

DEPARTMENT OF AGRICULTURE
FY 2024-25 JOINT BUDGET COMMITTEE HEARING AGENDA

Wednesday, December 6, 2023

1:30 – 2:30 pm

1:30-1:35 INTRODUCTIONS AND OPENING COMMENTS

Presenter: Kate Greenberg, Commissioner of Agriculture

Supporting Presenters:

- Jordan Beezley, Deputy Commissioner of External Affairs
- Jennifer Hughes, Chief Financial Officer and Budget Director

1:35-1:45 COMMON QUESTIONS

Main Presenters:

- Jordan Beezley, Deputy Commissioner of External Affairs
- Jennifer Hughes, Chief Financial Officer and Budget Director

Supporting Presenters:

- Scott Stoller, General Manager and Division Director for the Colorado State Fair

Topics:

- Question 1: Page 1-3, Questions 1 in the packet, Slides 7-8
- Question 2: Page 3-4, Questions 2 in the packet, Slide 9
- Question 3: Page 4, Questions 3 in the packet, Slides N/A

1:45-2:00 NEW CENTERS AND DIVISIONS

Main Presenters:

- Kate Greenberg, Commissioner of Agriculture

Supporting Presenters:

- Jennifer Hughes, Chief Financial Officer and Budget Director
- Rebecca Hill, Extension Professor & Co-Director of the Colorado AgrAbility Project
- Dr. Morgan McCarty, DVM, Assistant State Veterinarian

Topics:

- Division of Animal Welfare (R2): Page 8-11, Questions 7-11 in the packet, Slides 11
- Hemp Center of Excellence (R11): Page 25-29, Questions 31-35 in the packet, Slide 12

2:00-2:05 AGRICULTURAL EMERGENCY MANAGEMENT AND RESILIENCE (R1)

Main Presenters:

- Kate Greenberg, Commissioner of Agriculture
- Dan Frazen, Agriculture Emergency Coordinator

Supporting Presenters:

- Jennifer Hughes, Chief Financial Officer and Budget Director
- Jordan Beezley, Deputy Commissioner of External Affairs

Topics:

- Intersection with Existing Emergency Management and Need for Additional Funding: Page 5-8, Questions 4-6 in the packet, Slides 14

2:05-2:10 RENEWABLE ENERGY ADAPTATION AND DEVELOPMENT (R3)

Main Presenters:

- Kate Greenberg, Commissioner of Agriculture
- Jordan Beezley, Deputy Commissioner of External Affairs

Supporting Presenters:

- Jennifer Hughes, Chief Financial Officer and Budget Director

Topics:

- Funding Options and Relationship with Existing Programs: Pages 11-14, Questions 12-13 in the packet, Slide 16
- Current Program Performance: Page 11-14, Questions 14-16 in the packet, Slide 16

2:10-2:15 OPERATIONAL REQUESTS

Main Presenters:

- Kate Greenberg, Commissioner of Agriculture
- Jordan Beezley, Deputy Commissioner of External Affairs
- Jennifer Hughes, Chief Financial Officer and Budget Director

Topics:

- Operational Cash Fund Increase (R5): Page 14, Questions 18 in the packet, Slide 18
- Theory and Relationship Between Different Requests: Page 17-18, Questions 20 in the packet, Slide 18

2:15-2:25 AGRICULTURAL WORKFORCE AND HEALTH

Main Presenters:

- Kate Greenberg, Commissioner of Agriculture
- Jordan Beezley, Deputy Commissioner of External Affairs

Supporting Presenters:

- Jennifer Hughes, Chief Financial Officer and Budget Director

Topics:

- Next Gen/Ag Leadership Program (R7): Page 18-20, Questions 22-23 in the packet, Slides 20
- Rural Mental and Behavioral Health Grant Program (R8): Page 21-22, Questions 24-26 in the packet, Slide 21
- Workforce Services (R9): Page 22-24, Questions 27-29 in the packet, Slide 22

2:25-2:30 STATE FAIR UPDATE

Main Presenters:

- Kate Greenberg, Commissioner of Agriculture
- Scott Stoller, General Manager and Division Director for the Colorado State Fair

Supporting Presenters:

- Jordan Beezley, Deputy Commissioner of External Affairs

Topics:

- Funding Sources and Local Contribution: Page 15-17, Questions 19 in the packet, Slides 24

JBC Hearing Agenda Questions: Due ASAP, final draft is due 1:30 PM Monday
Reviews by Commissioner Greenberg and the Governor's Office will take place Monday and after that it will be final.

Common Questions:

1. Please describe one-time state and federal stimulus funds that have been allocated to the Department but are not expended as of September, 30, 2023, by bill, budget action, executive action, or other source that allocated funds. The description should include but are not limited to funds that originate from one-time or term-limited General Fund or federal funds originating from the American Rescue Plan Act (ARPA)/State and Local Fiscal Recovery Funds/Revenue Loss Restoration Cash Fund. Please describe the Department's plan to obligate or expend all allocated funds that originate from ARPA by December 2024.

The CDA has two federal stimulus funded programs, Community Food Access and the Colorado State Fair.

Community Food Access Program

Department ARPA funding is predominantly found in the Community Food Access (CFA) program, which is an \$8M grant and Consortium program designed to issue funding to applicants to increase healthy food in low-income, low-access neighborhoods that did not have staff or an existing program structure that could implement this program. As a result, CDA spent the first program year hiring staff and designing the program structure, which came with several challenges to comply with the federal requirements for ARPA funding. CDA's strategic plan has always been to launch the first grant period in the fall of 2023, with a second round in February and a third round in July if needed. The current plan is in line with the original program time frame and was a result of HB22-1380 "Critical Services For Low-income Households."

CDA announced the first round to issue up to \$2.5 million in grants this September. CDA received 170 completed applications in that first round with over \$7M in requests. Awards will be made in December, and \$2.5M should be encumbered by February. Our second round will likely close in April, and we plan to award the remaining grant funds of \$3.5M. The second round of grants should be fully encumbered by August 2024. If needed, a third round will be completed in October 2024 to ensure we encumber any remaining funds by the end of December 2024.

In addition, CDA has completed an RFP process and has contracted with 4 of 8 local nonprofits to conduct outreach and technical assistance. CDA will have the remaining four regional partners under contract by the end of the calendar year. Contracts will cover a year-long period where the contractors will work with grant applicants and awardees on submission and compliance with grant requirements. The total value of the contracts is \$640,000

In addition, CFA staff is working on an RFP for value chain coordination and lower distribution fees (per HB22-1380). This RFP contract will be up to \$930,000, and contract funds will be encumbered by July 2024. Work will span into the calendar year 2025 and be completed and funds spent by December 31, 2025

Colorado State Fair Capital Construction Projects (HB22-1329)

The Colorado State Fair Capital Construction Projects are comprised of two capital construction projects at the Colorado State Fair grounds in Pueblo for controlled maintenance and capital renewal and recapitalization. Specifically:

- \$1,432,425 for fire sprinkler installation and code upgrades for the 4-H complex
- \$5,278,877 to replace the roof, HVAC, and windows at the Palace of Agriculture

Fair staff have project managers and architects on track to make sure the funds are encumbered by 12/31/24. Everyone is very aware of that date and we are modeling our schedule to achieve that, and will ensure the plans stay on track.

Since the fair is waiting on the designs and specifications to be completed, staff doesn't know what kind of supply chain issues they may face. Potential issues could include electrical components as they have been an issue in the past.

2023-041M22 – SLFRF Funded - Fire Sprinkler Installation; Code Upgrades at the 4-H Complex

This project is currently in startup. Fair staff have recently contracted with an architect/engineering firm to begin the schematic design phase. This project will entail the installation of fire suppression systems in the 4-H Auditorium, Dining Hall and the two dormitories as well as some electrical and ADA/code items. Construction is anticipated to begin on this project in the spring 2024.

2023-010P22 – SLFRF Funded – Palace of Agriculture, Roof, HVAC and Window Replacement

This project is currently in startup. Fair staff have recently contracted with an architect/engineering firm to begin the schematic design phase. This project will include a complete roof and HVAC replacement as well as a partial or full window replacement. It will also include some electrical updates to accommodate the new HVAC systems. Construction is anticipated to begin on this project in the spring of 2024.

The department does not have any budget requests that will replace one-time General Fund or ARPA funded programs with ongoing appropriations.

CO Proud Program (SB 21-203 and SB22-227)

The Colorado Department of Agriculture was granted \$2.5M in SB21-203 state stimulus funding for the Colorado Proud program to accomplish the following:

- Strengthen awareness among buyers and consumers of Colorado agriculture; the wide range of products grown, raised, or made in Colorado.
- Provide grants to Colorado businesses
- Provide new opportunities to increase sales globally and help support the growth and resiliency of Colorado food systems.

SB22-227 extended the funding deadline to June 30, 2024. Currently, the program has ~\$129 of unobligated funds as of December 2023, the plan is to fully expend it by the end of the fiscal year on additional marketing campaigns to advertise Colorado farmer's markets during the summer months. The Colorado Proud marketing campaigns typically align with the growing season: spring to fall.

Agriculture Future Loan Program (SB21-248)

SB21-248 granted the department \$30M to provide grants to Colorado producers for infrastructure projects and to create a revolving loan program for farmers and ranchers. The program has ~\$2.4M unobligated as of December 2023, these funds will be used for additional grants, loans, and personnel costs to continue to run the program. In total, the program has over 91% of the funds expended or currently encumbered. This program is continuously appropriated and will continue to reinvest in additional loans as they are repaid.

2. Please provide a description, calculation, and the assumptions for the fiscal impact of implementing compensation provisions of the Partnership Agreement, as well as a qualitative description of any changes to paid annual, medical, holiday or family leave as a result of the Agreement. Please describe any compensation and leave changes for employees exempt from the Agreement if applicable.

Article Description	FY23	FY24	FY25 (Request)	Notes
Salary Survey, Wages, Min Wage (ATB and Movement to New Range Min)	\$628,110	\$1,136,763	N/A	Information obtained from the department Long Bill
Critical Staff Needs	N/A	N/A	N/A	N/A
Step Pay & 3% ATB	N/A	N/A	\$2,940,059	Amount is from the Total Comp template provided by DPA

HLD Insurance	Centralized Response	Centralized Response	Centralized Response	Centralized Response
Steward Costs	N/A	N/A	N/A	CDA currently does not incur steward costs
Equity Office	DPA to Respond	DPA to Respond	DPA to Respond	DPA to Respond
CSEAP	DPA to Respond	DPA to Respond	DPA to Respond	DPA to Respond
Tuition	DPA to Respond	DPA to Respond	DPA to Respond	DPA to Respond
Parking/Transit/Commuter	DPA to Respond	DPA to Respond	DPA to Respond	DPA to Respond
Payroll Modernization	Centralized Response	Centralized Response	Centralized Response	Centralized Response
Holiday Pay	\$3,991	TBD	TBD	Holiday Pay is typically for inspectors that work within the department. These employees are paid hourly. For instance, inspectors within the Fruit & Vegetable division still need to conduct mandatory inspections in order for producers to move their product.
Leave Accrual Maximums	\$228,509	TBD	TBD	Estimate is based off of the year over year change of the average annual leave accruals x the average wage rate.
Paid Family Medical Leave	\$79,416	TBD	TBD	This data is derived from PFML hours taken per employee x the wage rate of the employee

3. Provide a prioritized list of budget reductions the Department would propose if 10.0 percent General Fund appropriation reductions were required of every Department.

We appreciate the question and the desire to partner with the Department on identifying reductions. On November 1st the Governor submitted a balanced budget that provided decision items for increases and reductions that we spent over a half a year to identify and prioritize across the entire Executive Branch. The proposed budget is balanced, maintains a reserve of 15%, and does not require a 10.0 percent reduction in the General Fund to balance. If the economic conditions change the Governor will take actions to propose reduced expenditures and submit a plan to address the shortfall to the General Assembly. If the Joint Budget Committee wants feedback on specific reduction proposals, we welcome the opportunity to work with JBC staff on estimating the impacts and tradeoffs of those proposals.

R01

4. [Rep. Bird] Why is this request needed in light of all of the other resources that have been contributed towards emergency response? How is this not duplicative of the items in the Department of Public Safety?

The amount, variety, and severity of emergencies the Department is responding to and supporting responses to has increased - from foreign animal diseases, wildfire, flooding, excessive snow, invasive pests, tornados, and more. We anticipate that with climate change, this work will continue to increase over time. While there have been resources provided to other agencies CDA has primary responsibility for ESF 11 functions for the state supporting the state's second-largest economic driver, 39,000 farms and ranches, and approximately 200,000 jobs.

Smaller, rural counties often have less resources to respond to emergencies, and those are the areas of the state we serve. It is not uncommon for a rural emergency manager to have other duties (e.g., communications supervisor, volunteer fire chief, public works/road & bridge, law enforcement, etc.), which limits emergency planning, response, and recovery capabilities for the jurisdiction.

The new positions will fill roles in the Incident Command System (ICS) for all-hazards and animal disease response. The specialists will be in-house experts with an understanding of ICS and the ability to teach ICS concepts. They will fill key command and general staff positions for animal disease response (Logistics Section Chief, Planning Section Chief, and Safety Officer).

The state is currently deficient with respect to training because it lacks agriculture emergency specialists who can effectively train local emergency managers and agriculture professionals, and/or plan and facilitate disaster exercises involving agriculture in twenty-six (26) rural counties in Colorado; these are counties in five (5) of the ten (10) homeland security service areas. Without the new positions we cannot make CDA's preparedness training regime as effective as it needs to be. This is especially true in rural areas because the state does not currently have resources for all of the smaller, rural counties.

It's important to note that this request was submitted in coordination with and is fully supported by both DPS and the DHSEM.

5. [Sen. Kirkmeyer] How many disaster emergencies has the Department had to respond to and how many animals have they had to take care of? When did those events happen?

Incidents in the past year	Date	CDA Animal Response
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Denver Zoo HPAI	22-Oct	
Weld 06-07 HPAI	22-Dec	2 commercial egg facilities - 1,530,700 depopulated
Sedgwick Blizzard	22-Dec	
Prowers 01 HPAI	22-Dec	12,000 game birds depopulated
Gunnison Mtn HPAI Lions	23-Jan	1 Mountain Lion
Moffat Co Feed Issues	23-Feb	
Gunnison-Delta Hwy 133	23-May	Cattle transportation low to highlands with updates sent to ag associations
Spring Creek Fire	23-Jun	1 cattle herd
Yuma Tornado	23-Aug	
Lowline Fire	23-Jul	10 horses sheltered prepared for 1 cattle herd and 60 sled dogs to be evacuated
St Charles Fire (Pueblo)	23-Oct	Unknown total number of horses and other livestock moved to 2 locations
Bent 01 HPAI 12/2023	23-Dec	4,000 game birds depopulated
Teller County Mag Chloride Yaks		1 yak herd

CDA has a responsibility and has made a commitment to respond to local, regional, and state emergencies that impact agriculture. The current Agriculture Emergency Coordinator communicates and collaborates with local emergency managers, CSU Extension agents, Brand Inspectors, Community Animal Response Teams (CARTs), veterinarians, and the agriculture associations when disasters strike. Large-animal evacuations and commercial agriculture business continuity are priorities during flooding, wildfires, tornadoes and other natural disasters. Feed, forage, and water issues are priorities for severe weather (Drought, Heat, Blizzard). Containment,

biosecurity, farm safety and direct support of the State Veterinarian's Office and Incident Management Team (IMT) are priorities during a foreign animal disease response. Lastly, the Department of Homeland Security's website itself stresses the importance of a strong network, not overly relying on one entity for emergency preparedness "The United States will never be completely impervious to present and emerging threats and hazards across the homeland security mission space. Preparedness is a shared responsibility across federal, state, local, tribal, and territorial governments; the private sector; non-governmental organizations; and the American people."

6. [Sen. Kirkmeyer] Please provide additional detail for why the Department believes that this request is theory informed per S.B. 21-284, including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measures.

“(f) "THEORY-INFORMED PROGRAM OR PRACTICE" MEANS A PROGRAM OR PRACTICE THAT REFLECTS A MODERATE TO LOW OR PROMISING LEVEL OF CONFIDENCE OF EFFECTIVENESS, INEFFECTIVENESS, OR HARMFULNESS AS DETERMINED BY TRACKING AND EVALUATING PERFORMANCE MEASURES INCLUDING PRE- AND POST-INTERVENTION EVALUATION OF PROGRAM OUTCOMES, EVALUATION OF PROGRAM OUTPUTS, IDENTIFICATION AND IMPLEMENTATION OF A THEORY OF CHANGE, OR EQUIVALENT MEASURES.

Emergency management standards of practice have long been studied for their effectiveness, for example FEMA produced this exercise and evaluation program that states can utilize when implementing in their own localities. "Through the use of Homeland Security Exercise and Evaluation Program (HSEEP), the whole community can develop, execute, and evaluate exercises that address the preparedness priorities. These priorities are informed by risk and capability assessments, findings, corrective actions from previous events, and external requirements. These priorities guide the overall direction of an exercise program and the design and development of individual exercises."¹ This is just one example of the validation studies that FEMA has done to assist state and local entities in preparing their state for a proper emergency response team. For this reason and others, CDA believes that developing this emergency network for our rural and agricultural communities is certainly Step 2, theory informed and has had pre and post intervention evaluations conducted at the federal level. It is important to note that CDA is also dedicated to gathering this data and evaluating our own outputs and outcomes. Those submitted on the original budget request include:

- **Outputs being measured:** Events responded to, emergency management training given, disaster exercises facilitated, engagement with local government and ag associations.

¹ <https://www.fema.gov/emergency-managers/national-preparedness/exercises/hseep>

- **Outcomes being measured:** Agriculture community preparedness and resiliency. CDA's communication with the ag communities. Completion of after-action reports with stakeholder surveys

R02

7. [Sen. Kirkmeyer] Why is it efficient to combine two programs when it will cost extra money? Please explain why increasing efficiency costs money.

Decreased enforcement costs: Increasing spending on education and outreach helps the department prevent violations which decreases the need for investigations, discipline, and legal action. We have seen initial success in the PACFA program when increasing education and outreach. The savings and efficiencies are not just seen by CDA and our licensees. The BAP program consists of local law enforcement agents throughout the state. Reducing the number of violations that local officials are responsible for investigating and prosecuting saves money and resources for local governments.

Increasing effectiveness: Dedicated leadership will increase planning, implementation, and evaluation of both programs; ensuring resources are efficiently allocated and that timelines and deliverables are met.

Administrative streamlining: Administrative support will streamline the intake, tracking, and follow-up of complaints allowing our inspectors and investigators to be more efficient and focused on their core responsibilities, and being able to address a greater number of complaints.

8. [Rep. Bird via briefing document questions] Would the request be more appropriately funded with a partial contribution from the Pet Animal Care and Facility Fund, similar to the Department's FY 2020-21 request pertaining to the development of educational materials for the PACFA program?

In 2019, PACFA raised license fees through rulemaking an average of \$100 per license for most pet animal care facilities to cover deficits the program was experiencing related to increases in costs in personal services, fringe benefits, legal fees, and increases in central and indirect costs. Prior to 2019, license fees had only been increased once over the span of almost 20 years. To be fiscally responsible, the PACFA program's cash fund balance runs on small margins and generally brings in just enough revenue to cover expenses each year in an effort to keep license fees low. Many pet animal care facilities under the program run on tight margins themselves. The FY23 net profit was \$174,000 which has been deferred into FY24 to cover increased costs related to the 5% ATB increases and movements to the new range minimum. After conducting an analysis of the possibility to fund two additional FTEs (half of this request), CDA has concluded that the program would need to raise license fees in order to support additional staff. The department believes that an increase in fees would hurt animal care facilities providers by depleting the limited income of these businesses;

therefore the department is requesting General Fund to lessen the financial burden across this industry and safeguard these services across the state.

9. [Rep. Bird via briefing document questions] What is the demand for PACFA's current continuing education courses? Has it changed inspection outcomes or outcomes for animals in facilities?

Effective November 1, 2021, pursuant to PACFA Rule 8 CCR 1202-15, Part 2.5.1, applicants for a PACFA license are required to complete a qualifying education (QE) course and pass a pre-license inspection prior to being approved for a PACFA license. Pursuant to PACFA Rule 8 CCR 1202-15, Part 2.5.2 current PACFA licensees are required to complete a continuing education course every 2 years, with the first course being the qualifying education course. This course must be completed by all PACFA licensed facilities licensed prior to November 1, 2021, by December 31, 2024.

To date, approximately 1,300 PACFA-licensed facilities have completed the QE course. The program anticipates the other 900 licensed facilities to be enrolled and complete the course by December 31, 2024. We enroll them in batches each month. To date, the program has not had any challenges with refusal to complete as it is a requirement to renew their license. If licensees don't complete the QE course their application becomes invalid and they have to reapply and lose their application fee so the incentive is extremely high to complete the QE so they can get licensed.

The program has seen a 43% decrease in the number of follow-up inspections that are required for a facility to pass a pre-license inspection and follow-up inspections have decreased over the last two years allowing inspectors to complete more routine inspections of the facilities assigned to them.

	2020	2021	2022* <i>First full year after QE required</i>
Pre-license inspections	391	402	392
Follow-up on Pre-license Inspections	26	24	15
Percentage of inspections requiring follow-up	6.6%	5.9%	3.8%

10. [Rep. Bird via briefing document questions] Regarding the footnote for the Animal Protection Fund – statute states that the general assembly shall make annual appropriations from the fund to the Department, which appears to contradict the proposed footnote. Please explain why the Department is proposing continuous appropriation of this fund and whether the Department is pursuing legislation that would authorize the continuous appropriation

Currently, it is our understanding that the general assembly will continue to make an annual appropriation for the Animal Protection Fund, however, the goal of requesting continuous spending authority (CSA) is to allow the department flexibility in spending authority related to the sale of animals that exceed the annual spending authority for this specific fund when required by the court. CDA is required to pass through the revenue received from the sale of animals to a designated court, and in some cases, it exceeds the current spending authority of \$15,000. The intent is to pursue legislation to authorize CSA in the department's bill to create the Division of Animal Welfare. If the JBC so desired, it could increase the spending authority in the account which would reduce the chance of a need to expend funds in excess of our statutory authority. This could act as a backup in the event that the legislation providing CSA is not passed.

11. [Sen. Kirkmeyer] Please provide additional detail for why the Department believes that this request is theory informed per S.B. 21-284, including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measures.

The following table shows the information that the program has begun to gather and evaluate and will continue to evaluate in an effort to ensure effective implementation. The Department believes that identifying preconditions for achieving a long term goal is the basis of the outcomes framework and can be understood to be Step 2, theory informed. Establishing outputs and outcomes, and tracking the data throughout the establishment and implementations process leads to better evaluation and achievement of long term goals. It has been a goal of the BAP program to collect more data since the transformation in 2021 and the program has begun to do so, albeit on google spreadsheets. As part of this request, if approved, the BAP will have the added benefit of a case management system/database that will continue to improve the program's data collection.

Program Objective	Establish a Division Of Animal Welfare with top-level and bottom-level support to expand capacity to advance animal welfare
Outputs being measured	<ul style="list-style-type: none"> ● Increase in efficiency in administrative support and response to licensees, law enforcement and public inquiries. ● Expansion of CDA's education and outreach on animal welfare, including the development of educational courses for PACFA licensees and BAP agents. ● Greater direction and leadership support for both programs on daily operations ● Expansion of the BAP and PACFA programs and capacity to increase additional initiatives related to animal welfare.

Outcomes being measured	<ul style="list-style-type: none"> ● Increased collaboration with law enforcement, PACFA facilities and animal owners ● Increased education for BAP agents, PACFA licensees, law enforcement, and the general public ● Expanded capacity to address emerging animal welfare issues
Type and Result of Evaluation	N/A
S.B. 21-284 Evidence Category and Evidence Continuum Level	Theory Informed, Step 2

R03

12. [Rep. Bird/Sen. Bridges] Why is this program not in the Colorado Energy Office? If we are trying to reduce duplication and increase efficiency, it seems like you would put all of the programs where the expertise resides. Please explain why the proposed program structure within the Department of Agriculture makes sense.

The ACRE3 program has been operating at CDA since 2007 and has an extensive legacy of program success and effectiveness. At CDA, the program benefits from agricultural expertise that does not exist at CEO. For example, agrivoltaics hinges on complex relationships with crop and livestock practices that CEO does not have the expertise to address. The solar aspects of agrivoltaics are the simple part, but it is the part that producers don't understand, so the difficult, agricultural aspects tend to be neglected. In CDA's Conservation Services Division, such agricultural practices are at the heart of its services.

CDA and CEO work very closely together on several programs. CDA partnered with CEO on the Agricultural Energy Efficiency initiative from 2015 to 2020 and worked closely with CEO on ACRE3's irrigation hydropower initiative in developing the Colorado Small Hydropower Handbook and the Agricultural Hydropower Technical Manual. CDA and CEO have also partnered on several statewide energy tours to promote Colorado's energy programs, in which CDA's participation indicates the state government's commitment to serve all communities in Colorado.

The agriculture sector features a particular set of market challenges that make it very challenging for energy service providers, utilities, and governments to provide the services offered by the ACRE3 program. For example, most efficiency projects are too small and remote to be profitable for a company that specializes in LED retrofits to complete a project at a dairy or a remote greenhouse.

For another example, pairing solar with irrigation pumping plants should be straightforward, but these projects almost always fail because of quirky true-up policies at all of the Tri-State cooperatives unless the ACRE3 program provides technical assistance to review the economic performance of the project.

The ACRE3 program is fully aligned with the goals of the Conservation Services Division and directly serves CDA's mission to strengthen and advance Colorado agriculture and to foster responsible stewardship of the environment and natural resources. Within CDA, the program benefits from closer relationships and a level of trust and respect with producers, USDA partners, and other stakeholders that are critical to the success of the program and would not be possible within CEO. The program also frequently coordinates with other divisions and programs at CDA in ways that would not be possible at CEO.

13. [Rep. Bird via briefing document questions] After the statutory transfers to the Agriculture Value-Added Cash Fund stopped, what options for additional, ongoing funding has the Department considered? Why did the program not receive additional funding?

There have been several legislative attempts to further fund this program. An attempt to resume funding from severance tax was made during the 2020 legislative session but did not move forward due to the significant and urgent budget cuts that were made at that time. The reality of ongoing revenue constraints from severance tax and obligations to other programs makes this source of funding unreliable going forward. The program did receive one-time state stimulus funding from SB21-235, which continued the program through 2023.

Federal funds are not a solution in themselves as REAP, EQUIP and other programs have significant constraints and matching requirements. State funding is used to match federal funding, thus bringing in more resources to Colorado.

CURRENT PROGRAM PERFORMANCE

14. [Rep. Bird via briefing document questions] What has demand for grant funds looked like compared to available funds?

Under the Agrivoltaics Research and Demonstration program funded in SB 23-092, CDA received 27 requests totalling \$3.6 million for \$500,000 in available funding. CDA awarded the funding to seven projects.

There aren't compatible numbers for ACRE3. Historically, when the demand for ACRE3 program services reaches its limited capacity, the program stops accepting new applications and stops promoting its services until more capacity is available.

15. [Rep. Bird via briefing document questions] How are outgoing grants currently managed, without a dedicated grants manager?

The program manager also acts as the grants manager. As the only FTE for the program, the program manager currently serves every function to operate the program. By creating a new position, CDA will have more capacity to move grants through the process, advertise the program, and track results. In addition to grant funding constraints, staff capacity has been a limiting factor in being able to provide additional support to producers who need technical assistance to leverage state funds to obtain additional federal resources.

16. [Sen. Kirkmeyer] Please provide additional detail for why the Department believes that this request is theory informed per S.B. 21-284, including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measures.

This program is in Step 3 of the Evidence Continuum; the Department has a good understanding of the impact that the existing programs have on pollution reduction and improving agricultural resilience. The Department will continue to measure both the environmental (pollution reduction) impact, the economic impact (funding and energy savings or revenues to farmers), and the societal impact (increased acceptance of renewable energy) of the program.

Program Objective	To increase the voluntary adoption of energy efficiency and renewable energy solutions for Colorado agriculture.
Outputs being measured	Number of projects receiving technical assistance and funding, number of producers receiving technical assistance and funding, amount of federal funding leveraged, number of producers helped apply for federal funding
Outcomes being measured	Estimated energy savings, estimated electricity generated, estimated cost savings, estimated carbon dioxide emissions reductions
Type and Result of Evaluation	N/A
S.B. 21-284 Evidence Category and Evidence Continuum Level	Theory-informed, Step 3

The ACRE3 program utilizes a rigorous process to evaluate the technical and economic performance of every project, including numerous economic, energy, and environmental performance metrics, before the program manager awards any funding to a project. After completion, each project goes through an extensive verification and certification process to document the actual performance metrics that were achieved. The full description of the project

review and awards process comprises five full pages. The ACRE3 process plan was published as part of CDA's Annual Performance Plan from 2015 to 2021. Simple outputs have included the number and types of outreach events and energy projects that were completed. Informational outputs have included the percentage of annual energy savings and energy cost savings achieved, and the percentage of GHG pollution reductions achieved in tons of CO₂e per year for all producers who completed projects.

R04

17. Please provide additional detail for why the Department believes that this request is theory-informed per S.B. 21-284, including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measures.

Program Objective	To maintain and expand market opportunities for Colorado Food and Agriculture Companies
Outputs being measured	Number of producers/companies engaged,
Outcomes being measured	Estimated sales generated, estimated impressions/clicks, number of partnerships
Type and Result of Evaluation	N/A
S.B. 21-284 Evidence Category and Evidence Continuum Level	Theory Informed, Step 2

Future Evidence Collection: The program will continue to measure the outcomes mentioned in the table and the increased funding is expected to show proportional increases in these measures. Because the program's funding goes directly to marketing costs, a causal link to general sales can be established once enough data is collected. Using standard methods, an estimate of impressions/clicks can also be made and be causally linked with increased advertisements and partnerships.

R05

18. [Rep. Taggart] Please provide additional detail on the cash fund balances that are available to support these requests.

The table below provides the actual year end cash balances from FY 2018-19 through FY 2022-23, and the estimated cash balances for FY 2023-24 and FY 2024-25 versus the requested spending authority increase. These cash funds have had healthy cash fund balances at the end of each fiscal year, and are able to support the requested spending authority increase.

Year End Cash Balance per Fund vs Requested Spending Authority Increase									
Fund	Fund Name	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24**	FY2024-25**	Requested Spending Authority Increase
1030	Agricultural Products Inspection Fund	\$345,051	\$281,851	\$360,769	\$469,268	\$326,194	\$436,906	\$590,642	\$316,761
1080*	<i>Brand Inspection Fund (Enterprise)</i>	\$6,365,385	\$4,925,035	\$3,389,250	\$9,276,080	\$9,257,987	\$9,181,844	\$9,105,700	\$645,743
16R0	Inspection and Consumer Services Cash Fund	\$2,394,441	\$2,654,300	\$2,911,779	\$3,051,789	\$2,684,238	\$2,650,055	\$2,569,322	\$351,711
23S0	Plant Health, Pest Control and Environmental Protection Fund	\$2,396,861	\$3,726,717	\$4,970,382	\$5,902,368	\$5,461,001	\$5,204,841	\$4,693,617	\$601,010
5100	<i>State Fair Authority Fund (Enterprise)</i>	\$2,942,608	\$3,872,508	\$9,426,946	\$13,609,147	\$9,298,436	\$11,988,295	\$14,122,250	\$1,259,492

19. [Rep. Taggart/Rep. Bird] Most state fairs do have an entry fee or ticket price. Where does revenue generated from these fees go? Additionally, please provide an overview of all the fund sources that support the fair (e.g., state, local, tickets, gifts, and others). In the Department's response, please ensure to address the local contribution towards the fair.

The Fair generates revenue from gate admission, concert ticket sales, carnival revenue share, food and beverage revenue share, vendor space rental, entry fees, sponsorship, year round facility rentals, as well as a few smaller miscellaneous areas. All of this revenue goes towards the operating budget, which pays for year-round administration and maintenance expenses, Fair programming, seasonal staffing, contractors (entertainment, rodeo, janitorial, etc.), insurance, premiums for competitions, equipment rental, as well as a few other operational costs.

2023-24 State Fair Funding

- \$9,585,247 Cash Funds - Gate admission, ticket sales, etc.
- \$1,000,000 GF
- \$300k MJCTF
- \$400k Unclaimed Property Tourism Promotion Trust Fund
- \$250k from the City of Pueblo
- \$175k from Pueblo County

In 2021 an economic impact study estimated that the Fair generated about \$4.4 million dollars in tax revenue for State and local government through direct and indirect sources, specifically:

- \$2,491,000, state of Colorado
- \$1,536,000, city of Pueblo
- \$344,000, Pueblo county

For additional detail on State Fair revenue and expenditures please see the 2022 Audited financial report [here](#). The 2023 Audited financial report will be finalized after it is released by the Legislative Audit Committee. The unaudited report for 2023 is below.

Colorado State Fair Authority
Comparison of Statement of Revenue and Expenses
For the Period ended June 30, 2023 compared to June 30, 2022
Unaudited

DRAFT

	Period 13 6/30/2023	6/30/2022	Difference
Revenues:			
Gate Admissions	\$ 1,842,153	\$ 1,708,524	\$ 133,629
Carnival	1,139,427	1,122,640	16,787
Concerts	1,143,498	1,248,718	(105,220)
Exhibitors	808,799	815,099	(6,300)
Commercial Space/Exhibitors	1,332,642	1,191,967	140,675
Commercial Sponsorships	626,089	490,414	135,675
Sponsorship in Kind	757,258	750,587	6,671
Miscellaneous Sales	87,956	70,071	17,885
Unclaimed Property	1,506,656	1,042,268	464,388
Rentals	610,852	635,135	(24,283)
City of Pueblo	250,000	215,000	35,000
Pueblo County	189,374	760,626	(571,252)
State Capital Contributions	750,000	750,000	-
State Capital Contributions - 4H/FFA	550,000	550,000	-
State Appropriations for Agriculture Events	-	4,000,000	(4,000,000)
State Contributions	2,518,558	1,998,826	519,732
Foundation Contribution	-	-	-
Ag Management Contribution	400,000	500,000	(100,000)
Total Revenues	\$ 14,513,262	\$ 17,849,875	\$ (3,336,613)
Expense:			
Personnel Costs	\$ 3,222,572	\$ 2,825,409	\$ 397,163
Personnel - Contract	2,232,230	2,178,275	53,955
Advertising/Public Relations	429,871	513,590	(83,719)
Sponsor in Kind	757,258	750,587	6,671
Insurance	2,005	2,603	(598)
Legal	48,284	39,843	8,441
Maint& Repair	679,598	601,555	78,043
Postage	9,674	12,338	(2,664)
Premiums	892,274	905,458	(13,184)
Printing	51,831	48,823	3,008
Rental Exp	210,661	179,206	31,455
Supplies	536,509	398,721	137,788
Travel	156,622	121,928	34,694
Utilities	894,465	763,458	131,007
Other Operating Expense	1,301,056	1,158,612	142,444
Indirect Expenses	146,572	104,546	42,026
Workers Compensation	19,042	8,208	10,834
Risk Management	21,854	16,234	5,620
PERA DD	39,936	41,610	(1,674)
Total Expense	\$ 11,652,314	\$ 10,671,004	\$ 981,310
Net Income/Loss Before Depreciation	\$ 2,860,948	\$ 7,178,871	\$ (4,317,923)
Depreciation	993,378	1,030,027	(36,649)
Net Operating Income/(Loss)	\$ 1,867,570	\$ 6,148,844	\$ (4,281,274)

R06

20. [Sen. Kirkmeyer] Please explain the relationship between requests R6 (indirect cost assessment) and R10 (business operations process improvements). Why weren't these combined?

The indirect cost assessment request better aligns existing staff to the programs they support which are generally funded via cash funds and federal funds. While the business operations process improvements will benefit some of the staff that are part of this realignment; this request identifies a technology solution that will create efficiencies within the Finance and HR teams and is not directly related to the indirect cost realignment.

21. Please provide additional detail for why the Department believes that this request is theory-informed per S.B. 21-284, including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measures.

Evidence Evaluation: The Department believes that this type of data collection and outreach is on Step 2 (“Identify Outputs”) of the Evidence Continuum. Under the S.B. 21-284 definitions, this program would be characterized as “Theory-Informed”

Program Objective	Maintain adequate services within the Commissioner’s Office to Divisions (Business Operations, Human Resources, Communications)
Outputs being measured	<ul style="list-style-type: none"> • Business Operations: Process procurement documents and payments to vendors in a timely fashion. Maintaining divisional program goals for grant funding (300 in Food Accessibility, 35-40 in AWDP) • Human Resources: Maintaining “Time to fill” throughout increased hires • Communications: Issuing press releases in advance of any grant release in both Spanish and English
Outcomes being measured	Support the business needs of the department to facilitate the progress in relation to internal goals.
Type and Result of Evaluation	N/A
S.B. 21-284 Evidence Category and Evidence Continuum Level	Step 2, Theory Informed

R07

22. [Rep. Bird] Please justify why this program should be expanded, and include more detail on the new activities that will be funded through this request as well as existing program results and activities.

Since inception, the AWDP has had more interested applicants than funding available. More recently, CDA has received funding through an interagency agreement with the Colorado Department of Labor and Employment (CDLE), which has provided \$249,017 of funding beginning FY 2022-23 through December 31, 2024. This funding allowed the Department to fund more internships at a higher rate than before, yet it was still not enough to satisfy demand as shown below in comment “b”. The same can be said of the Agriculture Leadership Program in 2022, the Department decided to institute a competitive grant process due to limited available funding, and the desire to assist as many grantees as possible, the program instituted a \$25,000 cap on the award amount. In 21 requests, the total need exceeded \$900,000, the Department’s Agricultural Management Fund along with some additional funding from the IA with CDLE was able to fund 14 requests totaling \$261,000.

a.

Fiscal Year	Number of Applicants Awarded	Number of Interested Applicants	% of Interested Applicants Awarded	Available Funding	Average amount per award
2019	12	37	32.43%	\$40,756	\$3,396
2020	18	24	75.00%	\$59,281	\$3,293
2021	18	45	40.00%	\$89,084	\$3,873
2022	27	63	42.86%	\$105,791	\$4,568
2023	39	64	60.94%	\$170,000	\$4,353

By expanding grant funding for the combined program to \$350,000 (in addition to the AWDP’s existing \$44,000), each program would be able to disperse approximately \$175,000 annually. The Department understands that the state alone cannot address the totality of this need, but also recognizes that with steady funding at \$175,000 annually, the program would be able to fill a steady stream of 40 internships per year, with the average internship awarded at \$4,000. Similarly, with \$175,000 the Agriculture Leadership program would fall short of the needs as submitted through the Department’s most recent grant cycle, however it could fund, at a minimum, seven requests assuming that the maximum grant is capped at \$25,000.

Outcomes: 90% of interns from the 2021 and 2022 seasons reported an intention to continue with a career in agriculture. Department surveys for 2023 will be completed this month. See below for internships offered and other demographic information.

Colorado Counties- Internships Offered		
County	Total Interns	Past Internships Offered
Adams	1	Asian Varieties of Vegetables
Alamosa	3	Incubator Farm Programs
Boulder	19	CSA Farm, Grass Fed Beef, Vegetables, Contact Grazing, Culinary Garden
Delta	2	Fruit and Vegetable Organic Research Center
Denver	7	Urban Ag Non-Profit, Community Farm, Urban Fruit and Vegetable Farm
Eagle	1	Pasture Raised Lamb, Chicken, and Turkey
Fremont	2	
Garfield	1	Diversified Vegetable and Flower
Gunnison	5	Diversified Fruit/Veg, Eggs and Meat, Animals, Herbs, Flowers
Jefferson	1	Non-Profit Farmer Training Program
La Plata	13	Veg/Livestock, Farmer Training Program: Veg, Eggs, Pigs, Incubator, Commercial Cut Flowers, Cows and Sheep
Lake	2	Produce & Plant Starts, Diversified Vegetable Farm
Larimer	6	Veg/Livestock, Wheat & Bean Seed, Cattle Ranching, Irrigated Farming
Mesa	1	
Montezuma	2	Apple Orchard & Veg Farm, Spanish Meat Goats, Fire Mitigator, Seed Stock
Phillips	1	Seedstock
Pueblo	1	
San Miguel	1	
Weld	2	Diversified Vegetables

b.

2022 Intern Applicants Demographics			
Race		Education	
American Indian or Alaskan Native	2	Beginning Farmer or Rancher	19
Asian	0	Enrolled in High School	5
Black or African American	1	Enrolled in College	7
Hispanic or LatinX	3	Enrolled in Adult Education or GED Classes	1
Native Hawaiian and Other Pacific Islander	0	Graduate from a Secondary School, Adult Education Program, College, or Certificate Program within Six Months of Start Date	2
White	25	Total	34
Prefer Not to Say	1		
No Answer	2		
Total	34		
Colorado Resident		Gender	
Yes	28	Male	9
No	6	Female	21
Total	34	Non-Binary	1
		No Answer	3
		Total	34

c.

23. [Sen. Kirkmeyer] Please provide additional detail for why the Department believes that this request is theory informed per S.B. 21-284, including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measures.

The Department believes that identifying preconditions for achieving a long term goal is the basis of the outcomes framework and can be understood to be Step 2, theory informed. Establishing outputs and outcomes, and tracking the data throughout the establishment and implementations process leads to better evaluation and achievement of long term goals

Program Objective	To secure the future of our food and agricultural system in Colorado by training the next generation of agriculturalists
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Outputs being measured	# of successfully completed internships in the AWDP program, # of next gen ag leaders funded to partake in educational opportunities, percentage of loans/grants administered to underserved populations (target 40%)
Outcomes being measured	Long term retention in ag related industries by ex interns
Type and Result of Evaluation	Data collection through charts and spreadsheets with the following: # of funding requests and total amounts, applicant demographic and geographic data, post internship survey assessing experience and impact
S.B. 21-284 Evidence Category and Evidence Continuum Level	Theory Informed, Step 2

R08

24. [Rep. Bird/Sen. Zenzinger] Please provide additional information about the division of responsibilities between the Department of Agriculture and the Behavioral Health Administration (BHA), and the timeline of the proposed transition of this program/these programs to the BHA.

CDA and BHA work closely together on the Agricultural Mental Health Grant Program. For this funding, CDA will manage the grant program, including advertising the program, developing grant materials, lead the review process, and manage grantees once awarded. BHA will act as an advisor, ensuring the program aligns with best practices, participating on the grant review committee, and directing applicants to additional resources as needed. BHA will work to be sure the CDA program complements their existing programs. Both BHA and CDA believe that the CDA program can uniquely reach and meet the needs of agricultural and rural communities.

CDA and BHA will be evaluating the program over the next year to determine the best long-term structure for supporting rural and agricultural communities.

25. [Sen. Kirkmeyer] Please provide additional detail on the specific legislation that created this program and where the money has come from for each year. Also, what is the origin of the “long term goal” to transfer this function to the Behavioral Health Administration.

Year 1 was funded by federal funds from USDA’s National Institute of Food and Agriculture (NIFA) in the amount of \$559,606. The Department had applied for this grant.

Year 2 HB21-1242 created the Agricultural Drought & Climate Resilience Office, including the authority to distribute grants to support “mental health resources, conflict resolution assistance, and

risk-management guidance (CRS 35-1-114). The CO State Legislature provided CDA \$200,000 in FY2023 to distribute mental health grants (Long Bill) under the cited authority we cited in CRS 35-1-114.

CDA, the Governor's Office, and BHA have had several conversations around the long-term goals of this mental health program. Given that this request is for one-year funding, we believe the program should remain at CDA while we evaluate the long-term structure of this programing.

26. [Sen. Kirkmeyer] Please provide additional detail for why the Department believes that this request is theory informed per S.B. 21-284, including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measures.

If funded, this program will be in it's 3rd year at CDA, throughout its short tenure the department has been carefully tracking outcomes. For the first two years of funding, CDA grantees have met or exceeded 100% of their proposed outcomes. The FY23 State program funded four projects, which combined provided

- direct services to 335 Coloradans in rural areas, and
- 1823 hours of increased staff time for mental and behavioral health services providers (over 6 month grant term approximately 1.8 FTE).

In addition, one grantee tracked pre- and post-survey results of their resiliency training course funded by the FY23 Rural Mental Health Grant Program.

- 86% of respondents reported increased Community Support & Connectedness from pre to post;
- 91% of respondents reported increased Family/Emotional Support from pre to post;
- 77% of respondents reported increased Parental Involvement from pre to post;
- 95% of respondents reported increased Family Communication from pre to post;
- 64% of respondents increased Planning & Decision-Making Skills from pre to post;
- 63% of respondents increased their overall perception of harm from substance use from pre to post.

R09

27. [Rep. Bird] Given that this is another program expansion, please provide additional detail on the background and results of this program. Why does it warrant expansion?

In its first year, the program developed agreements with over 10 service providers to create a statewide support system to provide direct services for agricultural employers and employees. In addition, the program served over 600 workers statewide with information on labor rights, support services, access to health, human services, housing, scholarships, USDA grants, loans, training and employment. The program manager was also able to conduct two town halls with over 200 participants including various employers/employees and service providers.

The program also participated in heat stress training with High Plains Intermountain Center for Agricultural Health and Safety and Colorado Fruit and Vegetable Association to analyze determinants of heat in field workers. Interviewed over 55 workers to collect information on social, cultural, and environmental perceptions of heat conditions in the field and helped interpret data of collective groups and key findings.

While the initial program has been very successful with its outreach, in order to reach more of the 39,000 farms and ranches and the several hundred thousand people employed in the agricultural sector there is a need for additional staff resources at CDA. These staff will be able to leverage partnerships with private entities and resources at other state agencies in order to increase the program's impact.

28. [Sen. Zenzinger] Did this request follow on the enactment/implementation of legislation in another department? How does this program relate to efforts in other agencies?

This request is related to changes made in SB21-087, and associated rulemaking largely enacted through CDLE. The changes made in this legislation are the most significant agricultural labor reforms in a generation. Many of the specifics were delegated to CDLE to implement through rulemaking which is still going into effect. These changes are having a significant impact on the operations of Colorado's 39,000 farms and ranches and in the lives of the several hundred thousand people employed in the agricultural sector. CDLE staff received as part of SB21-087 are focused on administration and enforcement, not outreach and technical support. Since the passage of the bill agricultural organizations such as Farm Bureau and RMFU have been struggling to keep up with the demand for education and support. HB22-1308 was also passed creating an Agricultural Workforce Services Program at CDA which is focused on providing technical support. That bill allocated one-time funding and .5 FTE, which combined with the partial FTE funding in SB21-087 allowed CDA to hire its first full time staff working on agricultural labor issues. There are additional existing resources in other agencies such as CDLE's workforce centers that will be leveraged as part of this effort. CDA staff are focused on agriculture specific issues and will be well integrated into the more general programs and services offered by CDLE.

29. [Sen. Kirkmeyer] Please provide additional detail for why the Department believes that this request is theory informed per S.B. 21-284, including pre- and post-intervention evaluation of

program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measures.

While this program is currently in its infancy, with just one FTE onboarded for one year, little data has been collected, however the program conducted a pre-intervention evaluation of the types of outputs and outcomes being measured to achieve its program objectives and believe this could be considered step 2, theory informed due to that work.

Program Objective	Ensure proper working conditions and leverage Colorado's excellence in labor services to meet employer workforce needs.
Outputs being measured	Number of employers provided assistance, number of workers provided assistance, quarterly regional convenings, annual state-wide convening, creation of regional and state-wide plans.
Outcomes being measured	Increased employment in the agriculture sector, increased compliance with labor laws, increased services provided.
Type and Result of Evaluation	Surveys of providers and tracking of assistance provided through the program by the CDA.
S.B. 21-284 Evidence Category and Evidence Continuum Level	Step 2, Theory Informed

R10

30. Please provide additional detail for why the Department believes that this request is theory-informed per S.B. 21-284, including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measures.

This OIT solution has been troubleshoot at other agencies and has been proven effective. Due to this pre-evaluation and the below set of outputs and outcomes the Department intends to evaluate as measures of success led the Department to believe that this request would be step 2, theory informed.

Program Objective	To reduce time spent on administrative tasks related to business operations, accounts payable/receivable, human resources.
Outputs being measured	Improved productivity and efficiency gains Automation of manual processes

	Secured and protected data with robust access control Reduced risk and data mismanagement Adherence to policies, regulations, and compliance rules and guidelines Increased accessibility and visibility
Outcomes being measured	Improved satisfaction from recipients of business operations services
Type and Result of Evaluation	Data collection on reduced errors and time saved through customer service surveys.
S.B. 21-284 Evidence Category and Evidence Continuum Level	Theory Informed, Step 2

R11

31. [Sen. Bridges] What is the vision for this Center? How will this Center of Excellence be substantively different from the Institute at CSU Pueblo? Why do we need a separate “Center of Excellence”?

The focus for the hemp center of Excellence would be on developing varieties that fit the different post-harvest opportunities for industrial use and having lower THC content. CSU Pueblo has a greater focus on marijuana and more specifically on human health. The efforts are complementary, and we look forward to actively aligning our research goals. In addition, CSU Pueblo is a teaching institution, which makes it difficult for the faculty there to have the bandwidth to take on a center with a focus on cutting edge research and securing larger federal and national funding. The researchers at CSU Fort Collins would position the Center of Excellence to leverage large federal funds to allow the center to be sustainable after the period of State funding concludes. In addition, CSU Fort Collins can pull scientists from diverse fields of specializations in the field of agriculture to work in the Center of Excellence.

32. [Rep. Taggart] CSU is already working towards some of this with existing research and work. Why are we not building on that? Why does the Department think that the proposed center will receive gifts, grants, and donations? People are more likely to donate to CSU and research institutions than to this state government entity

The Center of Excellence will be building on the hemp research that CSU Fort Collins is already working on. The Center of Excellence would allow CSU to leverage the \$2.7 million dollars in grants we have received to do hemp work. Currently the hemp work is funded by small, often State level

grants, a Hemp Center of Excellence would allow for better coordination of efforts and the ability to compete for larger grants.

33. [Sen. Bridges] Please discuss hemp's use of water relative to other crops that could come from the same land.

It is questions such as these that outline the need for a Hemp Center of Excellence, there is not certainty about the water needs of hemp in Colorado. Much of the current data that exists for answering this question comes from small or observational studies, or is from other geographical areas that may not be relevant to the climatic conditions in Colorado. The Hemp Center of Excellence would allow for more Colorado level research into this area.

In a CSU observational study, we found that corn irrigation schedules seemed to be appropriate for hemp. Also, in partnership with industry, we have anecdotally heard that hemp for fiber uses less water than barley, making it a good rotation crop for use in the San Luis Valley. In addition, since hemp is a broadleaf crop, it would fit better into a 3 year rotation as opposed to a 2 year rotation, bringing potential additional benefits to potato farmers in the San Luis Valley. A Hemp Center of Excellence would allow for research to test and put actual numbers to hypotheses such as these.

Hemp is a highly adaptable and versatile crop and thrives under various growing conditions. As we need to wait to have more research to validate the claim that hemp uses less water than crops it replaces, some data shows that it uses less water than alfalfa, soy and canola (See table). When hemp acreage was increasing leading up to 2019, alfalfa was the predominant crop it replaced. However, hemp is a regenerative crop that can be used in rotation with other crops for soil remediation.

The following are testimonies of farmers comparing use of irrigation. "Even when he grew hemp using the same industrial style and irrigation techniques he had grown up using, his hemp crop used two-thirds the amount of water his alfalfa fields did. When he planted hemp on drip irrigation, he reduced water usage to just one-quarter the amount alfalfa demanded."-[Western States Hemp Farms](#) Hemp produces a comparable fiber to cotton, with studies suggesting that fiber hemp requires up to 70 % less water during production than cotton (Andre et al., 2016, Mekonnen and Hoekstra, 2011).-[ScienceDirect](#)

33. [Sen. Kirkmeyer] What is the relationship between the Marijuana Tax Cash Fund and the Industrial Hemp Registration Cash Fund? What is the balance in the Industrial Hemp Registration Cash Fund, and for the past five years, what has the annual appropriation/transfer been from the Marijuana Tax Cash Fund to the Industrial Hemp Registration Cash Fund? Is this request for additional funding from the Marijuana Tax Cash Fund in addition to existing funding that the Department already receives from the fund?

The Industrial Hemp Cash Fund has not received money from MTCF. There was also a statement about the two industries not getting along and why MJ would support hemp. This is an opportunity to hyper focus on industrial non-cannabinoid uses for hemp, which will further separate the two industries as opposed to conflating the two.

Hemp does not pay into the MTCF and there is no special tax collected from hemp. Farmers pay a \$500 flat rate plus \$5 per acre and \$3 per 100 sq.ft. for registration which covers the administration of the program at CDA. CDA is not authorized to use registration fees for other purposes.

Regarding statute 35-61-106(3) “There is hereby created in the state treasury the industrial hemp research grant fund. The fund consists of:

(a) Repealed.

(b) Any moneys from foundations, private individuals, or any other funding sources that can be used to expand the scope or time frame of any hemp research authorized pursuant to this article;

(c) On and after July 1, 2015, up to ten million dollars from the marijuana tax cash fund created in section 39-28.8-501, C.R.S., as enacted by Senate Bill 14-215. The moneys in the fund are subject to annual appropriations by the general assembly to the department to establish and administer an industrial hemp research grant program and to conduct hemp research.”

- i. Though this exists in statute, the CDA and the Industrial Hemp program have not EVER received any direct funding in this regard.
- ii. The statutes also required the department to develop a strategic plan and the governance structure for the Center of Excellence prior to the allocation of the aforementioned money. CDA has done these items prior to submitting this request (note that those requirements which lead to CHAMP and the COE have since been repealed), therefore, we believe the current budget request is in alignment with the the statute that authorized the allocation of the money

34. [Sen. Bridges/Rep. Bird] Please address the decline in hemp production and usage and whether establishing a Center of Excellence makes sense for a product that is declining. Why should we spend \$3.5 million per year on a product that the market does not want? If the industry is declining, then it seems even less likely that the private sector will want to contribute gifts, grants, and donations for this purpose. Please explain the proposed funding model here and why the Department expects gifts, grants, and donations for this purpose.

Hemp is a new and emerging industry in the United States and just like other emerging industries there have been ups and downs. Emerging industries often need many years of development before the markets stabilize. Over time the total acres devoted to hemp have been reduced from a level of irrational exuberance among the inexperienced and a lack of Colorado markets for the product. Remaining growers are developing foundations for a successful industry and the Hemp Center of

Excellence would allow for the appropriate post-harvest research and varietal consistency that is needed to build a successful hemp industry. The focus and investment in Colorado has largely shifted away from the CBD industry and into fiber and grain markets, which can provide more consistency for hemp producers in the future.

Investments in agricultural research have been shown to have multiplier effects on the economy, providing positive returns on investments. The Hemp Center of Excellence would serve as seed money to invest in agricultural research, which would be leveraged to obtain more grants and dollars, ultimately resulting in a positive return on investment. Hemp is a national crop and Colorado as an early mover into the industry, is a leader and innovator in this space. After several rough years with many commodities in Colorado, farmers are looking for alternative crops and as the body of evidence based research and information on hemp for fiber and grain production grows hemp can emerge as one of these profitable options for producers.

We have also seen an increased investment in manufacturing processing equipment, processing, and product development in Colorado. The overall trend is in the right direction and the Hemp Center of Excellence would play a significant role in developing technologies in cultivation, processing, testing, product development and eventually marketing on its own or in partnership with other research and commercial entities.

Here are several examples of hemp housing projects in CO just over the past couple of year

- [La Veta, 2023](#),
- [Loveland, 2023](#),
- [La Veda, 2022 - greenhouse and garage](#)
- [Howard, 2023](#)

Gifts, grants, and donations are not out of the ordinary. In 2019, [Panacea Life Sciences](#) provided \$1.5 million dollars to CSU to aid in hemp research. If a formal Center of Excellence was established, it is realistic that some Colorado-based and National Hemp companies would look to support its research.

35. [Rep. Taggart] If this center is being created and operated as a partnership with CSU, what is CSU contributing? What is CSU's stake?

The CSU team of hemp researchers are well integrated with a variety of efforts on campus and the Hemp Center of Excellence would leverage and elevate the existing knowledge of University Researchers. The university will build on postharvest and varietal trials that are already being conducted. University researchers have already brought in over \$2.7 million dollars in grant dollars for hemp based research. CSU would leverage the seed funding provided by a Hemp Center of Excellence to coordinate and expand on the efforts that have been started at CSU, and to be

competitive for larger federal and national grants that would allow for the Hemp Center of Excellence to be self-funding after this initial seed funding period is complete.

CSU's portion of the partners - CSU will house the Center of Excellence as well as hire the employees of the Center of Excellence which will be CSU employees. We would utilize existing agricultural programming and research centers that are part of the University.



Joint Budget Committee Hearing

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 world-wide for its safe and abundant supply of high-quality food and agriculture products.

ORG CHART

COMMISSIONER'S OFFICE

COMMISSIONER
Kate Greenberg
22.1 FTE

ANIMAL HEALTH

State Veterinarian
Dr. Maggie Baldwin
31 FTE

BRAND INSPECTION

Brand Commissioner
Chris Whitney
59.0 FTE

COLORADO STATE FAIR

General Manager
Scott Stoller
26.9 FTE

CONSERVATION SERVICES

Director
Les Owens
26.7 FTE

INSPECTION AND CONSUMER SERVICES

Director
Mark Gallegos
46.2 FTE

LABORATORY SERVICES

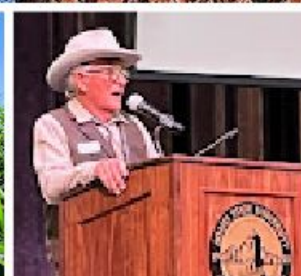
Director
Eric Petty
26.2 FTE

MARKETS

Director
Amanda Laban
43.6 FTE

PLANT INDUSTRY

Director
Wondirad Gebru
59.2 FTE



Communities We Serve

FY 2024-25 Budget Strategic Vision

Positioning for the Future

- R-02** Office of Animal Welfare
- R-03** Advancing Tools for Resilience and Renewable Energy Adoption in Agriculture
- R-07** Next Generation/Ag Leadership

Meeting Immediate Needs

- R-01** Agriculture Emergency Management
- R-04** General Fund Operational Increases
- R-05** Operational Cash Fund Increase
- R-06** Commissioner's Office Indirect Cost Assessment
- R-08** Rural Mental and Behavioral Health Grant Program

Addressing Emerging Challenges

- R-09** Workforce Services
- R-10** Business Operations Process Improvements
- R-11** Hemp Center of Excellence

**Advancing
Colorado
Agriculture**



COLORADO
Department of Agriculture

FY 2024-25 Request

FEDERAL FUNDS

\$4,022,246

REAPPROPRIATED FUNDS

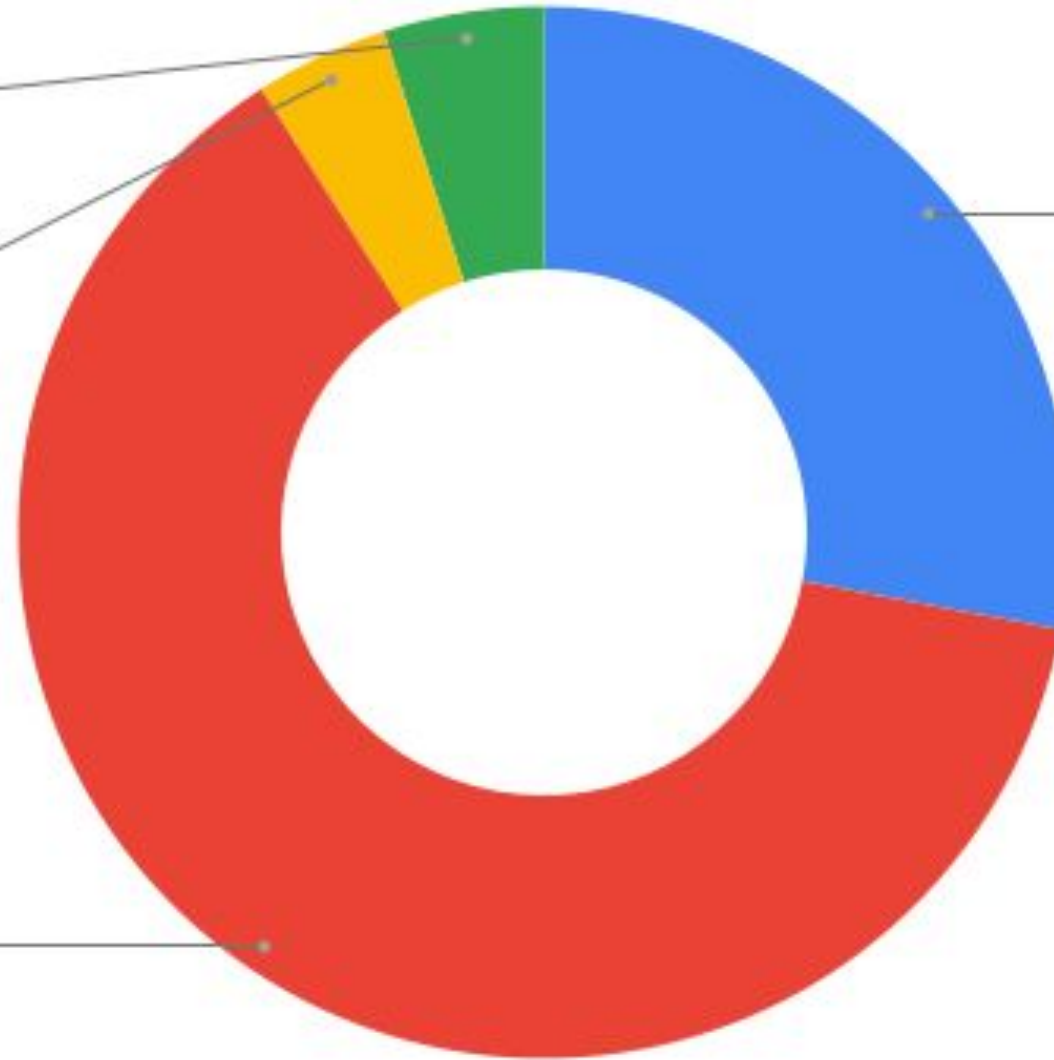
\$3,346,322

CASH FUNDS

\$51,329,060

GENERAL FUNDS

\$22,778,034



Total Funds
\$81,475,662
327.9 FTE





Common Questions

ARPA-SLFRF Stimulus Funds

Community Access Food Program (\$8M)

- CDA announced the first round of funding this Sept to issue up to \$2.5 million in grants.
- CDA received 170 applications with > \$7M in requests.
- Awards will be made in December, and \$2.5M should be encumbered by February. Second round closing in April with \$3.5M.
- RFP's with 4 of 8 local nonprofits, remaining four under contract by end of 2023, total value of \$640,000.
- Value Chain Coordination RFP for \$930,000 encumbered by July 2024. Work will span into the calendar year 2025 and be completed and funds spent by December 31, 2025

ARPA-SLFRF Stimulus Funds continued

- Capital construction for the State Fair (\$6.7M)
 - Fire Sprinkler Installation Code Upgrades at the 4-H Complex, dining hall and dormitories as well as some ADA/Code items
 - Palace of Agriculture, Roof, HVAC, and Window Replacement
 - Both projects have recently contracted with architect/engineering firm to begin the schematic design phase. Construction anticipated to begin in Spring 2024

Partnership Agreement

Article Description	FY23	FY24	FY25 (Request)	Notes
Salary Survey, Wages, Min Wage (ATB and Movement to New Range Min)	\$628,110	\$1,136,763	N/A	Information obtained from the department Long Bill
Step Pay & 3% ATB	N/A	N/A	\$2,940,059	Amount is from the Total Comp template provided by DPA
Holiday Pay	\$3,991	TBD	TBD	Holiday pay is typically provided to hourly inspectors within the department. For example, inspectors in the Fruit & Vegetable division must conduct mandatory inspections for producers to transport their products.
Leave Accrual Maximums	\$228,509	TBD	TBD	Estimate is based off of the year over year change of the average annual leave accruals x the average wage rate.
Paid Family Medical Leave	\$79,416	TBD	TBD	This data is derived from PFML hours taken per employee x the wage rate of the employee





New Centers and Divisions

R-02 Division of Animal Welfare

- Education = better compliance outcomes

Table 1: Impact of Continuing Education in PACFA			
	2020	2021	2022* <i>First full year after QE required</i>
Pre-license inspections	391	402	392
Follow-up on Pre-license Inspections	26	24	15
Percentage of inspections requiring follow-up	6.6%	5.9%	3.8%

- Efficiencies: Decreased enforcement cost, increased effectivity with dedicated leadership, streamlined administrative support for customer complaint intake, tracking and follow-up.

- \$741,628 (3.6 FTE) in FY 2024-25
- \$664,135 (4 FTE) ongoing
- Develop a Division Of Animal Welfare (DAW)



R-11 Hemp Center of Excellence:

Emerging industries often need many years of development before the markets stabilize. The focus and investment in Colorado has largely shifted away from the CBD industry and into fiber and grain markets, which can provide more consistency for hemp producers in the future.



Is hemp more water friendly? It is questions such as these that outline the need for a Hemp Center of Excellence.



CSU Pueblo has a focus on marijuana and more specifically on human health



Private gifts are possible! \$71,117.00 from Charlotte's Web Inc.



COLORADO
Department of Agriculture

The background of the slide is a photograph of a sunset or sunrise. The sky is a deep, vibrant orange, with a bright, glowing area on the left side where the sun is low on the horizon. In the foreground, the silhouettes of three cows are visible against the bright orange sky. The cows are standing in a field, and their dark shapes contrast sharply with the bright background. The overall mood is serene and agricultural.

Agricultural Emergency Management and Resilience (R1)

CDA responds to local, regional, and state emergencies that impact agriculture.

Priorities include large-animal evacuations, business continuity, addressing feed, forage, and water issues, and **creating capacity for planning, mitigation, and recovery.**



COLORADO
Division of Homeland Security
& Emergency Management
Department of Public Safety



COLORADO
State Emergency
Operations Center



COLORADO
Department of Public
Health & Environment

Incidents in the past year	Date
Denver Zoo HPAI	22-Oct
Weld 06-07 HPAI	22-Dec
Sedgwick Blizzard	22-Dec
Proers 01 HPAI	22-Dec
Gunnison Mtn HPAI Lions	23-Jan
Moffat Co Feed Issues	23-Feb
Gunnison-Delta Hwy 133	23-May
Spring Creek Fire	23-Jun
Yuma Tornado	23-Aug
Lowline Fire	23-Jul
St Charles Fire (Pueblo)	23-Oct
Bent 01 HPAI 12/2023	23-Dec
Teller County Mag Chloride Yaks	

A landscape photograph showing a traditional metal windmill on the left and modern wind turbines in the background, set against a dramatic sunset sky with orange and blue hues. The foreground is a grassy field with a fence.

Renewable Energy Adaptation and Development (R3)

R-03 Renewable Energy Adaptation and Development

- The Agrivoltaics Research and Demonstration grant program, funded in SB 23-092, CDA received 27 funding requests amounting to \$3.6 million.
 - Only \$500,000 was available for distribution. CDA awarded the funding to seven projects.
 - A near term action item of the CEO's GHG Pollution Reduction Roadmap is to expand the ACRE3 program at CDA.
 - Agriculture has a 1MMT GHG reduction target by 2030 in the CEO's GHG Pollution Reduction Roadmap
- \$931,656 General Fund (1.9 FTE) in FY 24-25
 - \$932,426 General Fund (2.0 FTE) ongoing
 - Expand ADCRO and ACRE3 programming



Operational
Requests

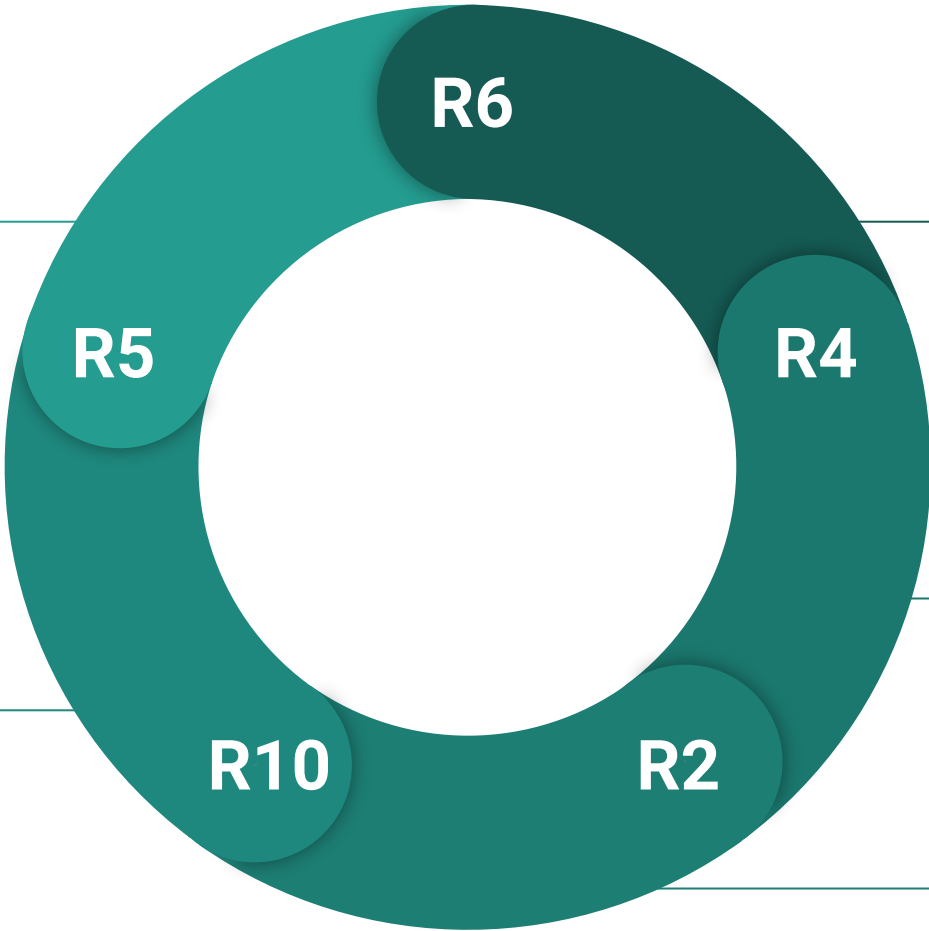
Department Operations

Operational Cash Fund Increase

Relieving core programs operational budgetary pressures due to ongoing inflation. These cash funds have had healthy cash fund balances at the end of each fiscal year, and are able to support the requested spending authority increase.

Business Operations Process Improvements

With the installation of this updated OIT solution administrative staff will gain greater efficiencies in addition to reducing risk of outdated systems.



Commissioner's Office Services

Realigning indirect cost recovery, including federal funds to support increased workload for centralized services like HR, Business Operations, and Communications. This request is personnel based.

General Fund Operational Increase

Relieving core programs operational budgetary pressures that do not have associated cash funds. International Marketing, CO Proud, and CSCB.

Office of Animal Welfare

Aligns PACFA and BAP through an expanded office dedicated to animal welfare. Provides operational efficiencies, improves strategic leadership and program management, reporting and accountability and external representation.





Agricultural Workforce and Health

R-07 Next Gen/Ag Leadership Program

- 90% of interns from the 2021 and 2022 seasons reported an intention to continue with a career in agriculture.

Table 1: Demand for the Agricultural Workforce Development 2019-2023					
Fiscal Year	Number of Applicants Awarded	Number of Interested Applicants	% of Interested Applicants Awarded	Available Funding	Average amount per award
2019	12	37	32.43%	\$40,756	\$3,396
2020	18	24	75.00%	\$59,281	\$3,293
2021	18	45	40.00%	\$89,084	\$3,873
2022	27	63	42.86%	\$105,791*	\$4,568
2023	39	64	60.94%	\$170,000*	\$4,353
* includes one-time federal funding via CDLE					

- The Department requests \$451,021 for the General Fund in FY 2024-25.
- An ongoing amount of \$444,021
- .7 FTE



Rural Mental and Behavioral Health Grant Program

“We have had several referrals because CDA was listed on our website as a funder. These are clients who would never have participated in our trainings if it wasn’t for the Dept of Ag’s support.”

Shelley Evans, of Community Health Initiatives, based in Glenwood Springs.



R-09 Workforce Services

- SB21-087 was the largest change in agricultural labor requirements in a generation
- The changes impact an estimated 39,000 farms and ranches and 190,000 employees
- Supporting employers and employees benefits everyone
- CDA is leveraging existing resources to meet new populations

- \$289,788 (1.8 FTE) in FY 2024–25
- \$294,730 (2.0 FTE) ongoing



Colorado State Fair

- State Fair Funding
 - \$9,585,247 Cash Funds - Entrance fees, ticket sales, etc.
 - \$1,000,000 GF
 - \$300k MJCTF
 - \$400k Unclaimed Property Tourism Promotion Trust Fund
 - \$250k from the City of Pueblo
 - \$175k from Pueblo County
- Estimated State Fair Tax Revenue Generation
 - \$2,491,000 - State of Colorado
 - \$1,536,000 - City of Pueblo
 - \$344,000 - Pueblo County



Capitol Development Committee
Visits Fair Oct. 25, 2023

Questions?

The finest depictions of Colorado's agriculture come to CDA by those who work in this field and those who appreciate it.

For more than two decades, the Department of Agriculture has been sharing images taken by photographers of all skill levels submitted through our yearly **Best in Show** photography contest.

