



Colorado General Assembly
Joint Budget Committee

JOINT BUDGET COMMITTEE STAFF FY 2024-25 BUDGET BRIEFING SUMMARY

Department of Agriculture

The Department of Agriculture regulates, promotes, and supports various agricultural activities throughout Colorado. Department personnel perform a wide range of services including: regulatory and inspection services relating to agriculture; investigations and hearings; standardizing, grading, inspecting, labeling, handling, storage, and marketing of agricultural products; and agriculture-related policy analysis. Recently, the Department has taken on several new program areas including community food access, agricultural labor, soil health, and drought and climate resilience.

The Department's FY 2023-24 appropriation represents approximately 0.2 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

| DEPARTMENT OF AGRICULTURE | | | | | | |
|---|---------------------|---------------------|---------------------|----------------------|--------------------|--------------|
| | TOTAL FUNDS | GENERAL FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | FTE |
| FY 2023-24 APPROPRIATION: | | | | | | |
| SB 23-214 Long Bill | \$66,625,053 | \$17,058,045 | \$42,931,530 | \$2,714,972 | \$3,920,506 | 314.2 |
| Other Legislation | 1,044,433 | 972,283 | 72,150 | 0 | 0 | 3.3 |
| TOTAL | \$67,669,486 | \$18,030,328 | \$43,003,680 | \$2,714,972 | \$3,920,506 | 317.5 |
| FY 2024-25 REQUESTED APPROPRIATION: | | | | | | |
| FY 2023-24 Appropriation | \$67,669,486 | \$18,030,328 | \$43,003,680 | \$2,714,972 | \$3,920,506 | 317.5 |
| R1 Ag emergency management resilience | 363,018 | 363,018 | 0 | 0 | 0 | 2.7 |
| R2 Division of animal welfare | 741,628 | 741,628 | 0 | 0 | 0 | 3.6 |
| R3 Renewable energy adaptation and development | 931,656 | 931,656 | 0 | 0 | 0 | 1.9 |
| R4 General fund operational increase | 195,000 | 195,000 | 0 | 0 | 0 | 0.0 |
| R5 Operational cash fund increase | 3,174,718 | 0 | 3,174,718 | 0 | 0 | 0.0 |
| R6 Commissioner's office indirect cost assessment | 1,400,000 | 0 | 612,358 | 700,000 | 87,642 | 0.0 |
| R7 Next gen/ag leadership program | 451,021 | 451,021 | 0 | 0 | 0 | 0.7 |
| R8 Rural mental and behavioral health grant program | 550,020 | 550,020 | 0 | 0 | 0 | 0.3 |
| R9 Workforce services | 289,788 | 289,788 | 0 | 0 | 0 | 1.8 |
| R10 Business operations process improvements | 207,009 | 207,009 | 0 | 0 | 0 | 0.0 |
| R11 Hemp center of excellence | 1,467,847 | 0 | 1,467,847 | 0 | 0 | 0.0 |
| Centrally appropriated line items | 5,445,343 | 1,837,052 | 3,607,268 | 0 | 1,023 | 0.0 |
| Non-prioritized decision items | 410,173 | 243,104 | 166,913 | 0 | 156 | 0.0 |
| Indirect cost assessment | 14,884 | 0 | 2,669 | (704) | 12,919 | 0.0 |
| Annualize prior year actions | (1,835,929) | (1,061,590) | (706,393) | (67,946) | 0 | (0.6) |
| TOTAL | \$81,475,662 | \$22,778,034 | \$51,329,060 | \$3,346,322 | \$4,022,246 | 327.9 |
| INCREASE/(DECREASE) | \$13,806,176 | \$4,747,706 | \$8,325,380 | \$631,350 | \$101,740 | 10.4 |
| Percentage Change | 20.4% | 26.3% | 19.4% | 23.3% | 2.6% | 3.3% |

R1 AGRICULTURAL EMERGENCY MANAGEMENT RESILIENCE: The request includes an increase of \$363,018 General Fund and 2.7 FTE in FY 2024-25 in order to hire three Emergency Preparedness and Communications Specialists. In future years, this request changes to \$371,328 and 3.0 FTE ongoing. These positions will specialize in training, logistics, and planning, in addition to providing regional on-the-ground support during emergencies such as wildfire, flooding, severe winter weather, and animal disease. The Department indicates that this request is theory-informed per S.B. 21-284.

R2 DIVISION OF ANIMAL WELFARE [REQUIRES LEGISLATION]: The request includes \$741,628 General Fund and 3.6 FTE in order to establish a Division of Animal Welfare intended to create operational efficiencies by aligning two existing programs in the Animal Industry Division, and support future animal welfare initiatives. In addition to the restructuring of existing programs, the request also includes hiring four additional staff to support the growing program (Managing Director, two Education and Outreach Specialists, and an Administrative Assistant). In future years, the request changes to \$664,135 General Fund and 4.0 FTE ongoing. The Department is proposing to create the new Division through statute, which will require legislation. Finally, the request includes a funding realignment by shifting the following funds to the Division of Animal Welfare: Animal Protection Fund, Dangerous Dog Cash Fund, and General Fund currently appropriated to the two programs that are proposed to be consolidated (Bureau of Animal Protection and Pet Animal Care and Facilities Act programs).

The request also includes a footnote for the Animal Protection Fund that would allow the fund to be continuously appropriated in order to streamline the process to allow for funds to be expended in alignment with court decisions. However, current statute Section 35-41-113, C.R.S. *requires annual appropriation for the Animal Protection Fund and prohibits appropriation for personal services.*

The Department indicates that this request is theory-informed per S.B. 21-284.

R3 RENEWABLE ENERGY ADAPTATION AND DEVELOPMENT: The request includes \$931,656 General Fund and 1.9 FTE in order to (1) fund an existing grant program with \$700,000 and (2) expand the Agricultural Drought and Climate Resilience Office's (ADCRO) programming by hiring a Program Manager and Grants Specialist. In future years, the request increases to \$932,426 General Fund and 2.0 FTE ongoing, and will fund existing programming within the office that is currently supported by stimulus funding from the General Fund that is anticipated to be fully utilized by the end of FY 2023-24. The Department also seeks roll forward authority on the appropriation in order to facilitate the grants across multiple years. The Department indicates that this request is theory-informed per S.B. 21-284.

R4 GENERAL FUND OPERATIONAL INCREASE: The request includes \$195,000 General Fund in FY 2024-25 and ongoing, including \$65,000 for the International Markets programs, \$85,000 for the Colorado Proud program, and \$45,000 for the Colorado State Conservation Board program, in order to address recent increases in operating expenses due to inflation. The Department indicates that this request is theory-informed per S.B. 21-284.

R5 OPERATIONAL CASH FUND INCREASE: The request includes a cash fund spending authority increase of \$3,174,718 across six cash funds in FY 2024-25 and ongoing in order to adjust for rising costs due to inflation. This total is comprised of a 13.5% spending authority increase in each of the following cash funds: Plant Industry Division, Inspection and Consumer Services, Conservation Services Division, Agriculture Products Inspection Fund, Brands Division, and Colorado State Fair. With the exception of the State Fair Authority Cash Fund, these cash funds have not seen an operating increase in at least a decade.

R6 COMMISSIONER'S OFFICE INDIRECT COST ASSESSMENT: The request includes \$700,000 in reappropriated funds and a corresponding spending authority increase in indirect cost assessment lines that are funded by \$612,358 in cash

funds and \$87,642 in federal funds in order to pay for increased centralized services provided by the Commissioner's Office. The Department indicates that this request is theory-informed per S.B. 21-284.

R7 NEXT GEN/AG LEADERSHIP PROGRAM: The request includes \$451,021 General Fund and 0.7 FTE, and \$444,021 and 0.7 FTE ongoing in order to expand the Agriculture Workforce Development and Next Generation Agriculture Leadership programs. The Department indicates that this request is theory-informed per S.B. 21-284.

R8 RURAL MENTAL AND BEHAVIORAL HEALTH GRANT PROGRAM: The request includes a one-time appropriation of \$550,020 General Fund and 0.25 FTE to support the existing Rural Mental Health Grant program within the Department, with a long-term goal of transferring this function to the Behavioral Health Administration. Previously, the grant program was funded by a 2020 federal grant and 2022 Long Bill footnote. The Department also seeks roll forward authority for two years on the appropriation in order to facilitate the grants across multiple years. The Department indicates that this request is theory-informed per S.B. 21-284.

R9 WORKFORCE SERVICES: The request includes \$289,788 General Fund and 1.8 FTE, and \$294,730 and 2.0 FTE ongoing to hire two regional coordinators in an effort to expand the Agricultural Worker Services Program, help agricultural employers attract employees, and improve employer compliance with existing labor laws. The Department indicates that this request is theory-informed per S.B. 21-284.

R10 BUSINESS OPERATIONS PROCESS IMPROVEMENTS: The request includes a one-time General Fund increase of \$207,009 with three-year spending authority in order to install a human resources and business operations IT solution within OnBase, the Department's data management system. Ongoing licensing costs of approximately \$10,000 are proposed to be absorbed as part of Common Policy expenses. The Department indicates that this request is theory-informed per S.B. 21-284.

R11 HEMP CENTER OF EXCELLENCE: The request includes \$1.5 million cash funds from the Marijuana Tax Cash Fund that increases to \$3.4 million in subsequent years through FY 2027-28 in order to establish a Colorado Hemp Center of Excellence. The proposed center would be established in partnership with Colorado State University and include seven new FTE (not included in this request) to lead and conduct research at the university, a state industrial hemp conference, increased marketing, equipment for hemp-related research, and grants to the hemp industry.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items for the following line items.

| CENTRALLY APPROPRIATED LINE ITEMS | | | | | | |
|---|--------------------|--------------------|--------------------|----------------------|----------------|------------|
| | TOTAL FUNDS | GENERAL FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | FTE |
| Salary survey | \$2,940,059 | \$974,232 | \$1,965,827 | \$0 | \$0 | 0.0 |
| Payments to OIT | 603,783 | 391,251 | 212,532 | 0 | 0 | 0.0 |
| AED/SAED | 910,683 | 190,094 | 720,589 | 0 | 0 | 0.0 |
| PERA Direct Distribution | 435,446 | 150,356 | 285,090 | 0 | 0 | 0.0 |
| Health, life, and dental | 215,223 | 4,259 | 210,964 | 0 | 0 | 0.0 |
| Workers' compensation | 107,960 | 21,354 | 86,606 | 0 | 0 | 0.0 |
| Paid Family and Medical Leave Insurance | 94,010 | 48,118 | 45,892 | 0 | 0 | 0.0 |
| Legal services | 91,648 | 17,312 | 74,336 | 0 | 0 | 0.0 |
| Risk management & property adjustment | 79,753 | 48,346 | 31,407 | 0 | 0 | 0.0 |
| Shift differential | 50,259 | 1,091 | 48,145 | 0 | 1,023 | 0.0 |
| Short-term disability | 13,651 | 2,844 | 10,807 | 0 | 0 | 0.0 |
| CORE adjustment | (72,028) | (9,796) | (62,232) | 0 | 0 | 0.0 |
| ALJ services | (21,398) | 0 | (21,398) | 0 | 0 | 0.0 |
| DPS Digital trunk radio | (3,706) | (2,409) | (1,297) | 0 | 0 | 0.0 |
| TOTAL | \$5,445,343 | \$1,837,052 | \$3,607,268 | \$0 | \$1,023 | 0.0 |

NON-PRIORITIZED DECISION ITEMS: The request includes an increase of \$410,173 total funds, including \$243,104 General Fund, for adjustments related to budget requests from the Department of Personnel for seven new common policies for various centralized services, CORE operating resources, and an annual fleet vehicle request.

| NON-PRIORITIZED DECISION ITEMS | | | | | | |
|-------------------------------------|------------------|------------------|------------------|----------------------|---------------|------------|
| | TOTAL FUNDS | GENERAL FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | FTE |
| NP Central services omnibus request | \$391,666 | \$237,429 | \$154,237 | \$0 | \$0 | 0.0 |
| NP1 Annual fleet vehicle request | 11,325 | 4,698 | 6,471 | 0 | 156 | 0.0 |
| CORE operating resources | 7,182 | 977 | 6,205 | 0 | 0 | 0.0 |
| TOTAL | \$410,173 | \$243,104 | \$166,913 | \$0 | \$156 | 0.0 |

INDIRECT COST ASSESSMENT: The request includes a net increase of \$14,884 total funds to indirect costs across the Department. This includes a \$2,669 increase in cash funds and \$12,919 increase in federal funds alongside a \$704 decrease in reappropriated funds.

ANNUALIZE PRIOR YEAR ACTIONS: The request includes a net decrease of \$1.8 million in total funds to reflect the FY 2024-25 impact of prior year budget actions and legislation, summarized in the following table. The majority of the decrease, approximately \$1.7 million, is attributed to prior year budget actions.

| ANNUALIZE PRIOR YEAR ACTIONS | | | | | | |
|--|----------------------|----------------------|--------------------|----------------------|---------------|--------------|
| | TOTAL FUNDS | GENERAL FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | FTE |
| SB23-092 Agrivoltaics | \$8,123 | \$8,123 | \$0 | \$0 | \$0 | 0.0 |
| FY23-24 R2 Commissioners office support | 4,117 | 72,063 | 0 | (67,946) | 0 | 0.1 |
| FY23-24 R1 Climate drought-smart marketing | 1,512 | 1,512 | 0 | 0 | 0 | 0.1 |
| FY23-24 BA1 Ag water advisor | 570 | 570 | 0 | 0 | 0 | 0.1 |
| FY23-24 NPBA1 OIT IT accessibility | (1,637,964) | (1,061,400) | (576,564) | 0 | 0 | 0.0 |
| SB23-192 Pesticides applicator | (72,150) | 0 | (72,150) | 0 | 0 | 0.0 |
| SB22-209 Meat processing | (61,621) | (61,621) | 0 | 0 | 0 | (1.0) |
| FY23-24 R4 Insectary lab tech | (57,679) | 0 | (57,679) | 0 | 0 | 0.1 |
| HB23-1008 Food accessibility | (20,010) | (20,010) | 0 | 0 | 0 | 0.0 |
| FY23-24 R6 Animal health and welfare | (827) | (827) | 0 | 0 | 0 | 0.0 |
| TOTAL | (\$1,835,929) | (\$1,061,590) | (\$706,393) | (\$67,946) | \$0 | (0.6) |

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

R2 DIVISION OF ANIMAL WELFARE: The FY 2024-25 request includes \$741,628 General Fund and 3.6 FTE in order to create a Division of Animal Welfare that will align two existing programs (the Bureau of Animal Protection and Pet Animal Care and Facilities Act programs) and prepare the Department to support future animal welfare initiatives. The two programs proposed for consolidation already exist within the same Division, but the Department has indicated that the alignment will create additional operational efficiencies. The Department is proposing to create the new Division through statute, which will require legislation. Furthermore, the request includes a footnote to allow the Animal Protection Fund to be continuously appropriated whereas statute states that the general assembly shall make annual appropriations from the fund to the Department, pursuant to Section 35-42-113, C.R.S.

R11 HEMP CENTER OF EXCELLENCE: The FY 2024-25 request includes \$1,467,847 cash funds from the Marijuana Tax Cash Fund that increases to \$3,393,110 in subsequent years through FY 2027-28 in order to establish a Colorado Hemp Center of Excellence (CHCoE) that will be created and operated by Colorado State University. The center would focus on research and innovation and the development and promotion of the hemp industry in Colorado, in an effort to allow Colorado to remain at the forefront of the U.S. hemp industry, which has recently declined. Additionally, while the Department has plans to secure long-term funding through grants, gifts, and fee-for-service activities, the proposed back-up funding plan is to request funding through the annual budget process.

R3 RENEWABLE ENERGY ADAPTATION AND DEVELOPMENT: The FY 2024-25 request includes \$931,656 General Fund and 1.9 FTE in order to expand the Agricultural Drought and Climate Resilience Office's (ADCRO) programming and fund a \$700,000 grant program for renewable energy and energy efficiency, also known as the Advancing Colorado's Renewable Energy and Energy Efficiency (ACRE3) program. The funding would allow the state to work towards its greenhouse gas reduction goals and help producers access energy savings and additional federal funds for related projects. The program has historically relied on one-time funding that includes stimulus funding, but the Department is now requesting ongoing funding to support the program in the long-term.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2023.