

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**SUPPLEMENTAL REQUESTS FOR FY 2013-14  
DEPARTMENT OF AGRICULTURE**

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

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## DEPARTMENT OF AGRICULTURE

### Department Overview

The Department of Agriculture regulates, promotes, and supports various agricultural activities throughout Colorado. Department personnel provide a wide range of services including: regulating, inspecting, and licensing agricultural products and practices; conducting investigations and hearings; overseeing the standardization, grading, labeling, handling, and storage of agricultural products; promoting and marketing Colorado’s agricultural products; and agriculture-related policy analysis.

### Summary: FY 2013-14 Appropriation and Recommendation

Department of Agriculture: Recommended Changes for FY 2013-14						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2013-14 Appropriation</b>						
SB 13-230 (Long Bill)	\$42,649,039	\$7,702,600	\$29,176,366	\$1,632,203	\$4,137,870	274.1
Other Legislation	<u>21,205</u>	<u>21,205</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>Current FY 2013-14 Appropriation</b>	<b>\$42,670,244</b>	<b>\$7,723,805</b>	<b>\$29,176,366</b>	<b>\$1,632,203</b>	<b>\$4,137,870</b>	<b>274.1</b>
<b>Recommended Changes</b>						
Current FY 2013-14 Appropriation	\$42,670,244	7,723,805	\$29,176,366	\$1,632,203	\$4,137,870	274.1
S1 Indirect Cost True-Up	0	0	24,000	0	(24,000)	0.0
NP1 Annual Fleet Supplemental True-Up	<u>5,103</u>	<u>2,603</u>	<u>2,449</u>	<u>0</u>	<u>51</u>	<u>0.0</u>
<b>Recommended FY 2013-14 Appropriation</b>	<b>\$42,675,347</b>	<b>\$7,726,408</b>	<b>\$29,202,815</b>	<b>\$1,632,203</b>	<b>\$4,113,921</b>	<b>274.1</b>
<b>Recommended Increase/(Decrease)</b>	<b>\$5,103</b>	<b>\$2,603</b>	<b>\$26,449</b>	<b>\$0</b>	<b>(\$23,949)</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.1%	0.0%	(0.6%)	0.0%
<b>FY 2013-14 Executive Request</b>	<b>\$42,675,347</b>	<b>\$7,726,408</b>	<b>\$29,202,815</b>	<b>\$1,632,203</b>	<b>\$4,113,921</b>	<b>274.1</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

### Request/Recommendation Descriptions

**S1 Indirect Cost True-Up:** The request includes a footnote revision and spending authority adjustments to indirect cost assessment line items in four divisions to allow accurate collection of indirect costs from each program. Staff recommendation is to approve the request.

**NP1 Annual Fleet Supplemental True-Up:** This request includes an adjustment to the Vehicle Lease Payments line item. Staff recommendation is pending Committee approval of common

policy supplementals. *The request item will be addressed in a separate supplemental presentation for the Department of Personnel.*

## Prioritized Supplemental Requests

### SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #1 INDIRECT COST TRUE-UP

	Request	Recommendation
<b>Total</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
Cash Funds	24,000	24,000
Federal Funds	(24,000)	(24,000)

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of a technical error in calculating the original appropriation and data that was not available when the original appropriation was made.	

**Department Request:** The Department requests a footnote revision and spending authority adjustments to indirect cost assessment line items in four divisions to allow accurate collection of indirect costs from each program and correct a technical error.

**Staff Recommendation:** Staff recommends that the Committee approve the Department's supplemental request.

**Staff Analysis:** Indirect cost assessments are used to charge each division its share of departmental overhead expenses. Initially, the indirect cost rate is set at 11.0 percent for most cash funds in the Department with the exception of those subject to statutory indirect cost caps. The Department then adjusts the indirect cost rate over time to ensure that indirect costs collected from each division equal personal services, operating expenses, and utilities line items. Using actual data from the first part of the fiscal year, the Department has submitted a supplemental request to true-up the spending authority for each division's share of indirect costs and correct a technical error in the initial calculation of indirect costs assessed to the Agricultural Markets division. These corrections will ensure indirect costs collections are accurate.

Line Item	Total Change	Cash Funds	Federal Funds
Commissioner's Office	(\$4,000)	\$0	(\$4,000)
Agricultural Services	74,561	94,561	(\$20,000)
Agricultural Markets	(80,561)	(80,561)	0
Brands	<u>10,000</u>	<u>10,000</u>	<u>0</u>
<b>Net Change</b>	\$0	\$24,000	(\$24,000)

## **Statewide Common Policy Supplemental Requests**

This request is not prioritized and is not analyzed in this packet. The JBC will act on this item later when it makes decisions regarding common policies.

<b>Department's Portion of Statewide Supplemental Request</b>	<b>Total</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reapprop. Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
NP1 Annual Fleet Supplemental True-Up	<u>\$5,103</u>	<u>\$2,603</u>	<u>\$2,449</u>	<u>\$0</u>	<u>\$51</u>	<u>0.0</u>
<b>Department's Total Statewide Supplemental Requests</b>	<b>\$5,103</b>	<b>\$2,603</b>	<b>\$2,449</b>	<b>\$0</b>	<b>\$51</b>	<b>0.0</b>

**Staff Recommendation:** The staff recommendation for this request is pending Committee approval of common policy supplementals. Staff asks permission to include the corresponding appropriations in the Department's supplemental bill if the Committee approves this common policy supplemental. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee later to present the relevant analysis.

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*JBC Staff Supplemental Recommendations - FY 2013-14  
Staff Working Document - Does Not Represent Committee Decision*

**Appendix A: Number Pages**

	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2013-14 Requested Change	FY 2013-14 Rec'd Change	FY 2013-14 Total W/ Rec'd Change
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**DEPARTMENT OF AGRICULTURE  
John Salazar, Commissioner**

**S1 Indirect Cost True-Up**

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

Indirect Cost Assessment	<u>18,300</u>	<u>203,114</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>199,114</u>
Cash Funds	18,300	197,014	0	0	197,014
Federal Funds	0	6,100	(4,000)	(4,000)	2,100

**(2) AGRICULTURAL SERVICES DIVISION**

Indirect Cost Assessment	<u>578,597</u>	<u>813,363</u>	<u>74,561</u>	<u>74,561</u>	<u>887,924</u>
Cash Funds	427,372	603,733	94,561	94,561	698,294
Federal Funds	151,225	209,630	(20,000)	(20,000)	189,630

**(3) AGRICULTURAL MARKETS DIVISION**

**(A) Agricultural Markets**

Indirect Cost Assessment	<u>12,842</u>	<u>114,831</u>	<u>(80,561)</u>	<u>(80,561)</u>	<u>34,270</u>
Cash Funds	9,150	110,561	(80,561)	(80,561)	30,000
Federal Funds	3,692	4,270	0	0	4,270

**(4) BRAND BOARD**

Indirect Cost Assessment	<u>136,838</u>	<u>164,731</u>	<u>10,000</u>	<u>10,000</u>	<u>174,731</u>
Cash Funds	136,838	164,731	10,000	10,000	174,731

***JBC Staff Supplemental Recommendations - FY 2013-14***  
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	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Appropriation</b>	<b>FY 2013-14 Requested Change</b>	<b>FY 2013-14 Rec'd Change</b>	<b>FY 2013-14 Total W/ Rec'd Change</b>
<b>Total for S1 Indirect Cost True-Up</b>	746,577	1,296,039	0	0	1,296,039
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	591,660	1,076,039	24,000	24,000	1,100,039
Federal Funds	154,917	220,000	(24,000)	(24,000)	196,000
<b>Totals Excluding Pending Items</b>					
<b>AGRICULTURE</b>					
<b>TOTALS for ALL Departmental line items</b>	39,399,710	42,670,244	0	0	42,670,244
<i>FTE</i>	<u>275.7</u>	<u>274.1</u>	<u>0.0</u>	<u>0.0</u>	<u>274.1</u>
General Fund	6,791,973	7,723,805	0	0	7,723,805
Cash Funds	26,206,679	29,176,366	24,000	24,000	29,200,366
Reappropriated Funds	955,219	1,632,203	0	0	1,632,203
Federal Funds	5,445,839	4,137,870	(24,000)	(24,000)	4,113,870