

DEPARTMENT OF AGRICULTURE  
FY 2023-24 JOINT BUDGET COMMITTEE HEARING AGENDA

Monday, December 5, 2022  
4:00 pm – 5:00 pm

**4:00-4:10 INTRODUCTIONS AND OPENING COMMENTS**

Presenter: Kate Greenberg, Commissioner

Supporting Presenters:

- Jen Hughes, Chief Financial Officer

**4:10-4:15 COMMON QUESTIONS**

Main Presenters:

- Jenifer Gurr, Chief Administrative Officer
- Jen Hughes, Chief Financial Officer

Topics:

- Department Rule Promulgation in the Past Year: Page 1-2, Question 2 in the packet, Slide 6
- Regarding the Fiscal Impact of Implementing the Provisions of the Partnership Agreement, Pages 2-3, Question 4 , No Slide

**4:15-4:25 ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS**

Main Presenters:

- Hollis Glenn, Deputy Commissioner of Operations

Supporting Presenters:

- Jen Hughes, Chief Financial Officer

Topics:

- Implementation Plan for New Programs from One-Time Stimulus Funding: Page 1, Question 1 in the packet, Slides 7-9
- Regarding the Temporary FTE has the department been appropriated funding in each of the following fiscal years: FY 2019-20, FY 2020-21, FY 2021-22: Page 2, Question 3 in the packet, No slide
- H.B. 22-1380 Critical Services for Low-income Households: Page 3, Question 5 in the packet, Slide 8

**4:25-4:35 R1 – CLIMATE DROUGHT-SMART AGRICULTURE MARKETING SPECIALIST**

Main Presenters:

- Jordan Beezley, Deputy Commissioner of External Affairs

Supporting Presenters:

- Jen Hughes, Chief Financial Officer (technical questions)

Topics:

- Climate Drought-Smart Agriculture Marketing Specialist FTE Request: Pages 3-4, Questions 6-7 in the packet, Slide 11
- S.B. 21-235: Stimulus Funding Department of Agricultural Efficiency Programs (Soil Health): Page 4, Questions 6-7 in the packet, Slide 10

**4:35-4:45 R2 – COMMISSIONER’S OFFICE SUPPORT**

Main Presenters:

- Kate Greenberg, Commissioner

Supporting Presenters:

- Jen Hughes, Chief Financial Officer (technical questions)

Topics:

- Deputy Commissioner of Operations FTE Request: Pages 4-6, Questions 8-11 in the packet, Slide 11

**4:45- 4:50 R4 - INSECTARY LAB TECHNICIAN**

Main Presenters:

- Jordan Beezley, Deputy Commissioner of External Affairs or Jen

Supporting Presenters:

- Jen Hughes, Chief Financial Officer (technical questions)

Topics:

- Insectary Lab Technician and CSU Extension: Page 6, Question 12 in the packet, Slide 12

**4:50-5:00 R6 – ANIMAL HEALTH AND WELFARE**

Main Presenters:

- Hollis Glenn, Deputy Commissioner of Operations

Supporting Presenters:

- Jen Hughes, Chief Financial Officer (technical questions)

Topics:

- Bureau of Animal Protection FTE Request, Social and Mental Health Contractor Funding, and Operational Funding: Slide 13

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COMMON QUESTIONS FOR DISCUSSION AT DEPARTMENT HEARINGS

- 1. Please describe the implementation plan for new programs added to the Department from one-time stimulus funds (such as the CARES Act, ARPA, and one-time General Fund), as well as any challenges or delays to program implementation.**

CDA received one-time General Funds of \$46M for various programs (Colorado Proud, ag events/State Fair, energy efficiency, soil health), and \$30 million in revolving funds for the Colorado Ag Future Loan Program. The Colorado Ag Future Loan program has expended \$722,000 with an additional \$3.2 million encumbered in direct grants as well as loaned out \$9 million to loan applicants with \$12.5 million encumbered to First Southwest bank. The Department developed spending plans at the start of each program and continues to follow those plans as the programs begin to close. As of October 31, CDA is on track to complete the state stimulus projects by the various deadlines. In total, 89.65% of state stimulus from 2021 has been spent or encumbered. CDA achieved or exceeded the project output measures for most of these programs.

Last year the Department received \$14.7M in funding from ARPA-SLFRF for the new Community Access Food Program (\$8 million) and capital construction for the State Fair (\$6.7 million). For these two programs, staff, division directors, the recovery officer, and CFO meet bi-weekly for weekly status checks. In addition, high-level stimulus check-ins are held monthly with Senior Leadership. The Recovery Officer provides monthly stimulus reports on matrices and spending to the Governor's Office.

The Department is in the planning and preparation phase for the two programs that received ARPA-SLFRF funding during the last legislation. This funding must be encumbered by 12/30/2024. While it is early, CDA is working on hiring staff and scoping out the project to further develop an implementation plan. Spending for those two programs is on track to be completed by 6/30/2025.

- 2. Please identify how many rules you have promulgated in the past year (FY 2021-22). With respect to these rules, have you done any cost-benefit analyses pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analyses pursuant to Section 24-4-103 (4.5), C.R.S., or any other**

similar analysis? Have you conducted a cost-benefit analysis of the Department's rules as a whole? If so, please provide an overview of each analysis.

CDA promulgated 16 rules in FY 2021-22. No cost-benefit, regulatory, or similar analyses were conducted on these rules.

CDA has not conducted a cost-benefit analysis of the Department's rules as a whole.

The Department's 2022 Regulatory Report and 2023 Regulatory Agenda can be accessed at <https://drive.google.com/file/d/1KqKj2eTMRjJae47uWh5dGfOACm0pFEb/view>

- 3. [Rankin] For how many temporary FTE has the department been appropriated funding in each of the following fiscal years: FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23? For how many of the temporary FTE was the appropriation made in the Long Bill? In other legislation? Please indicate the amount of funding that was appropriated. What is the department's strategy related to ensuring the short term nature of these positions? Does the department intend to make the positions permanent in the future?**

The Department is unable to provide temporary FTE counts. Temporary FTE are not included in the statutory definition of FTE pursuant to Section 24-75-112(1)(d)(II), C.R.S. which states that FTE does not include contractual, temporary, or permanent season positions. The department has provided as part of the November 1 request the Schedule 14A and 14B which provides actual expenditures. For the upcoming years, the department manages the dollar appropriation which has been affirmed by two Supreme Court cases (Colorado GA vs Owens and Anderson v Lamm).

- 4. [ZENZINGER] PLEASE PROVIDE A DESCRIPTION, CALCULATION, AND THE ASSUMPTIONS FOR THE FISCAL IMPACT OF IMPLEMENTING THE PROVISIONS OF THE PARTNERSHIP AGREEMENT, INCLUDING BUT NOT LIMITED TO CHANGES IN ANNUAL LEAVE ACCRUAL, HOLIDAY PAY, AND PAID FAMILY AND MEDICAL LEAVE. IF YOUR DEPARTMENT INCLUDES EMPLOYEES WHO ARE EXEMPT FROM THE PARTNERSHIP AGREEMENT, PLEASE INDICATE WHETHER OR NOT YOU INTEND TO IMPLEMENT SIMILAR BENEFIT CHANGES AS THOSE REQUIRED FOR COVERED EMPLOYEES. PLEASE PROVIDE A BREAKDOWN OF THE FISCAL IMPACT OF IMPLEMENTING THE PROVISIONS OF THE PARTNERSHIP AGREEMENT FOR: A) EMPLOYEES WHO ARE SUBJECT TO THE AGREEMENT, AND B) EMPLOYEES WHO ARE EXEMPT FROM THE AGREEMENT.**

The cost to departments for employees using the paid family medical leave was requested and approved last year (DPA FY 2022-23 R-02). For FY 2023-24 the cost is part of the POTS appropriation called Temporary Employees Related to Authorized Leave. The adjustment to annual leave and the additional holiday, as noted in the fiscal note for the bill (S.B. 22-139) were expected to be minimal and if necessary will be addressed through the annual budget process. The Governor's November 1, 2022 budget included funding for the economic articles of the Partnership Agreement, including funding for paid family medical leave. The department is working with OSPB and DPA to submit a January budget amendment if necessary to seek additional adjustments related to the Partnership Agreement. In addition, OSPB will provide the JBC with a breakdown of the fiscal impact of implementing the Partnership Agreement by department.

## **ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS**

5. *[Sen. Bridges]* Please provide an update on the Department's implementation of H.B. 22-1380 (Critical Services for Low-income Households).

Since the passage of H.B.22-1380, CDA has focused on the preparation and pre-work necessary to implement the new Community Food Access Program. This includes conducting a legal analysis of the statutory requirements, building relationships with food systems non-profits, and hiring staff. In addition, the CDA Recovery Officer successfully submitted the necessary documents to receive approval from OSC, OEDIT, and OSPB for this program. This approval makes sure CDA is in compliance with the Federal requirements for ARPA-SLFRF funding. We completed an ARPA-SLFRF third-party audit assessment, receiving a "low risk" rating for this program.

The Community Food Access Program Manager started in early November. We are currently in the process of hiring a Senior Program Manager and Purchasing Agent to assist with this program. Both positions will start in January. CDA staff has also scoped out the implementation plan for the Consortium and grant program. Our goal is to go live with Consortium in early 2023 and begin accepting grant applications on May 1 after a robust awareness campaign in February and March.

Currently, CDA is developing three stakeholder workshops through a partnership with a non-profit organization. These workshops will consist of an overview of the program rollout and several focus group discussions on how CDA can develop this program to be responsive and effective in various urban and rural communities. The feedback we receive from the focus groups will form the basis of the Community Food Access strategic plan for outreach, including partnerships with nonprofit organizations and local governments.

## **R1 CLIMATE DROUGHT-SMART AGRICULTURE MARKETING SPECIALIST**

6. *[Sen. Kirkmeyer]* Where are the farms participating in the Colorado STAR program located, what is their acreage, and what are they producing?

Currently, the STAR and STAR plus programs have 146 enrolled participants, totaling 24,288 acres. The geographic distribution includes representation from all four corners of the state and includes; Adams, Alamosa, Arapahoe, Bent, Boulder, Chaffee, Cheyenne,

Crowley, Conejos, Delta, Dolores, Eagle, Elbert, Fremont, Garfield, Grand, Huerfano, Kit Carson, Las Animas, La Plata, Lake, Larimer, Logan, Mesa, Montezuma, Montrose, Moffat, Otero, Pitkin, Phillips, Prowers, Routt, Rio Blanco, Sedgwick, Weld, and Yuma. Producers have enrolled both grazing lands, where they practice rotational grazing, and croplands, growing commodities such as grains, legumes, potatoes, and specialty row crops. Popular soil health practices on croplands include reduced-till, no-till, rotational grazing and cover cropping.

7. *[Sen. Bridges]* Does the Department collaborate or interact with Colorado State University's agriculture program on any climate and drought-smart commodities programs?

The Department has a long and beneficial relationship with Colorado State University (CSU) and is excited to expand our collaboration as our climate and drought-smart programs expand. The Department works closely with CSU's Department of Crop and Soil Sciences, CSU Extension, and CSU Agricultural Experiment Station. The intent of the partnership is to help inform climate-smart strategies with the best available science, and to have CSU focus research on questions that directly benefit Colorado producers. The Department's recently awarded \$25 million USDA Climate Smart Commodities grant includes a sub-award to CSU for \$6.7M to advance research on greenhouse gas emissions, carbon sequestration, soil health, and water conservation.

This grant also includes funding for CSU's Department of Sociology to study the best strategies for reaching producers and expanding the adoption of climate and drought-smart practices. Our team has also worked with economists at CSU to develop a cost estimation tool for farmers and ranchers who are interested in implementing climate and drought-smart practices.

The Department also supports CSU extension agents, so they are able to provide technical assistance to producers enrolled in the Saving Tomorrow's Agricultural Resources (STAR) Plus program. STAR Plus is a soil health program that facilitates capacity building by providing matching funds towards the cost of soil health projects and activities.

This partnership with CSU is critical to the success of the climate and drought-smart marketing position. The scientific research and technical assistance provided by CSU is the foundation necessary for developing and legitimizing the market opportunities that the position will be pursuing for Colorado's farmers and ranchers. This close partnership is critical to our success in these efforts.

## **R2 COMMISSIONER'S OFFICE SUPPORT**

*Sen. Bridges]* Please provide answers to the questions posed by JBC staff in the Points to Consider section of the R2 briefing issue:

**8. Why did the Department create the new Deputy Commissioner of Operations position before approaching the General Assembly?**

The Department identified an urgent need to provide proper oversight and guidance to new projects and programs resulting from an unprecedented amount of legislation, executive orders, and additional funding provided over the last several years. The Department has sufficient vacancy savings to pay the salary for this position through this fiscal year. Funding for this position was not specifically requested as part of the Fiscal Note for legislation that created the new programs as each bill's additional executive management needs could be absorbed individually, but cumulatively, they cannot. Due to the urgent need for support and the ability to temporarily fund this position, the Department decided to hire this position and request ongoing funding through the normal budget process instead of requesting a supplemental or emergency supplemental. The department was conscious of not creating a long-term liability for the general assembly and hired this position as an SES position that is contingent on funding remaining available.

- 9. Does the Deputy Commissioner position need to be entirely funded by General Fund?**
- Are cash funds from the Agriculture Management Fund or federal funds available to cover parts or all of the Deputy Commissioner's salary?

The Department considered all funding options when submitting this request and ultimately believes that General Funds are the appropriate source. This evaluation included a review of our existing General Fund appropriations, and it was determined that we could reallocate some of our existing GF appropriations to offset a portion of this request. The additional workload that resulted in the Department identifying the need for this position is a result of new legislation passed by the General Assembly or required through executive order, thus it would not be appropriate to require fee payers in existing programs to fund this position. Additionally, the Agriculture Management Fund, which is funded via interest earned from the Unclaimed Property Tourism Trust Fund, has experienced varying levels of revenue since FY 2014-15. This fund has seen a revenue decline as low as 35% in FY 2016-17. While there was a large increase in FY 2017-18, the fund has seen an average decline of 7% since FY 2018-19. This instability can create a challenge when obligating additional expenditures. Federal funds are very specific in nature and are typically utilized for federal programs rather than state programs. Given that this position oversees the entire Department, expenditures should not be allocated to federal funding. Most recently, we did receive 3.0 FTE from State and Local Fiscal Recovery Funds (SLFRF) for the Community Food Access Program, but those FTE will be used specifically for programmatic duties that will run the program. The Deputy Commissioner will offer oversight and strategic direction that ties into the overall vision of the department.

- 10. How will the filling of currently vacant positions to administer new programs impact the Deputy Commissioner's workload? What positions related to these new programs are currently vacant?**

Currently, there are a number of vacant positions associated with large programs that are being implemented, however many of the smaller programs or projects do not have dedicated FTE. The Deputy Commissioner of Operations position has been focused on establishing these programs by overseeing the initial scoping and planning required to provide a guide to the new hires who have not been a part of the program development process. The strategic oversight will remain while the new hires take on the program management as implementation moves forward. Currently, the Department is in the process of hiring a Senior Program Manager, a Deputy Director in Conservation/Climate Resilience Roadmap Specialist, as well as Regional Assistant Commissioners. When these additional positions are filled, the Deputy Commissioner of Operations will continue to have a role in providing guidance to these initiatives.

**11. Will the Deputy Commissioner of Operations position continue to be needed after the new programs passed during the 2021 and 2022 legislative sessions have been implemented?**

Yes, as part of the ongoing restructuring of the Commissioner's Office, the Deputy Commissioner of Operations is taking on more responsibility for the day-to-day management of the Department that will be needed beyond when the legislation has been implemented. Many of these responsibilities were previously assigned to the Deputy Commissioner role, which, as part of the reorganization, has been converted into four part-time Regional Assistant Commissioners who are responsible for bridging the gap between the department and our agricultural communities. These term-limited roles will serve as a liaison for the Colorado Department of Agriculture, while giving the agriculture community a greater voice in the Department's actions. In addition, these positions will bolster our communication with both rural and underserved communities.

#### **R4 INSECTARY LAB TECHNICIAN**

**12. [Sen. Kirkmeyer] Does the Department's request for funding for 1.0 FTE for the Request-a-Bug service at the Palisade Insectary duplicate any services currently provided by Colorado State University's Agricultural extension program?**

The Biological Control Program at the Palisade Insectary complements work done by CSU's extension programs, however, unlike the Request-a-Bug program, CSU extension does not provide biological control agents and does not provide some of the finer details concerning their use in the field. In fact, the Palisade insectary is one of a few options in the nation that provide this service; it is currently doing so without a dedicated FTE. The Department works with CSU Extension whenever possible in order to provide biological control as an option to Colorado agricultural producers but does not duplicate services. The Request-a-Bug service allows end users to acquire biocontrol agents directly through CDA, while CSU extension provides a bigger picture analysis of pest control that may include biocontrol, but they don't have the resources or mission to provide biocontrol agents on a routine basis.





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# Joint Budget Committee Hearing



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## MISSION

OUR MISSION IS TO STRENGTHEN AND ADVANCE COLORADO AGRICULTURE; PROMOTE A SAFE AND HIGH-QUALITY FOOD SUPPLY; PROTECT CONSUMERS; AND FOSTER RESPONSIBLE STEWARDSHIP OF THE ENVIRONMENT AND NATURAL RESOURCES.


## VISION

OUR VISION IS THAT COLORADO AGRICULTURE BE STRONG AND VIBRANT, A KEY DRIVER OF THE STATE'S ECONOMY, AND RECOGNIZED WORLDWIDE FOR ITS SAFE AND ABUNDANT SUPPLY OF HIGH-QUALITY FOOD AND AGRICULTURE PRODUCTS.

## FY23 WILDLY IMPORTANT GOALS

Every day we engage in a full range of work and operational priorities to support Colorado producers, so what are wildly important goals (WIG)? These goals unify our team's vision and require special attention and resources.

- BUILDING ECONOMIC AND SUPPLY CHAIN RESILIENCE**  
Support economic and supply chain resilience in the agriculture industry, by creating or supporting 100 new business opportunities.
- ADVANCING FARMER AND RANCHER-LED STEWARDSHIP**  
Enhance agricultural resilience, productivity, and economic opportunity through increased participation in CDA's voluntary conservation programs, reducing CO2 emissions by an additional 5,000 tons per year.
- SUPPORTING THE NEXT GENERATION IN AGRICULTURE**  
Provide training and financial opportunities to 200 next-generation agricultural leaders and producers to enhance their skills or provide them access to farmland, equipment, and new technologies.
- PROMOTING ANIMAL HEALTH AND WELFARE**  
Provide direct assistance and education to 3,000 veterinarians, shelters, rescues, law enforcement agencies, and ranchers to advance animal health and welfare.



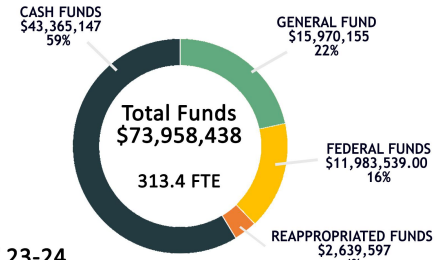
## Budget Requests

- R-1 Climate & Drought Smart Agriculture Marketing Specialist**
  - \$245,831 General Fund, and 0.92 FTE.
- R-2 Commissioner's Office Support**
  - \$156,848 General Fund and .92 FTE
- R-3 Fruit and Vegetable Adjustments**
  - \$10,000 General Fund
- R-4 Insectary Lab Technician**
  - \$71,023 from the Plant Health, Pest Control, and Environmental Protection Cash Fund and 1.0 FTE
- R-5 Inspection and Consumer Services Funds Adjustments**
  - \$300,000 reduction in General Fund & \$300,000 increase in Cash Fund spending authority from the Inspection and Consumer Services Cash Fund
- R-6 Animal Health and Welfare**
  - \$238,505 General Fund and .92 FTE

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## FY 2023-24 Request

- Overall increase of \$2.4M Funds, \$1.2M General Fund
  - \$1.7M Annualizations and base adjustments
  - \$722k Decision Items



**FY 23-24 Agency Budget**

**CASH FUNDS** \$43,365,147 (59%)

**GENERAL FUND** \$15,970,155 (22%)

**FEDERAL FUNDS** \$11,983,539.00 (16%)

**REAPPROPRIATED FUNDS** \$2,639,597 (4%)

**Total Funds** \$73,958,438  
**313.4 FTE**

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## Rulemaking and Stimulus Funding



## Rulemaking

- CDA promulgated 16 rules in FY 2021-22. No cost-benefit, regulatory, or similar analyses were conducted on these rules.
- CDA has not conducted a cost-benefit analysis of the Department's rules as a whole.

## State Stimulus Funds

- Total of \$76 Million in State Stimulus funds
- 89.65% spent or encumbered
  - Colorado Proud, Ag Events/State Fair, Energy Efficiency, Soil Health
  - Including \$30 million for the revolving Colorado Ag Future Loan Program
    - \$722,000 direct grants, with \$3.2 million encumbered
    - \$9,000,000 active loans, \$12.5 million encumbered to First Southwest Bank

## ARPA-SLFRF Stimulus Funds

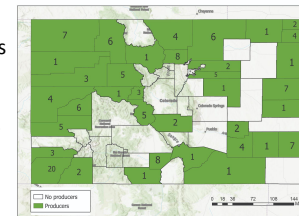
- \$14.7M in funding from ARPA-SLFRF
  - Community Access Food Program (\$8M)
    - CDA can provide grants of up to \$25K to small retailers and producers to increase access to healthy food in rural and urban communities
      - This includes \$770K to cover all indirect and direct expenses
      - The program will finish issuing grants by 6/30/2025
    - CDA hired a program manager in November, and is in the hiring process for a grant specialist, supporting senior program manager, and purchasing agent
    - CDA has also conducted a legal analysis, coordinated with partner agencies, developed an in depth scoping guide, and established relationships with food systems non-profit's in order to begin stakeholder workshops

## ARPA-SLFRF Stimulus Funds continued

- Capital construction for the State Fair (\$6.7M)
  - \$5.3M to replace the roof, HVAC, and windows at the Palace of Agriculture
  - \$1.4M for fire sprinkler installation and code upgrades for the 4-H complex
  - Establishing a project manager, work to begin in 2023
  - Projects completed by 6/30/25

## R1 - Climate-Smart Ag Marketing

- STAR and STAR+ pilot program have 146 enrolled participants, totalling 24,288 acres
- Collaboration with CSU Dept of Soil & Crop Sciences and Dept of Sociology, CSU Extension, CSU Agricultural Experiment Stations, OEDIT, Conservation Districts, Non-Profits, Ag Associations and Commodity Groups
- Participation includes grazing lands, where they practice rotational grazing, and croplands, growing commodities such as grains, legumes, potatoes, and specialty row crops



## R2 - Commissioner's Office Support

- Increasing workload and scope
  - 32 new projects, new focus areas including food access and labor issues
- Reimagining stakeholder and community support
- Creating effective internal management and oversight
- Bridging the gap between the department and our agricultural communities

## R4 - Insectary Lab Technician

- Request-A-Bug is a service that involves collection and distribution of biocontrols (insects or pathogens) to suppress noxious weeds and insect pests
- The Palisade Insectary complements the work of CSU Extension
- CSU Extension does not provide live biological control agents
- Biological control is a sustainable approach to pest management

## R6 - Animal Health and Welfare

- Increased outreach has led to a 57% increase in BAP caseload, on average CDA has only been able to assign investigators to 41% of total cases
- 53% of all cases involve backyard livestock scenarios which CDA cannot assign to non-profit BAP agents
- Over the past several years, Colorado endured two of the largest animal disease events in its history
  - 2019, the largest outbreak in the nation of Vesicular Stomatitis Virus
  - 2022, the first CO outbreak of Highly Pathogenic Avian Influenza (HPAI)
- CDA is preparing for new animal disease events such as African Swine Fever



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## Questions?

The best images of Colorado agriculture come from those who work in ag and those who celebrate ag. For more than 20 years, the Department of Agriculture has widely shared images submitted by photographers of all skill levels through our annual photo contest.

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