the Department of Agriculture use different accounting methodologies than the Department of Treasury? What steps has the Department of Agriculture taken to ensure this type of scenario does not occur again?
2. On November 30th the Office of the State Controller reported that OSPB denied the Colorado State Fair Authority's request for a loan from the Department of Treasury, one that the Authority had received in past years. Please provide a detailed description of the impact of this loan denial on the Authority's FY 2015-16 and FY 2016-17 budgets. In regards to prior loans to the Authority, what is the remaining balance (i.e., principal and interest) to be paid off of past loans?
3. In regard to the Colorado State Fair Authority's financial sustainability study currently under way, how does the Authority plan to use the business plans produced by the study? Will preliminary findings be made available to the JBC? Will the study provide comparisons and lessons learned from state fairs in other states? Does the Authority have a timeline for implementation of the study's findings?

2:00-2:20 BIOCHEMISTRY LABORATORY APPROPRIATION REQUEST

4. Considering the current demand for pesticide testing of marijuana crops, what has contributed to the increase in demand for these tests? Does the Department anticipate continued growth in this demand? If so, what are the Department's workload growth projections for pesticide testing of marijuana crops?
5. Please provide a list of the municipalities that conduct pesticide testing of marijuana crops. Is the Biochemistry Laboratory the only state run lab that conducts this testing?
6. Does the Department work in cooperation with commercial and municipal labs conducting the same type tests? How does the Department determine jurisdiction for pesticide testing and misuse investigations?

7. Please provide a list of the approved or recommended pesticides to be used on marijuana crops. Does the Department have an organic certification program for marijuana?

2:20-2:40 INDUSTRIAL HEMP REGULATORY AND SEED CERTIFICATION PROGRAM APPROPRIATION REQUEST

8. Please explain why the Department is requesting an increase in spending authority from the Marijuana Tax Cash Fund and a decrease in spending authority from the Industrial Hemp Registration Program Cash Fund.
9. Please provide a list of all departments that are involved with the Industrial Hemp Regulatory and Seed Certification Program. What are the roles of these departments and what do they contribute to the Program?
10. Is the Department aware of any research and development projects focusing on the use of hemp oil in vehicles? If so, what findings has this research produced?
11. Please provide an overview of the types of research and development projects being conducted in Colorado?
12. Please provide an update on the implementation of the seed certification program. Has the Department identified any opportunities to incentive the growth of the industrial hemp industry, specifically for the growth of in-state hemp processing infrastructure?
13. Please provide an overview of the Canadian industrial hemp industry. What factors have led to its success? Which of those factors could be replicated in Colorado?

2:40-3:00 NOXIOUS WEED MANAGEMENT FUND SPENDING AUTHORITY

14. Does the Department support JBC staff's recommendation for legislation amending the statute authorizing the Noxious Weed Management Fund?

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

1. Provide a list of any legislation that the Department has: (a) not implemented or (b) partially implemented. Explain why the Department has not implemented or has only partially implemented the legislation on this list.
2. Please provide a detailed description of all program hotlines administered by the Department, including:
 - a. The purpose of the hotline;
 - b. Number of FTE allocated to the hotline;
 - c. The line item through which the hotline is funded; and
 - d. All outcome data used to determine the effectiveness of the hotline.
3. Describe the Department's experience with the implementation of the new CORE accounting system.
 - a. How has the implementation improved business processes in the Department?
 - b. What challenges has the Department experienced since implementation and how have they been resolved (i.e. training, processes, reports, payroll)?
 - c. What impact have these challenges had on the Department's access to funding streams?
 - d. How has the implementation of CORE affected staff workload?
 - e. Do you anticipate that CORE implementation will result in the need for a permanent increase in staff? If so, indicate whether the Department is requesting additional funding for FY 2016-17 to address it.
4. If the Department receives federal funds of any type, please provide a detailed description of any federal sanctions for state activities of which the Department is already aware. In addition, please provide a detailed description of any sanctions that MAY be issued against the Department by the federal government during FFY 2015-16.
5. Does the Department have any outstanding high priority recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office and dated October 2015 (link below)? What is the department doing to resolve the outstanding high priority recommendations?

[http://www.leg.state.co.us/OSA/coauditor1.nsf/All/4735187E6B48EDF087257ED0007FE8CA/\\$FILE/1542S%20Annual%20Report.%20Status%20of%20Outstanding%20Audit%20Recommendations.%20As%20of%20June%2030,%202015.%20Informational%20Report.%20October%202015.pdf](http://www.leg.state.co.us/OSA/coauditor1.nsf/All/4735187E6B48EDF087257ED0007FE8CA/$FILE/1542S%20Annual%20Report.%20Status%20of%20Outstanding%20Audit%20Recommendations.%20As%20of%20June%2030,%202015.%20Informational%20Report.%20October%202015.pdf)
6. Is the department spending money on public awareness campaigns related to marijuana? How is the department working with other state departments to coordinate the campaigns?
7. Based on the Department's most recent available record, what is the FTE vacancy rate by department and by division? What is the date of the report?

8. For FY 2014-15, do any line items in your Department have reversions? If so, which line items, which programs within each line item, and for what amounts (by fund source)? What are the reasons for each reversion? Do you anticipate any reversions in FY 2015-16? If yes, in which programs and line items do you anticipate this reversions occurring? How much and in which fund sources do you anticipate the reversion being?
9. Are you expecting an increase in federal funding with the passage of the FFY 2015-16 federal budget? If yes, in which programs and what is the match requirement for each of the programs?
10. For FY 2014-15, did your department exercise a transfer between lines that is allowable under state statute? If yes, between which line items and programs did this transfer occur? What is the amount of each transfer by fund source between programs and/or line items? Do you anticipate transfers between line items and programs for FY 2015-16? If yes, between which line items/programs and for how much (by fund source)?