

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2015-16 STAFF FIGURE SETTING
DEPARTMENT OF AGRICULTURE**

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

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DEPARTMENT OF AGRICULTURE

Department Overview

The Department of Agriculture regulates, promotes, and supports agricultural activities throughout Colorado. In addition to the **Commissioner's Office and Administrative Services Division**, the Department is comprised of seven operating divisions that provide a wide range of services.

The **Agricultural Services Division** includes the following:

- **Animal Industry** is responsible for the prevention, traceability, and control of livestock diseases, as well as pest control and oversight of animal care requirements.
- **Inspection and Consumer Services** provides metrology and regulatory laboratory services, and inspects a variety of agricultural products and facilities
- **Plant Industry** manages statewide pest control programs; certifies and inspects plant, seed, and pesticide products; and administers the Industrial Hemp Regulatory Program.
- **Conservation Services** operates programs to enhance natural stewardship, including the Noxious Weed Management Program, and works with the **Conservation Board** which provides administrative oversight and financial assistance to state conservation districts in support of local conservation initiatives.

The **Agricultural Markets Division** promotes Colorado's agricultural products and services to domestic and international markets; the **Brand Board** maintains brand records, inspects and verifies the ownership of livestock, and investigates reported livestock theft to protect both buyers and producers; and the **Colorado State Fair** is responsible for planning and operating the 11-day state fair in August, as well as various events that occur on the fairgrounds through the year.

DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY

Executive Request

The Department of Agriculture requests an appropriation of \$45,663,035 total funds, including \$9,989,946 General Fund and 274.1 FTE, for FY 2015-16. This represents an increase of \$1,456,114 total funds, including \$672,010 General Fund, compared to FY 2014-15. The increase in General Fund consists of the Department's request for \$300,000 General Fund for facilities maintenance on Colorado State Fairgrounds, \$300,000 for the creation of an Agriculture Leadership and Education grant program, non-prioritized requests from the

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Department of Personnel and the Governor’s Office of Information Technology, and adjustments to centrally appropriated line items.

Staff Recommendation

Staff recommends an appropriation of \$45,161,735 total funds, including \$9,810,487 General Fund. The recommendation is \$501,300 lower than the Department's request due to funding adjustments for centrally appropriated line items consistent with Committee policy, a recommendation to fund the Agriculture Leadership and Education grant program at a lower level, and the annualizations of prior year funding actions.

Department of Agriculture						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$44,184,405	\$9,311,389	\$29,141,578	\$1,629,526	\$4,101,912	274.1
S.B. 15-143 (Supplemental)	<u>22,516</u>	<u>6,547</u>	<u>14,220</u>	<u>0</u>	<u>1,749</u>	<u>0.0</u>
TOTAL	\$44,206,921	\$9,317,936	\$29,155,798	\$1,629,526	\$4,103,661	274.1
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$44,206,921	\$9,317,936	\$29,155,798	\$1,629,526	\$4,103,661	274.1
Centrally appropriated line items	456,978	109,605	278,235	0	69,138	0.0
R1 State fair facilities maintenance	300,000	300,000	0	0	0	0.0
BA1 Ag Education and Leadership Program	225,000	0	225,000	0	0	0.0
S2 Direct assistance grants inflation adjustment	92,053	92,053	0	0	0	0.0
Indirect cost assessment	54,044	0	27,022	27,022	0	0.0
NP1 Annual fleet vehicle request	5,064	0	5,064	0	0	0.0
S1 Line item funding and title changes for ASD	0	0	0	0	0	0.0
Technical changes	0	0	0	0	0	0.0
Annualize prior year funding	<u>(178,325)</u>	<u>(9,107)</u>	<u>(167,076)</u>	<u>0</u>	<u>(2,142)</u>	<u>0.0</u>
TOTAL	\$45,161,735	\$9,810,487	\$29,524,043	\$1,656,548	\$4,170,657	274.1
Increase/(Decrease)	\$954,814	\$492,551	\$368,245	\$27,022	\$66,996	0.0
Percentage Change	2.2%	5.3%	1.3%	1.7%	1.6%	0.0%
FY 2015-16 Executive Request						
Request Above/(Below) Recommendation	\$501,300	\$179,459	\$325,169	\$0	(\$3,328)	(0.0)

Description of Incremental Changes

Centrally appropriated line items: The request includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space.

R1 State fair facilities maintenance: The decision item includes a request for an appropriation of \$300,000 General Fund for FY 2015-16 dedicated to the maintenance and upkeep of the facilities on the State Fairgrounds.

BA1 Ag Education and Leadership Program: The Department requests an ongoing appropriation of \$300,000 General Fund to provide support to non-profit and state efforts to enhance agricultural education and leadership through a grant program.

S2 Direct assistance grants inflation adjustment: Staff recommends the Committee make a one-time adjust this line item funding to account for inflation based on the Denver-Boulder-Greeley Consumer Price Index.

NP1 Annual fleet vehicle request: The request includes an increase in cash fund appropriation of \$15,775 to the vehicle lease payments line item for changes in statewide vehicle costs.

Indirect cost assessment: The request includes adjustments to the indirect cost assessments for the Commissioner's Office Personal Services line item and the Agriculture Services Division indirect cost assessment line item.

S1 Line Item Funding and Title Changes for ASD: Staff recommends permission to cease bottom line funding the Agriculture Services line items, to update the section and line items' titles, and to make adjustments to line items to more accurately reflect the Department's divisional organization. This request has no appropriations impact.

Technical changes: The request includes base adjustments with a net zero impact on appropriations.

Annualize prior year funding: The request includes adjustments to prior year funding actions.

(1) Commissioner’s Office and Administrative Services

The Commissioner's Office, in conjunction with the Colorado Agricultural Commission, is responsible for the development and implementation of agricultural policies throughout the State. Administrative Services provides administrative and technical support for Department programs, including accounting, budgeting, and human resources. The funding sources for this division are General Fund, various cash funds, and federal grants. Reappropriated funds are received from various cash funds within the Department for centrally appropriated line items.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Commissioner's Office and Administrative Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$10,702,320	\$3,017,360	\$5,885,714	\$1,500,526	\$298,720	18.7
S.B. 15-143 (Supplemental)	<u>22,516</u>	<u>6,547</u>	<u>14,220</u>	<u>0</u>	<u>1,749</u>	<u>0.0</u>
TOTAL	\$10,724,836	\$3,023,907	\$5,899,934	\$1,500,526	\$300,469	18.7
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$10,724,836	\$3,023,907	\$5,899,934	\$1,500,526	\$300,469	18.7
Indirect cost assessment	27,022	0	0	27,022	0	0.0
Centrally appropriated line items	456,978	109,605	278,235	0	69,138	0.0
BA1 Ag Education and Leadership Program	225,000	0	225,000	0	0	0.0
NP1 Annual fleet vehicle request	5,064	0	5,064	0	0	0.0
Annualize prior year funding	<u>(600,163)</u>	<u>(198,929)</u>	<u>(369,959)</u>	<u>0</u>	<u>(31,275)</u>	<u>0.0</u>
TOTAL	\$10,838,737	\$2,934,583	\$6,038,274	\$1,527,548	\$338,332	18.7
Increase/(Decrease)	\$113,901	(\$89,324)	\$138,340	\$27,022	\$37,863	0.0
Percentage Change	1.1%	(3.0%)	2.3%	1.8%	12.6%	0.0%
FY 2015-16 Executive Request:	\$11,432,090	\$3,206,095	\$6,363,443	\$1,527,548	\$335,004	18.7
Request Above/(Below) Recommendation	\$593,353	\$271,512	\$325,169	\$0	(\$3,328)	0.0

LINE ITEM DETAIL – COMMISSIONER’S OFFICE AND ADMINISTRATIVE SERVICES

Personal Services

The Personal Services line item supports FTE in the Commissioner's Office who provide business support functions for the Department, including human resources, budgeting, accounting, and financial and administrative services.

Request and Recommendation: The Department requests an appropriation of \$1,601,983 total funds and 16.7 FTE. This represents continuation-level funding with compensation common policy adjustments accounting for the requested increase. **Staff recommends approval of the request** and the fund splits included in the following table.

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Commissioner's Office and Administrative Services, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	<u>\$1,506,222</u>	<u>\$240,404</u>	<u>\$7,859</u>	<u>\$1,146,605</u>	<u>\$111,354</u>	<u>16.7</u>
TOTAL	\$1,506,222	\$240,404	\$7,859	\$1,146,605	\$111,354	16.7
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$1,506,222	\$240,404	\$7,859	\$1,146,605	\$111,354	16.7
Annualize prior year funding	68,649	65,167	198	0	3,284	0.0
Indirect cost assessment	<u>27,022</u>	<u>0</u>	<u>0</u>	<u>27,022</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,601,893	\$305,571	\$8,057	\$1,173,627	\$114,638	16.7
Increase/(Decrease)	\$95,671	\$65,167	\$198	\$27,022	\$3,284	0.0
Percentage Change	6.4%	27.1%	2.5%	2.4%	2.9%	0.0%
FY 2015-16 Executive Request:	\$1,601,893	\$305,571	\$8,057	\$1,173,627	\$114,638	16.7
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Health, Life, and Dental

This line item funds the Department's share of group health, life, and dental insurance premiums for state employees. Health, life, and dental is appropriated to the Executive Director's Office and distributed as needed throughout the Department.

Request and Recommendation: The Department requests an appropriation of \$2,718,585 total funds. **Staff recommends \$2,178,910 total funds**, consistent with Committee policy, and the fund splits included in the following table.

Commissioner's Office and Administrative Services, Health, Life, and Dental				
	Total Funds	General Fund	Cash Funds	Federal Funds
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	<u>\$2,013,527</u>	<u>\$726,809</u>	<u>\$1,236,999</u>	<u>\$49,719</u>
TOTAL	\$2,013,527	\$726,809	\$1,236,999	\$49,719
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$2,013,527	\$726,809	\$1,236,999	\$49,719
Centrally appropriated line items	<u>165,383</u>	<u>(14,096)</u>	<u>136,344</u>	<u>43,135</u>
TOTAL	\$2,178,910	\$712,713	\$1,373,343	\$92,854
Increase/(Decrease)	\$165,383	(\$14,096)	\$136,344	\$43,135
Percentage Change	8.2%	(1.9%)	11.0%	86.8%
FY 2015-16 Executive Request:	\$2,718,585	\$687,807	\$1,941,252	\$89,526
Request Above/(Below) Recommendation	\$539,675	(\$24,906)	\$567,909	(\$3,328)

Short-term Disability

This line item funds the Department's share of the short-term disability insurance program for state employees, administered by the Department of Personnel.

Request and Recommendation: The Department requests an appropriation of \$35,488 total funds. **Staff recommends approval of the request**, consistent with Committee policy, and the fund splits included in the following table.

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Commissioner's Office and Administrative Services, Short-term Disability				
	Total Funds	General Fund	Cash Funds	Federal Funds
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$34,576	\$13,367	\$19,386	\$1,823
TOTAL	\$34,576	\$13,367	\$19,386	\$1,823
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$34,576	\$13,367	\$19,386	\$1,823
Centrally appropriated line items	<u>912</u>	<u>516</u>	<u>308</u>	<u>88</u>
TOTAL	\$35,488	\$13,883	\$19,694	\$1,911
Increase/(Decrease)	\$912	\$516	\$308	\$88
Percentage Change	2.6%	3.9%	1.6%	4.8%
FY 2015-16 Executive Request:	\$35,488	\$13,883	\$19,694	\$1,911
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

S.B. 04-257 Amortization Equalization Disbursement

This line item funds the Department's share of additional funding to increase state contributions to employee PERA accounts pursuant to SB 04-257.

Request and Recommendation: The Department requests an appropriation of \$709,705 total funds. **Staff recommends approval of the request**, consistent with Committee policy, and the fund splits included in the following table.

Commissioner's Office and Administrative Services, S.B. 04-257 Amortization Equalization Disbursement				
	Total Funds	General Fund	Cash Funds	Federal Funds
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$690,983	\$267,267	\$387,344	\$36,372
TOTAL	\$690,983	\$267,267	\$387,344	\$36,372
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$690,983	\$267,267	\$387,344	\$36,372
Centrally appropriated line items	<u>18,722</u>	<u>10,586</u>	<u>6,282</u>	<u>1,854</u>
TOTAL	\$709,705	\$277,853	\$393,626	\$38,226
Increase/(Decrease)	\$18,722	\$10,586	\$6,282	\$1,854
Percentage Change	2.7%	4.0%	1.6%	5.1%
FY 2015-16 Executive Request:	\$709,705	\$277,853	\$393,626	\$38,226
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

S.B. 06-235 Supplemental Amortization Equalization Disbursement

Pursuant to SB 06-235, this line item provides additional funding to increase the state contribution rate for PERA.

Request and Recommendation: The Department requests an appropriation of \$685,511 total funds. **Staff recommends approval of the request**, consistent with Committee policy, and the fund splits included in the following table.

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Commissioner's Office and Administrative Services, S.B. 06-235 Supplemental Amortization Equalization Disbursement				
	Total Funds	General Fund	Cash Funds	Federal Funds
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	<u>\$647,769</u>	<u>\$250,536</u>	<u>\$363,135</u>	<u>\$34,098</u>
TOTAL	\$647,769	\$250,536	\$363,135	\$34,098
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$647,769	\$250,536	\$363,135	\$34,098
Centrally appropriated line items	<u>37,742</u>	<u>17,845</u>	<u>17,072</u>	<u>2,825</u>
TOTAL	\$685,511	\$268,381	\$380,207	\$36,923
Increase/(Decrease)	\$37,742	\$17,845	\$17,072	\$2,825
Percentage Change	5.8%	7.1%	4.7%	8.3%
FY 2015-16 Executive Request:	\$685,511	\$268,381	\$380,207	\$36,923
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

Salary Survey

Pursuant to Section 24-50-104 (4) (c), C.R.S., the Department of Personnel's total compensation report recommends salary adjustments for each year, which are funded by this line item.

Request and Recommendation: The Department requests an appropriation of \$176,518 total funds. **Staff recommends approval of the request**, consistent with Committee policy, and the fund splits included in the following table.

Commissioner's Office and Administrative Services, Salary Survey				
	Total Funds	General Fund	Cash Funds	Federal Funds
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	<u>\$465,516</u>	<u>\$179,967</u>	<u>\$261,001</u>	<u>\$24,548</u>
TOTAL	\$465,516	\$179,967	\$261,001	\$24,548
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$465,516	\$179,967	\$261,001	\$24,548
Centrally appropriated line items	176,518	69,052	97,963	9,503
Annualize prior year funding	<u>(465,516)</u>	<u>(179,967)</u>	<u>(261,001)</u>	<u>(24,548)</u>
TOTAL	\$176,518	\$69,052	\$97,963	\$9,503
Increase/(Decrease)	(\$288,998)	(\$110,915)	(\$163,038)	(\$15,045)
Percentage Change	(62.1%)	(61.6%)	(62.5%)	(61.3%)
FY 2015-16 Executive Request:	\$176,518	\$69,052	\$97,963	\$9,503
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

Merit Pay

Employee performance-based pay is centrally appropriated and funded by this line item pursuant to Section 24-50-104 (1) (c) (I), C.R.S.

Request and Recommendation: The Department requests an appropriation of \$172,276 total funds. **Staff recommends approval of the request**, consistent with Committee policy, and the fund splits included in the following table.

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Commissioner's Office and Administrative Services, Merit Pay				
	Total Funds	General Fund	Cash Funds	Federal Funds
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	<u>\$180,780</u>	<u>\$77,582</u>	<u>\$94,936</u>	<u>\$8,262</u>
TOTAL	\$180,780	\$77,582	\$94,936	\$8,262
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$180,780	\$77,582	\$94,936	\$8,262
Centrally appropriated line items	172,276	73,028	89,587	9,661
Annualize prior year funding	<u>(180,780)</u>	<u>(77,582)</u>	<u>(94,936)</u>	<u>(8,262)</u>
TOTAL	\$172,276	\$73,028	\$89,587	\$9,661
Increase/(Decrease)	(\$8,504)	(\$4,554)	(\$5,349)	\$1,399
Percentage Change	(4.7%)	(5.9%)	(5.6%)	16.9%
FY 2015-16 Executive Request:	\$172,276	\$73,028	\$89,587	\$9,661
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

Workers' Compensation

This line item is used to pay the Department's share of the State's workers' compensation program administered by the Department of Personnel.

Request and Recommendation: The Department requests an appropriation of \$214,521 total funds. **Staff recommends \$217,025 total funds**, consistent with Committee policy, and the fund splits included in the following table.

Commissioner's Office and Administrative Services, Workers' Compensation			
	Total Funds	General Fund	Cash Funds
FY 2014-15 Appropriation			
HB 14-1336 (Long Bill)	<u>\$195,784</u>	<u>\$3,135</u>	<u>\$192,649</u>
TOTAL	\$195,784	\$3,135	\$192,649
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$195,784	\$3,135	\$192,649
Centrally appropriated line items	<u>21,241</u>	<u>5,310</u>	<u>15,931</u>
TOTAL	\$217,025	\$8,445	\$208,580
Increase/(Decrease)	\$21,241	\$5,310	\$15,931
Percentage Change	10.8%	169.4%	8.3%
FY 2015-16 Executive Request:	\$214,521	\$7,819	\$206,702
Request Above/(Below) Recommendation	(\$2,504)	(\$626)	(\$1,878)

Operating Expenses

Expenditures from this line item range from office equipment and supplies to travel expenses to utilities/maintenance costs.

➔ BA1 Ag Leadership Education and Leadership Program

Request: The Department requests an ongoing appropriation of \$300,000 General Fund to provide support to non-profit and state efforts to enhance agricultural education and leadership through a grant program.

Analysis: The Department request specifies the Colorado Agriculture Leadership Program (CALP) as an example of the type of program that may seek support from the Department for these moneys. The funding amount requested is based on the average tuition costs per participant of this program. CALP runs a two-year education program for 25 to 30 participants with a total estimated cost of \$600,000. The organization’s annual fundraising goal is half that cost, or \$300,000, with their efforts focused mainly on those associated with agriculture industry. The funds raised through donations are utilized to subsidize most of the cost of the program. A small portion of the cost of the program is born by each participant.

CALP is one of many agriculture leadership development programs nationwide that targets mid-career to executive-level professionals in the agriculture industry. States including Kansas, Nebraska, Montana, Illinois, Indiana, Ohio, and Iowa all have programs similar to CALP; all of these programs share the mission to educate leaders in and create professional networks for those associated with the agriculture industry. In most cases, program participants cover a small portion of the program costs, usually ranging from \$2,000 to \$5,000. Often, a portion of a participant’s costs are covered by their employer or from participant fundraising. In a few cases, states’ Departments of Agriculture provide some funding to the leadership development programs in the form of donations. While state funding levels vary, staff’s research suggests that they do not exceed \$10,000 per year.

Agriculture leadership and education programs are common within Colorado, too. Colorado State University houses the College of Agriculture Sciences. The Colorado Community College System has five campuses that currently offer agribusiness certificate or degree programs. Western Colorado Community College, a division of Colorado Mesa University, offers degrees in agriculture and agribusiness. There are also several nonprofits that provide leadership and education programs to Colorado’s rural communities. They include Colorado 4-H, Colorado Future Farmers of America, Colorado Agriculture Leadership Foundation, and Colorado Foundation for Agriculture. While the specific target demographic of CALP may be currently under-served in the state, there are many organizations that provide complementary program to CALP.

Funding Source: General Fund vs. Cash Fund

The Department requests General Fund appropriations for the implementation of this grant program; however, staff believes a cash fund appropriation is more appropriate, specifically an increase in the spending authority from the Department’s Agriculture Management Fund (AMF). The AMF was created pursuant to Section 35-1-106.9, C.R.S., and receives 65.0 percent of the interest earned on the sale of unclaimed securities. The Fund runs an estimated a year-end balance of more than \$2.2 million. Interest transfers have averaged approximately \$2.6 million per year for the fiscal years 2011-12 to 2013-14.

The moneys transferred to the AMF are intended to support numerous initiatives, each directed at furthering the overall mission of the Department. The AMF is currently utilized, in part, to provide grants to cities, counties, special districts, and non-governmental organizations (NGOs). The following table presents the four-year average for grants in these categories.

Average Grant Expenditures from Agriculture Management Fund: FY 2011-12 to FY 2014-15	
Cities	\$14,198
Counties	121,615
Special Districts	154,510
Non-Governmental Organizations	\$75,999

Increasing the spending authority for the AMF will not result in an increase of fees to industry. The Department already has the authority to use AMF moneys for the purposes outlined in this request and there is enough money to cover the increased expenditures. Utilizing AMF revenue will encourage the Department to prioritize this program in accordance with its importance to the Department’s overall mission because of the associated opportunity costs of using these funds.

Recommendation: Staff recommends the creation of a new line item specific to this request titled “Agriculture Leadership and Education Grant Program,” an ongoing appropriation of \$225,000 cash funds, and the inclusion of a letternote indicating the Agriculture Management Fund as the source of cash funds. Please see page 15 of this document for the new line item description and recommendation.

Request and Recommendation: The Department requests an appropriation of \$542,932 total funding. The request includes \$300,000 General Fund associated with BA1. **Staff recommends a continuation level appropriation of \$242,932 total funds** and the fund splits included in the following table. Staff also recommends a new line item for BA1 (see pg. 15)

Commissioner's Office and Administrative Services, Operating Expenses					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	\$242,932	\$0	\$0	\$241,982	\$950
TOTAL	\$242,932	\$0	\$0	\$241,982	\$950
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$242,932	\$0	\$0	\$241,982	\$950
BA1 Ag Education and Leadership Program	0	0	0	0	0
TOTAL	\$242,932	\$0	\$0	\$241,982	\$950
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0
Percentage Change	0%	0.0%	0.0%	0.0%	0.0%
FY 2015-16 Executive Request:	\$542,932	\$300,000	\$0	\$241,982	\$950
Request Above/(Below) Recommendation	\$300,000	\$300,000	\$0	\$0	\$0

Legal Services:

This line item is used to pay the Department of Law for the provision of attorney and paralegal services for all Divisions.

Request and Recommendation: The Department requests an appropriation of \$439,755 total for 4,653 legal service hours. **Staff recommends the requested 4,653 hours of legal services;**

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however, the dollar amount for this appropriation is pending Committee approval of the FY 2014-15 legal services rate. Staff requests permission to adjust all pending line items and apply a fund split, once Committee policy is established.

Commissioner's Office and Administrative Services, Legal Services				
	Total Funds	General Fund	Cash Funds	Federal Funds
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$460,694	\$148,412	\$297,282	\$15,000
TOTAL	\$460,694	\$148,412	\$297,282	\$15,000
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$460,694	\$148,412	\$297,282	\$15,000
Centrally appropriated line items	(20,939)	0	(20,939)	0
TOTAL	\$439,755	\$148,412	\$276,343	\$15,000
Increase/(Decrease)	(\$20,939)	\$0	(\$20,939)	\$0
Percentage Change	(4.5%)	0.0%	(7.0%)	0.0%
FY 2015-16 Executive Request:	\$439,755	\$148,412	\$276,343	\$15,000
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

Administrative Law Judge Services

This line item is used to purchase administrative law services from the Department of Personnel and Administration.

Request and Recommendation: The Department requests an appropriation of \$6,706 cash funds. **Staff recommends an appropriation of \$6,676 cash funds**, consistent with Committee policy.

Commissioner's Office and Administrative Services, Administrative Law Judge Services		
	Total Funds	Cash Funds
FY 2014-15 Appropriation		
HB 14-1336 (Long Bill)	\$1,272	\$1,272
S.B. 15-143 (Supplemental)	41	41
TOTAL	\$1,313	\$1,313
FY 2015-16 Recommended Appropriation		
FY 2014-15 Appropriation	\$1,313	\$1,313
Centrally appropriated line items	5,404	5,404
Annualize prior year funding	(41)	(41)
TOTAL	\$6,676	\$6,676
Increase/(Decrease)	\$5,363	\$5,363
Percentage Change	408.5%	408.5%
FY 2015-16 Executive Request:	\$6,706	\$6,706
Request Above/(Below) Recommendation	\$30	\$30

Payment to Risk Management and Property Funds

This line item is used to reimburse the Department of Personnel for the Department's share of the State's liability and property insurance.

Request and Recommendation: The Department requests an appropriation of \$126,011 total funds. **Staff recommends an appropriation of \$155,570 total funds**, consistent with Committee policy, and the fund splits included in the following table.

Commissioner's Office and Administrative Services, Payment to Risk Management and Property Funds			
	Total Funds	General Fund	Cash Funds
FY 2014-15 Appropriation			
HB 14-1336 (Long Bill)	<u>\$156,601</u>	<u>\$24,870</u>	<u>\$131,731</u>
TOTAL	\$156,601	\$24,870	\$131,731
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$156,601	\$24,870	\$131,731
Centrally appropriated line items	<u>(1,031)</u>	<u>(103)</u>	<u>(928)</u>
TOTAL	\$155,570	\$24,767	\$130,803
Increase/(Decrease)	(\$1,031)	(\$103)	(\$928)
Percentage Change	(0.7%)	(0.4%)	(0.7%)
FY 2015-16 Executive Request:	\$126,011	\$21,811	\$104,200
Request Above/(Below) Recommendation	(\$29,559)	(\$2,956)	(\$26,603)

Vehicle Lease Payments

This line item funds the annual payment to the Department of Personnel for the cost of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles pursuant to Section 24-30-1117, C.R.S.

➔ NP1 Annual Fleet Vehicle Request

Request: The request includes an increase of \$15,775 cash funds for annual vehicle lease payments.

Recommendation: Staff recommends an increase of \$5,064 cash funds, consistent with Committee policy.

Request and Recommendation: The Department requests an appropriation of \$272,637 total funds. **Staff recommends \$261,926 total funds**, consistent with Committee policy, and the fund splits included in the following table.

Commissioner's Office and Administrative Services, Vehicle Lease Payments				
	Total Funds	General Fund	Cash Funds	Federal Funds
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	<u>\$256,862</u>	<u>\$128,641</u>	<u>\$124,428</u>	<u>\$3,793</u>
TOTAL	\$256,862	\$128,641	\$124,428	\$3,793
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$256,862	\$128,641	\$124,428	\$3,793
NP1 Annual fleet vehicle request	<u>5,064</u>	<u>0</u>	<u>5,064</u>	<u>0</u>
TOTAL	\$261,926	\$128,641	\$129,492	\$3,793

JBC Staff Figure Setting: FY 2015-16
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Commissioner's Office and Administrative Services, Vehicle Lease Payments				
	Total Funds	General Fund	Cash Funds	Federal Funds
Increase/(Decrease)	\$5,064	\$0	\$5,064	\$0
Percentage Change	2.0%	0.0%	4.1%	0.0%
FY 2015-16 Executive Request:	\$272,637	\$128,641	\$140,203	\$3,793
Request Above/(Below) Recommendation	\$10,711	\$0	\$10,711	\$0

Information Technology Asset Maintenance

This line item is used to replace aging software for computers and databases, in an effort to mitigate lost productivity due to aging equipment.

Request and Recommendation: The Department requests continuation-level funding of \$153,031 total funds, including \$42,041 General Fund. **Staff recommends approval of the request.**

Leased Space

This line item provides funds for the office space throughout Colorado leased by the Department.

Request and Recommendation: The Department requests a continuation appropriation of \$13,914 cash funds. **Staff recommends approval of the request.**

Capitol Complex Leased Space

The Department occupies 13,553 square feet of space at 700 Kipling Street in Lakewood, Colorado. This building is owned by the State and the Department is assessed an annual per square foot charge to cover the State's obligations with accommodating the operating costs of the building through the Department of Personnel and Administration.

Request and Recommendation: The Department requested no appropriation for this line item due to the Department's consolidation of five office locations in the Denver metro area. **Staff recommends approval of the request,** consistent with Committee policy.

CORE Operations

This line item funds the Department's share of a five-phase project to replace the statewide accounting system (CORE) used by the Office of the State Controller to record all state revenues and expenditures.

Request and Recommendation: The Department requests continuation appropriation of \$76,354 total funds. **Staff recommends approval of the request,** consistent with Committee policy, and the fund splits included in the following table.

Commissioner's Office and Administrative Services, CORE Operations				
	Total Funds	General Fund	Cash Funds	Federal Funds
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$72,971	\$9,783	\$56,487	\$6,701
S.B. 15-143 (Supplemental)	<u>14,297</u>	<u>413</u>	<u>12,135</u>	<u>1,749</u>
TOTAL	\$87,268	\$10,196	\$68,622	\$8,450

JBC Staff Figure Setting: FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Commissioner's Office and Administrative Services, CORE Operations				
	Total Funds	General Fund	Cash Funds	Federal Funds
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$87,268	\$10,196	\$68,622	\$8,450
Centrally appropriated line items	3,383	(2,533)	3,844	2,072
Annualize prior year funding	<u>(14,297)</u>	<u>(413)</u>	<u>(12,135)</u>	<u>(1,749)</u>
TOTAL	\$76,354	\$7,250	\$60,331	\$8,773
Increase/(Decrease)	(\$10,914)	(\$2,946)	(\$8,291)	\$323
Percentage Change	(12.5%)	(28.9%)	(12.1%)	3.8%
FY 2015-16 Executive Request:	\$76,354	\$7,250	\$60,331	\$8,773
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

Payments to OIT

This line item reflects the request from the Governor’s Office of Information Technology (OIT) to consolidate Department appropriations for information technology services from five IT common policy line items: Management and Administration of OIT, Purchase of Services from Computer Center, Multiuse Network Payments, Communication Services Payments, and Information Technology Security.

Request and Recommendation: The Department requests an appropriation of \$ 1,057,286 total funds. **Staff recommendation is pending Committee approval of a common policy for this line item.** Staff requests permission to adjust all pending line items and apply a fund split, once Committee policy is established.

Commissioner's Office and Administrative Services, Payments to OIT			
	Total Funds	General Fund	Cash Funds
FY 2014-15 Appropriation			
HB 14-1336 (Long Bill)	\$1,179,919	\$854,546	\$325,373
S.B. 15-143 (Supplemental)	<u>8,178</u>	<u>6,134</u>	<u>2,044</u>
TOTAL	\$1,188,097	\$860,680	\$327,417
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$1,188,097	\$860,680	\$327,417
Centrally appropriated line items	(122,633)	(50,000)	(72,633)
Annualize prior year funding	<u>(8,178)</u>	<u>(6,134)</u>	<u>(2,044)</u>
TOTAL	\$1,057,286	\$804,546	\$252,740
Increase/(Decrease)	(\$130,811)	(\$56,134)	(\$74,677)
Percentage Change	(11.0%)	(6.5%)	(22.8%)
FY 2015-16 Executive Request:	\$1,057,286	\$804,546	\$252,740
Request Above/(Below) Recommendation	\$0	\$0	\$0

Utilities

This line item funds the utility costs incurred at state owned buildings. Utility payments are required at the Insectary building in Palisade, and the Inspection and Consumer Services buildings and warehouses in Denver.

Request and Recommendation: The Department requests continuation appropriation of \$161,939 total funds, including \$50,000 General Fund. **Staff recommends the request.**

Agricultural Statistics Bulletin

The Department contracts with the USDA Statistical Service to publish the annual Colorado Agricultural Statistics bulletin. The bulletin is the compilation of county level data on agricultural commodities, and is used by agricultural trade associations, county assessors, and lending institutions.

Request and Recommendation: The Department requests a continuation appropriation of \$15,000 cash funds. **Staff recommends the request.**

Agriculture Management Fund

This fund was created pursuant to H.B. 08-1399, and receives 65.0 percent of the interest earned on the sale of unclaimed securities. The moneys received are intended to support numerous initiatives, each directed at furthering the overall mission of the Department. For FY 2015-16 the Department anticipates moneys will be allocated to projects and programs across six divisions, which include: animal traceability and disease mitigation efforts, agricultural marketing initiatives, irrigation at the Palisade Insectary, and the Colorado State Fair.

Request and Recommendation: The Department requests a continuation appropriation of \$2,048,914 cash funds and 2.0 FTE. **Staff recommends the request.**

Agriculture Leadership and Education Grant Program (NEW LINE ITEM)

This line item funds a competitive grant program to assist with the program costs for agriculture leadership programs. Analysis of this request can be found on page 10 of this document.

Request and Recommendation: The Department requests an appropriation of \$300,000 General Fund. **Staff recommends \$225,000 cash funds**, to be allocated from the Agriculture Management Fund.

Commissioner's Office and Administrative Services, Agriculture Leadership and Education Grant Program			
	Total Funds	General Fund	Cash Funds
FY 2014-15 Appropriation			
HB 14-1336 (Long Bill)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	\$0	\$0	\$0
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$0	\$0	\$0
BA1 Ag Education and Leadership Program	<u>225,000</u>	<u>0</u>	<u>225,000</u>
TOTAL	\$225,000	\$0	\$225,000
Increase/(Decrease)	\$225,000	\$0	\$225,000
Percentage Change	100.0%	0.0%	100.0%
FY 2015-16 Executive Request:	\$300,000	\$300,000	\$0
Request Above/(Below) Recommendation	\$75,000	\$300,000	(\$225,000)

Indirect Cost Assessment

Indirect costs for the Department of Agriculture are calculated on a percentage of authorized cash fund spending authority. The indirect cost collection for this division is primarily from the Agriculture Management Cash Fund.

Request and Recommendation: The Department requests a continuation appropriation of \$203,114 in cash and federal funds for this purpose. **Staff recommends the request**, but also requests permission to adjust all indirect cost line item as necessary based on Committee decisions.

(2) Agricultural Services (NEW TITLE)

Agricultural Services includes the majority of the Department’s large regulatory and consumer protection programs and is comprised four operating divisions:

- **Animal Industry Division** is responsible for the prevention, traceability, and control of livestock diseases, as well as pest control and oversight of animal care requirements.
- **Inspection and Consumer Services Division** provides metrology and regulatory laboratory services, and inspects a variety of agricultural products and facilities
- **Plant Industry Division** manages statewide pest control programs; certifies and inspects plant, seed, and pesticide products; and administers the Industrial Hemp Regulatory Program.
- **Conservation Services Division** operates programs to enhance natural stewardship, including the Noxious Weed Management Program, and works with the **Conservation Board** which provides administrative oversight and financial assistance to state conservation districts in support of local conservation initiatives.

The primary sources of funding are General Fund and two cash funds: the Plant Health, Pest Control and Environmental Protection Fund, and the Inspection and Consumer Services Cash Fund.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

	Agricultural Services Division					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$13,610,946	\$4,302,099	\$6,848,122	\$84,000	\$2,376,725	122.9
TOTAL	\$13,610,946	\$4,302,099	\$6,848,122	\$84,000	\$2,376,725	122.9
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$13,610,946	\$4,302,099	\$6,848,122	\$84,000	\$2,376,725	122.9
Annualize prior year funding	288,257	150,964	113,614	0	23,679	0.0
Indirect cost assessment	27,022	0	27,022	0	0	0.0
Technical changes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$13,926,225	\$4,453,063	\$6,988,758	\$84,000	\$2,400,404	122.9

JBC Staff Figure Setting: FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Agricultural Services Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$315,279	\$150,964	\$140,636	\$0	\$23,679	0.0
Percentage Change	2.3%	3.5%	2.1%	0.0%	1.0%	0.0%
FY 2015-16 Executive Request:	\$13,926,225	\$4,453,063	\$6,988,758	\$84,000	\$2,400,404	122.9
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	(0.0)

LINE ITEM DETAIL – AGRICULTURAL SERVICES

➔ S1 JBC Staff Initiated Recommendation: Line Item Funding and Title Changes for Agriculture Services Division

Recommendation: Staff recommends the Committee **discontinue bottom line funding the Agriculture Services Division line items**, update the section and line items' titles, and update this section of the Long Bill to more accurately reflect the divisional organization of the Department.

Analysis: The current structure of the Agriculture Services Division line item of the Department's section of the Long Bill lacks spending authority transparency and does not accurately reflect the divisional organization of the Department. Bottom line funding this line item allows for spending authority flexibility among the divisions, but obscures each division's specific spending authority. This change will also make the funding of this line item consistent with the other line items in the Department's section of the Long Bill. Displaying the funding per line item detail will add clarity to the spending authority for each division.

Additionally, there is not a statutorily created "Agricultural Services Division" in the Department of Agriculture. Each of the Department's divisions is created in statute, pursuant to Section 35-1-108, C.R.S. Updating this line item to accurately identify the Department's divisions adds clarity to the Department's appropriations and the intent of that funding. Staff will work with the Department to ensure that the changes to the Long Bill accurately represent the structure of and appropriations to its divisions.

Animal Industry Division (NEW TITLE)

The Animal Industry line item funds the staff responsible for operating expenses and programs including: livestock disease prevention and control, rodent and predator control services, pet animal care facility inspection and licensing and operation of the Rocky Mountain Regional Animal Health Laboratory. This line item is supported by the following cash funds: Diseased Livestock Indemnity Cash Fund, Cervidae Disease Cash Fund, Colorado Aquaculture Cash Fund, Animal Protection Cash Fund, and Pet Animal Care and Facility Cash Fund.

Request and Recommendation: The Department requests \$2,359,869 total funds and 25.5 FTE. This represents continuation-level funding with compensation common policy adjustments accounting for the requested increase. **Staff recommends approval of the request** and requests permission to apply the fund splits included in the following table to the line item in the Long Bill.

JBC Staff Figure Setting: FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Agricultural Services, Animal Industry Division					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	\$2,283,450	\$1,489,648	\$540,835	\$252,967	25.5
TOTAL	\$2,283,450	\$1,489,648	\$540,835	\$252,967	25.5
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$2,283,450	\$1,489,648	\$540,835	\$252,967	25.5
Annualize prior year funding	76,419	64,064	11,015	1,340	0.0
Technical changes	0	(548)	78,352	(77,804)	0.0
TOTAL	\$2,359,869	\$1,553,164	\$630,202	\$176,503	25.5
Increase/(Decrease)	\$76,419	\$63,516	\$89,367	(\$76,464)	0.0
Percentage Change	3.3%	4.3%	16.5%	(30.2%)	0.0%
FY 2015-16 Executive Request:	\$2,359,869	\$1,553,164	\$630,202	\$176,503	25.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Vaccine and Service Fund

The Vaccine and Service Fund supports operating expenses for the Rocky Mountain Regional Animal Health Laboratory and provides money for the vaccination of heifer calves against brucellosis, the testing of livestock for brucellosis, and the identification and disposal of reactor livestock. Cash proceeds from the sale of vaccines and services are the main source of revenue for this line item. Moneys are continuously appropriated pursuant to Section 35-50-106, C.R.S.

Request and Recommendation: The Department requests a continuation appropriation of \$324,320 cash funds and 1.0 FTE. **Staff recommends the request and the line item be consolidated with the Animal Industry Division line item.**

Plant Industry Division (NEW TITLE)

The Plant Industry line item funds the staff responsible for operating expenses and programs including: organic certification, nursery stock inspection, plant and seed inspection, and commercial and private pesticide applicator testing.

Request and Recommendation: The Department requests an appropriation of \$4,013,655 total funds and 36.5 FTE. This represents continuation-level funding with compensation common policy adjustments accounting for the requested increase. **Staff recommends approval of the request** and requests permission to apply the fund splits included in the following table to the line item in the Long Bill.

Agricultural Services, Plant Industry Division					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	\$3,938,664	\$362,689	\$2,346,532	\$1,229,443	36.5
TOTAL	\$3,938,664	\$362,689	\$2,346,532	\$1,229,443	36.5
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$3,938,664	\$362,689	\$2,346,532	\$1,229,443	36.5
Annualize prior year funding	74,991	9,396	53,681	11,914	0.0

JBC Staff Figure Setting: FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Agricultural Services, Plant Industry Division					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
Technical changes	0	251,639	194,590	(446,229)	0.0
TOTAL	\$4,013,655	\$623,724	\$2,594,803	\$795,128	36.5
Increase/(Decrease)	\$74,991	\$261,035	\$248,271	(\$434,315)	0.0
Percentage Change	1.9%	72.0%	10.6%	(35.3%)	0.0%
FY 2015-16 Executive Request:	\$4,013,655	\$623,724	\$2,594,803	\$795,128	36.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	(0.0)

Inspection and Consumer Services Division (NEW TITLE)

This line item funds the personal services and operating expenses associated with Inspection and Consumer Services programs including: inspection of animal feed, fertilizer, anhydrous ammonia tanks, eggs, agricultural commodity handlers and dealers, custom meat processors, weighing and measuring devices, and laboratory services. Cash funds from the Inspection and Consumer Services Cash Fund are appropriated to this line item.

Request and Recommendation: The Department requests an appropriation of \$3,643,139 total funds and 44.6 FTE. This represents continuation-level funding with compensation common policy adjustments accounting for the requested increase. **Staff recommends approval of the request** and requests permission to apply the fund splits included in the following table to the line item in the Long Bill.

Agricultural Services, Inspection and Consumer Services Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$3,551,482	\$1,009,582	\$2,204,033	\$84,000	\$253,867	44.6
TOTAL	\$3,551,482	\$1,009,582	\$2,204,033	\$84,000	\$253,867	44.6
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$3,551,482	\$1,009,582	\$2,204,033	\$84,000	\$253,867	44.6
Annualize prior year funding	91,657	48,275	40,403	0	2,979	0.0
Technical changes	0	114,441	(171,756)	0	57,315	0.0
TOTAL	\$3,643,139	\$1,172,298	\$2,072,680	\$84,000	\$314,161	44.6
Increase/(Decrease)	\$91,657	\$162,716	(\$131,353)	\$0	\$60,294	0.0
Percentage Change	2.6%	16.1%	(6.0%)	0.0%	23.8%	0.0%
FY 2015-16 Executive Request:	\$3,643,139	\$1,172,298	\$2,072,680	\$84,000	\$314,161	44.6
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Conservation Services Division (NEW TITLE)

This appropriation includes resources for the Department to collaborate with public and private landowners across Colorado to enhance the stewardship of natural resources related to agricultural practices and lands. Four programs allow the Department to administer efforts associated with the conservation: groundwater protection, biological pest control, noxious weed management, and Colorado State Conservation Board partnership programs. Cash funds are appropriated from the Noxious Weed Cash Fund, and the Plant Health, Pest Control and Environmental Protection Cash Fund.

JBC Staff Figure Setting: FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Request and Recommendation: The Department requests an appropriation of \$2,547,613 total funds and 15.3 FTE. This represents continuation-level funding with compensation common policy adjustments accounting for the requested increase. **Staff recommends approval of the request** and requests permission to apply the fund splits included in the following table to the line item in the Long Bill.

Agricultural Services, Conservation Services Division					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	<u>\$2,502,423</u>	<u>\$1,440,180</u>	<u>\$631,425</u>	<u>\$430,818</u>	<u>15.3</u>
TOTAL	\$2,502,423	\$1,440,180	\$631,425	\$430,818	15.3
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$2,502,423	\$1,440,180	\$631,425	\$430,818	15.3
Annualize prior year funding	45,190	29,229	8,515	7,446	0.0
Technical changes	<u>0</u>	<u>(365,532)</u>	<u>(18,302)</u>	<u>383,834</u>	<u>0.0</u>
TOTAL	\$2,547,613	\$1,103,877	\$621,638	\$822,098	15.3
Increase/(Decrease)	\$45,190	(\$336,303)	(\$9,787)	\$391,280	0.0
Percentage Change	1.8%	(23.4%)	(1.5%)	90.8%	0.0%
FY 2015-16 Executive Request:	\$2,547,613	\$1,103,877	\$621,638	\$822,098	15.3
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Lease Purchase Lab Equipment

During the 2007 Legislative Session, the General Assembly approved the inclusion of this line item to lease-purchase laboratory equipment for the Department's biochemistry laboratory, which performs sample analyses that support the regulatory enforcement activities of Inspection and Consumer Services programs, the Plant Industry division, and the Conservation Board.

Request and Recommendation: The Department requests a continuation appropriation of \$99,360 cash funds. **Staff recommends approval of the request.**

Indirect Costs

This line item funds a portion of the costs of the Commissioner's Office as well as the Division's share of statewide indirect costs. This line item represents indirect cost assessments from Animal Industry, Inspection and Consumer Services, Plant Industry, and Conservation Services.

Request and Recommendation: The Department requests an appropriation of \$938,269 total funds. This represents continuation-level funding with compensation common policy adjustments accounting for the requested increase. **Staff recommends approval of the request** and requests permission to apply the fund splits included in the following table to the line item in the Long Bill. Staff also requests permission to adjust all indirect cost line item as necessary based on Committee decisions.

JBC Staff Figure Setting: FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Agricultural Services, Indirect Cost Assessment			
	Total Funds	Cash Funds	Federal Funds
FY 2014-15 Appropriation			
HB 14-1336 (Long Bill)	<u>\$911,247</u>	<u>\$701,617</u>	<u>\$209,630</u>
TOTAL	\$911,247	\$701,617	\$209,630
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$911,247	\$701,617	\$209,630
Indirect cost assessment	27,022	27,022	0
Technical changes	0	(82,884)	82,884
TOTAL	\$938,269	\$645,755	\$292,514
Increase/(Decrease)	\$27,022	(\$55,862)	\$82,884
Percentage Change	3.0%	(8.0%)	39.5%
FY 2015-16 Executive Request:	\$938,269	\$645,755	\$292,514
Request Above/(Below) Recommendation	\$0	\$0	\$0

(3) Agricultural Markets Division

The Agricultural Markets Division promotes Colorado's agricultural products and services to domestic and international markets, provides export assistance, and develops value-added business ventures. The Markets Division is also responsible for promoting Colorado's wine industry, administering the Colorado Proud brand, and operating the agricultural products inspection program (including potato inspection).

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Agricultural Markets Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	<u>\$4,757,649</u>	<u>\$669,152</u>	<u>\$3,119,889</u>	<u>\$45,000</u>	<u>\$923,608</u>	<u>41.4</u>
TOTAL	\$4,757,649	\$669,152	\$3,119,889	\$45,000	\$923,608	41.4
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$4,757,649	\$669,152	\$3,119,889	\$45,000	\$923,608	41.4
Annualize prior year funding	<u>72,041</u>	<u>19,927</u>	<u>49,166</u>	<u>0</u>	<u>2,948</u>	<u>0.0</u>
TOTAL	\$4,829,690	\$689,079	\$3,169,055	\$45,000	\$926,556	41.4
Increase/(Decrease)	\$72,041	\$19,927	\$49,166	\$0	\$2,948	0.0
Percentage Change	1.5%	3.0%	1.6%	0.0%	0.3%	0.0%
FY 2015-16 Executive Request:	\$4,829,690	\$689,079	\$3,169,055	\$45,000	\$926,556	41.4
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

A) LINE ITEM DETAIL - AGRICULTURAL MARKETS

Program Costs

This line item funds the personal services and operation expenses for the Agricultural Markets Division.

JBC Staff Figure Setting: FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Request and Recommendation: The Department requests an appropriation of \$1,461,819 total funds and 5.4 FTE. This represents continuation-level funding with compensation common policy adjustments accounting for the requested increase. **Staff recommends approval of the request** and the fund splits included in the following table.

Agricultural Markets Division, Agricultural Markets, Program Costs					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	<u>\$1,438,944</u>	<u>\$469,152</u>	<u>\$50,454</u>	<u>\$919,338</u>	<u>5.4</u>
TOTAL	\$1,438,944	\$469,152	\$50,454	\$919,338	5.4
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$1,438,944	\$469,152	\$50,454	\$919,338	5.4
Annualize prior year funding	<u>22,875</u>	<u>19,927</u>	<u>0</u>	<u>2,948</u>	<u>0.0</u>
TOTAL	\$1,461,819	\$489,079	\$50,454	\$922,286	5.4
Increase/(Decrease)	\$22,875	\$19,927	\$0	\$2,948	0.0
Percentage Change	1.6%	4.2%	0.0%	0.3%	0.0%
FY 2015-16 Executive Request:	\$1,461,819	\$489,079	\$50,454	\$922,286	5.4
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Economic Development Grants

This line item shows any grants funds the Division receives from the Governor's Economic Development Commission pursuant to Section 24-46-105, C.R.S.

Request and Recommendation: The Department requests a continuation appropriation of \$45,000 reappropriated funds. **Staff recommends approval of the request.**

Agricultural Development Board

This program and board was created by H.B. 01-1086 to assist in the development of agricultural processing facilities in Colorado. The source of funding for this program is the transfer of \$500,000 from the Operational Account of the Severance Tax Trust Fund pursuant to Section 35-75-205 (1.5) (a), C.R.S.

Request and Recommendation: The Department requests a continuation appropriation of \$500,000 cash funds. **Staff recommends approval of the request.**

Wine Promotion Board

The Colorado Wine Promotion Board is responsible for promoting Colorado wines. The Board funds research, development, promotion, and marketing. Pursuant to Section 35-29.5-105, C.R.S. funds from the Wine Promotion Cash Fund are continuously appropriated. At least one-third of the revenue in the fund shall go toward research and development, at least one-third shall go toward promotion and the remainder to administrative costs.

Request and Recommendation: The Department requests an appropriation of \$572,493 total funds and 1.5 FTE. This represents continuation-level funding with compensation common policy adjustments accounting for the requested increase. **Staff recommends approval of the request** and the fund splits included in the following table.

Agricultural Markets Division, Agricultural Markets, Wine Promotion Board			
	Total Funds	Cash Funds	FTE
FY 2014-15 Appropriation			
HB 14-1336 (Long Bill)	<u>\$569,613</u>	<u>\$569,613</u>	<u>1.5</u>
TOTAL	\$569,613	\$569,613	1.5
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$569,613	\$569,613	1.5
Annualize prior year funding	<u>2,880</u>	<u>2,880</u>	<u>0.0</u>
TOTAL	\$572,493	\$572,493	1.5
Increase/(Decrease)	\$2,880	\$2,880	0.0
Percentage Change	0.5%	0.5%	0.0%
FY 2015-16 Executive Request:	\$572,493	\$572,493	1.5
Request Above/(Below) Recommendation	\$0	\$0	0.0

Indirect Cost Assessment

This line item funds a portion of the costs of the Commissioner’s Office as well as the Division’s share of statewide indirect costs.

Request and Recommendation: The Department requests a continuation appropriation of \$14,270 total funds, including \$10,000 cash funds and \$4,270 federal funds. **Staff recommends approval of the request.**

B) LINE ITEM DETAIL - AGRICULTURAL PRODUCTS INSPECTION

Program Costs

This line item funds the agricultural products inspectors who provide size and grade inspection services to fruit and vegetable growers and shippers throughout the state. Cash funds for this line item are appropriated from the Agricultural Products Inspection Cash Fund.

Request and Recommendation: The Department requests an appropriation of \$2,142,213 total funds and 34.5 FTE. This represents continuation-level funding with compensation common policy adjustments accounting for the requested increase. **Staff recommends approval of the request** and the fund splits included in the following table.

Agricultural Markets Division, Agricultural Products Inspection, Program Costs				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	<u>\$2,095,927</u>	<u>\$200,000</u>	<u>\$1,895,927</u>	<u>34.5</u>
TOTAL	\$2,095,927	\$200,000	\$1,895,927	34.5
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$2,095,927	\$200,000	\$1,895,927	34.5
Annualize prior year funding	<u>46,286</u>	<u>0</u>	<u>46,286</u>	<u>0.0</u>
TOTAL	\$2,142,213	\$200,000	\$1,942,213	34.5
Increase/(Decrease)	\$46,286	\$0	\$46,286	0.0

JBC Staff Figure Setting: FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Agricultural Markets Division, Agricultural Products Inspection, Program Costs				
	Total Funds	General Fund	Cash Funds	FTE
Percentage Change	2.2%	0.0%	2.4%	0.0%
FY 2015-16 Executive Request:	\$2,142,213	\$200,000	\$1,942,213	34.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Indirect Cost Assessment

This line item funds a portion of the costs of the Commissioner’s Office as well as the Division’s share of statewide indirect costs.

Request and Recommendation: The Department requests a continuation appropriation of \$93,895 cash funds. **Staff recommends approval of the request**, but also requests permission to adjust all indirect cost line item as necessary based on Committee decisions.

(4) Brand Board

The Brand Board records and administers livestock brands; inspects and verifies ownership prior to the sale, transport, or slaughter of livestock; inspects and licenses alternative livestock facilities; and facilitates the return of stray or stolen livestock. Pursuant to Section 35-41-101 (5) (a), C.R.S., the Brand Board constitutes an enterprise for the purposes of Section 20 of Article X of the State constitution (TABOR).

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Brand Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	<u>\$4,281,277</u>	<u>\$0</u>	<u>\$4,281,277</u>	<u>\$0</u>	<u>\$0</u>	<u>59.0</u>
TOTAL	\$4,281,277	\$0	\$4,281,277	\$0	\$0	59.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$4,281,277	\$0	\$4,281,277	\$0	\$0	59.0
Annualize prior year funding	<u>(29,233)</u>	<u>0</u>	<u>(29,233)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,252,044	\$0	\$4,252,044	\$0	\$0	59.0
Increase/(Decrease)	(\$29,233)	\$0	(\$29,233)	\$0	\$0	0.0
Percentage Change	(0.7%)	0.0%	(0.7%)	0.0%	0.0%	0.0%
FY 2015-16 Executive Request:	\$4,252,044	\$0	\$4,252,044	\$0	\$0	59.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

LINE ITEM DETAIL – BRAND BOARD

Brand Inspection

This line item funds all personal services and operating costs related to the services provided by the Brand Board.

JBC Staff Figure Setting: FY 2015-16
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Request and Recommendation: The Department requests an appropriation of \$4,032,313 cash funds and 59.0 FTE. This represents continuation-level funding with compensation common policy adjustments accounting for the requested decrease. **Staff recommends approval of the request** and the fund splits included in the following table.

Brand Board, Brand Inspection			
	Total Funds	Cash Funds	FTE
FY 2014-15 Appropriation			
HB 14-1336 (Long Bill)	<u>\$4,061,546</u>	<u>\$4,061,546</u>	<u>59.0</u>
TOTAL	\$4,061,546	\$4,061,546	59.0
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$4,061,546	\$4,061,546	59.0
Annualize prior year funding	(29,233)	(29,233)	0.0
TOTAL	\$4,032,313	\$4,032,313	59.0
Increase/(Decrease)	(\$29,233)	(\$29,233)	0.0
Percentage Change	(0.7%)	(0.7%)	0.0%
FY 2015-16 Executive Request:	\$4,032,313	\$4,032,313	59.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

Alternative Livestock

This line item supports the inspection and licensing of alternative livestock facilities including the selling, trading, bartering, or otherwise transferring of any domesticated elk or fallow deer in the State. Funding for this line item is from the Alternative Livestock Cash Fund.

Request and Recommendation: The Department requests a continuation appropriation of \$15,000 cash funds. **Staff recommends approval of the request.**

Brand Estray Fund

This line item funds the: care of any livestock found on public or private lands within Colorado, whose owner is either unknown or are outside the limits of their usual range or pasture; and reimbursements to owners of estray animals. The sale of estray animals generates revenue for this fund, and moneys are exempt from the TABOR spending limit as they are managed by the Brand Board, which is an enterprise pursuant to Section 20 of Article X of the Colorado Constitution.

Request and Recommendation: The Department requests a continuation appropriation of \$40,000 cash funds. **Staff recommends approval of the request.**

Indirect Cost Assessment

This line item funds a portion of the costs of the Commissioner’s Office as well as the Division’s share of statewide indirect costs. The Brand Board and Alternative Livestock programs benefit from a statutory cap of 3.6 percent of each program’s annual expenditures that can be collected for indirect costs.

Request and Recommendation: The Department requests a continuation appropriation of \$164,731 cash funds. **Staff recommends approval of the request.**

(5) Colorado State Fair

The Colorado State Fair Authority is administered by an eleven-member Board of Commissioners and is primarily responsible for putting on the eleven-day State Fair event held each August. Much of the funding for this division comes from the revenue collected during the annual fair event and from non-fair events held at the fairgrounds during the rest of the year. The Fair also receives funding from a variety of other sources including: the city and county of Pueblo, various small grants, and 25.0 percent of the interest earned on the sale of unclaimed securities (HB 08-1399, Buescher/Isgar).

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Colorado State Fair						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$8,806,576	\$250,000	\$8,556,576	\$0	\$0	26.9
TOTAL	\$8,806,576	\$250,000	\$8,556,576	\$0	\$0	26.9
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$8,806,576	\$250,000	\$8,556,576	\$0	\$0	26.9
R1 State fair facilities maintenance	300,000	300,000	0	0	0	0.0
Annualize prior year funding	69,336	0	69,336	0	0	0.0
TOTAL	\$9,175,912	\$550,000	\$8,625,912	\$0	\$0	26.9
Increase/(Decrease)	\$369,336	\$300,000	\$69,336	\$0	\$0	0.0
Percentage Change	4.2%	120.0%	0.8%	0.0%	0.0%	0.0%
FY 2015-16 Executive Request:	\$9,175,912	\$550,000	\$8,625,912	\$0	\$0	26.9
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

LINE ITEM DETAIL – COLORADO STATE FAIR

Program Costs

This line item includes all personal services and operating costs related to running and maintaining the State Fair and fairgrounds in Pueblo, Colorado.

Request and Recommendation: The Department requests an appropriation of \$8,512,643 cash funds and 26.9 FTE. This represents continuation-level funding with compensation common policy adjustments accounting for the requested increase. **Staff recommends approval of the request** and the fund splits included in the following table.

Colorado State Fair, Program Costs		
	Total Funds	Cash Funds
FY 2014-15 Appropriation		
HB 14-1336 (Long Bill)	\$8,443,307	\$8,443,307
TOTAL	\$8,443,307	\$8,443,307

Colorado State Fair, Program Costs			
	Total Funds	Cash Funds	FTE
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$8,443,307	\$8,443,307	26.9
Annualize prior year funding	<u>69,336</u>	<u>69,336</u>	<u>0.0</u>
TOTAL	\$8,512,643	\$8,512,643	26.9
Increase/(Decrease)	\$69,336	\$69,336	0.0
Percentage Change	0.8%	0.8%	0.0%
FY 2015-16 Executive Request:	\$8,512,643	\$8,512,643	26.9
Request Above/(Below) Recommendation	\$0	\$0	0.0

FFA and 4H Program Funding

This line item provides funding to maintain and support 4H and FFA programs, ensure youth participation and the success of the Junior Livestock Sale, and enhance the financial stability of the State Fair.

➔ R1 State Fair Facilities Maintenance

Request: The Department requests \$300,000 in ongoing General Fund appropriation to support fairgrounds facilities maintenance expense.

Analysis: The State Fairgrounds reside on approximately 100 acres with over 50 separate buildings and facilities. The year-round use of these facilities is critical to the Authority because off-season rentals generate approximately \$700,000 in revenue annually. While there are some exceptions, most notably the Event Center that opened in 1995, most of these facilities are over 50 years old and require maintenance and upkeep. Many of the buildings need only minimal maintenance; however, some of the more frequently used facilities require significant repairs.

The Authority reports that an optimal annual maintenance budget would be \$450,000 to \$500,000, yet they were only able to budget about \$170,000 in FY2013-14 for operating expenses that include maintenance. However, the Authority has been able to leverage sponsorships and in-kind assistance in fairgrounds maintenance. In the past four years, the Authority has averaged \$407,000 in assistance. In 2014, the Authority estimates it will receive \$425,000 in sponsorships and in-kind assistance, which is approximately almost \$2.65 leveraged for each dollar spent on operating expenses. It is anticipated that this level of non-state support will remain constant or increase over the coming years, allowing the Authority to leverage additional funding for its maintenance needs.

The refurbishment of the horse show area, which has a total of 450 stables, is the Authority’s first priority. The 200 stone stables were built in 1938 and the wood stables were built in 1968. The stone stables have been recently rehabilitated using State Historical Funds and are part of the State’s Historic Register. The 250 wood stables have received only minimal maintenance since their construction and suffer from wear; there were at least ten horse escapes during the 11-day Fair this year. The wash racks used for the horses have poor drainage and pose a significant health risk to the animals because standing water attracts disease carrying insects. This work

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will include the replacement of stall doors and latches, repaving of stalls and the event area, and painting. The cost of this work is estimated at \$180,000.

The second prioritized project would be to address the ceiling of the livestock pavilion, the cost of which is currently unknown. The pavilion is in a state of general disrepair, with ceiling holes and crumbling insulation. The Authority, utilizing an emergency grant from the Department of Agriculture, had to repair the building’s doors to bring them up to code in order to prevent the closing of the building prior to this year's Fair. The use of emergency funding to address critical projects is not ideal and does not allow the Authority to effectively budget for their maintenance and upkeep needs.

The requested funding would also be used for pavement repair throughout the fairgrounds, maintaining and patching building roofs, refinishing and painting building interiors, and maintenance of restrooms and ticket booths. The Authority estimates that the short-term cost of repairs and maintenance may be between \$1-1.5 million, while the five year costs may be roughly \$3-4 million. It will work to obtain quotes for the needed repairs and will solicit any potential sponsors to assist in cost-sharing for these projects.

Recommendation: Staff recommends that this funding request be approved as a new line item in order to provide spending authority and appropriation transparency.

Request and Recommendation: The Department requests an appropriation of \$550,000 General Fund, which includes \$300,000 General Fund associated with R1. **Staff recommends a continuation appropriation of \$250,000 General Fund**, with the funding for R1 in a new line item.

Colorado State Fair, FFA and 4H Funding		
	Total Funds	General Fund
FY 2014-15 Appropriation		
HB 14-1336 (Long Bill)	\$250,000	\$250,000
TOTAL	\$250,000	\$250,000
FY 2015-16 Recommended Appropriation		
FY 2014-15 Appropriation	\$250,000	\$250,000
R1 State fair facilities maintenance	0	0
TOTAL	\$250,000	\$250,000
Increase/(Decrease)	\$0	\$0
Percentage Change	0.0%	0.0%
FY 2015-16 Executive Request:	\$550,000	\$550,000
Request Above/(Below) Recommendation	\$300,000	\$300,000

State Fair Facilities Maintenance (NEW LINE ITEM)

This line item provides funding for the rehabilitation and maintenance of the Colorado State Fairgrounds’ facilities and grounds.

Request and Recommendation: The Department requests \$300,000 General Fund. **Staff recommends approval of the request.**

Colorado State Fair, State Fair Facilities Maintenance		
	Total Funds	General Fund
FY 2014-15 Appropriation		
HB 14-1336 (Long Bill)	<u>\$0</u>	<u>\$0</u>
TOTAL	\$0	\$0
FY 2015-16 Recommended Appropriation		
FY 2014-15 Appropriation	\$0	\$0
R1 State fair facilities maintenance	<u>300,000</u>	<u>300,000</u>
TOTAL	\$300,000	\$300,000
Increase/(Decrease)	\$300,000	\$300,000
Percentage Change	100.0%	100.0%
FY 2015-16 Executive Request:	\$300,000	\$300,000
Request Above/(Below) Recommendation	\$0	\$0

Indirect Cost Assessment

The State Fair currently provides its own accounting services, assists with one-third of the personal services associated with the Department's Public Information Officer, and provides all of the Department's controlled maintenance services. As a result, the State Fair's indirect cost assessment is lower than other divisions.

Request and Recommendation: The Department requests a continuation appropriation of \$113,269 cash funds. **Staff recommends approval of the request.**

(6) Conservation Board

The Conservation Board oversees programs to conserve Colorado's soil and natural resources in conjunction with 77 local districts and helps coordinate regional and statewide efforts to address conservation issues. The State Conservation Board is comprised of eight members from the conservation districts and one appointee of the Governor. Issues addressed by this division include: soil erosion, agricultural runoff, forest/rangeland management, noxious weed control, salinity, and energy conservation. The Board is also responsible for maintaining the official maps and legal descriptions of the 77 districts as well as monitoring local board elections.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

	Conservation Board					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	<u>\$2,025,637</u>	<u>\$1,072,778</u>	<u>\$450,000</u>	<u>\$0</u>	<u>\$502,859</u>	<u>5.2</u>
TOTAL	\$2,025,637	\$1,072,778	\$450,000	\$0	\$502,859	5.2
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$2,025,637	\$1,072,778	\$450,000	\$0	\$502,859	5.2
S1 Direct assistance grant inflation adjustment	92,053	92,053	0	0	0	0.0
Annualize prior year funding	<u>21,437</u>	<u>18,931</u>	<u>0</u>	<u>0</u>	<u>2,506</u>	<u>0.0</u>

JBC Staff Figure Setting: FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Conservation Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$2,139,127	\$1,183,762	\$450,000	\$0	\$505,365	5.2
Increase/(Decrease)	\$113,490	\$110,984	\$0	\$0	\$2,506	0.0
Percentage Change	5.6%	10.3%	0.0%	0.0%	0.5%	0.0%
FY 2015-16 Executive Request:	\$2,047,074	\$1,091,709	\$450,000	\$0	\$505,365	5.2
Request Above/(Below) Recommendation	(\$92,053)	(\$92,053)	\$0	\$0	\$0	0.0

LINE ITEM DETAIL – CONSERVATION BOARD

Program Costs

This line item funds the personal services and operating expenses for the Conservation Board.

Request and Recommendation: The Department requests an appropriation of \$474,995 General Fund and 5.2 FTE. This represents continuation-level funding with compensation common policy adjustments accounting for the requested increase. **Staff recommends approval of the request** and the fund splits included in the following table.

Conservation Board, Program Costs			
	Total Funds	General Fund	FTE
FY 2014-15 Appropriation			
HB 14-1336 (Long Bill)	\$456,064	\$456,064	5.2
TOTAL	\$456,064	\$456,064	5.2
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$456,064	\$456,064	5.2
Annualize prior year funding	18,931	18,931	0.0
TOTAL	\$474,995	\$474,995	5.2
Increase/(Decrease)	\$18,931	\$18,931	0.0
Percentage Change	4.2%	4.2%	0.0%
FY 2015-16 Executive Request:	\$474,995	\$474,995	5.2
Request Above/(Below) Recommendation	\$0	\$0	0.0

Distributions to Soil Conservation Districts

The Conservation Board distributes funds directly to local conservation districts to assist with operating expenses (e.g. travel, clerical and technical assistance, office expenses, district elections), pursuant to Section 35-1-106.7, C.R.S. Distributions are made via a competitive grant process according to evaluation criteria, which examine a district's long range plans, annual workload, number of district meetings held each year, participation in conservation activities, and the district's plan to implement education programs.



S2 JBC Staff Initiated Recommendation: Adjusting Distributions to Conservation Districts for Inflation

Recommendation: Staff recommends a one-time inflation adjustment using a base year of 2003. This provides a 10-year inflation adjustment that increases appropriations for this line item by **23.5 percent, or \$92,053.**

Analysis: This assistance program is intended to assist the state’s Conservation Districts with their operating expenses. The funds are awarded through a competitive grant process that ranks each qualifying county. There are currently 76 Conservation Districts, with 75 being eligible for direct assistance grant moneys during the most recent grant cycle in FY 2014-15. Grant awards totaled approximately \$384,661 in 2014. Staff’s research has shown that operating expense for each District vary widely, ranging from as little as \$1,200 to nearly \$200,000. This variance is due the differences in district size, facilities, amount of equipment, utilities, necessary travel, etc.

The grant program is structured to provide better performing Conservation Districts a higher amount of direct assistance. In FY 2010-11, the awarding methodology for the grant program was adjusted to the current incremental distribution. Prior to this methodology shift, award amounts were generally bracketed, so that multiple Districts would receive the same amount. In FY 2009-10, for instance, 34 Districts received a \$5,171 grant award. Under the current incremental methodology, distributions start at a defined amount, \$2,819 in FY 2014-15 for the lowest ranked District, and increase at a pre-determined step increment to the highest ranked District. If two or more Districts are tied in ranking, they receive the same distribution amount. In the FY 2014-15 grant cycle, the step increment was \$62.80 and the highest ranked District received \$7,500 in direct assistance. The following table outlines the average grant distribution for the past six fiscal years.

Average Direct Assistance Distribution: FY 2010-2015	
Fiscal Year	Average Distribution
2009-10	\$5,147
2010-11	5,154
2011-12	5,088
2012-13	5,088
2013-14	5,088
2014-15	\$5,129
6-year Average	\$5,116

Conservation Districts have statutory authority to institute a mill levy on the lands within their jurisdiction. However, this levy is subject to approval from a majority of qualified voters and may not exceed one-half of one mill. (Section 35-70-109, C.R.S.) There are currently 10 Districts that collect a mill levy, with those levies ranging from as little as 0.0005 mills to the maximum allowable levy of 0.5 mills. The amount of revenue raised by these mill levies varies widely and depends on the valuation of the real property in the respective Districts.

Appropriations History

The funding level for this line item has remained constant for 13 of the past 17 years. As a result of the most recent recession, from FY 2009-10 to FY 2012-13 the appropriations for this grant program were reduced by \$200,000. Prior to FY 2009-10, the appropriations for this line item

had not changed for 11 years. In FY 2013-14, the funding level for this program was returned to its pre-recession level. As a result of the relatively flat appropriations over the past 17 years, operating costs have grown while state assistance to Districts has remained static.

The following table outlines the appropriations history for this line item.

20-Year Appropriations History: Distributions to Conservation Districts	
Fiscal Year (s)	Long Bill Appropriation
1998-99 to 2008-09	391,714
2009-10 to 2012-13	191,714
2013-14 to Current	391,714

Denver-Boulder-Greeley Consumer Price Index

The Denver-Boulder-Greeley Consumer Price Index (DBG-CPI) is the standard index used by the Office of Legislative Council in their economic and revenue forecasts. The U.S. Bureau of Labor Statistics (BLS) maintains this index, which provides annual, first half of year, and second half of year inflation statistics. Staff has used 2013 as the year to which the funding for this line item would be adjusted for inflation because this is last year that the DBG-CPI has annual inflation data.

Denver-Boulder-Greeley CPI Adjustment to Distributions to Conservation District: Select Base Years			
Base Year	Aggregate Inflation	Inflation Adjusted Appropriation	Appropriations Increase
1999	38.5%	\$542,524	\$150,810
2003	23.5	483,767	92,053
2008	10.0	430,885	39,171
2013	2.8%	\$402,682	\$10,968

Request and Recommendation: The Department requests continuation-level funding of \$391,714 General Fund. **Staff recommends \$483,767**, provides a 10-year inflation adjustment

Conservation Board, Distribution to Soil Conservation Districts		
	Total Funds	General Fund
FY 2014-15 Appropriation		
HB 14-1336 (Long Bill)	\$391,714	\$391,714
TOTAL	\$391,714	\$391,714
FY 2015-16 Recommended Appropriation		
FY 2014-15 Appropriation	\$391,714	\$391,714
S1 Direct assistance grant inflation adjustment	92,053	92,053
TOTAL	\$483,767	\$483,767
Increase/(Decrease)	\$92,053	\$92,053
Percentage Change	23.5%	23.5%
FY 2015-16 Executive Request:	\$391,714	\$391,714
Request Above/(Below) Recommendation	(\$92,053)	(\$92,053)

Matching Grants to Districts

This line item provides funds for conservation districts to address on-the-ground conservation problems that have been identified at the local level. The conservation districts that receive funds must provide a dollar-for-dollar match. Funding for this line item is from funds transferred from the Operational Account of the Severance Tax Trust Fund pursuant to Section 39-29-109.3 (2) (b), C.R.S. This transfer is scheduled to end on December 31, 2022.

Request and Recommendation: The Department requests continuation-level funding of \$675,000 total funds, including \$225,000 General Fund. **Staff recommends the request.**

Salinity Control Grants

The salinity control grants from the U.S. Bureau of Reclamation are distributed to five soil conservation districts in the Upper Colorado River Basin through the Department of Natural Resources. These moneys fund projects to line irrigation canals, install water pipes, and implement other irrigation management practices that minimize exposure of water to salt bearing soils.

Request and Recommendation: The Department requests \$505,365 federal funds. This represents continuation-level funding with compensation common policy adjustments. **Staff recommends the request.**

Conservation Board, Salinity Control Grants		
	Total Funds	Federal Funds
FY 2014-15 Appropriation		
HB 14-1336 (Long Bill)	<u>\$502,859</u>	<u>\$502,859</u>
TOTAL	\$502,859	\$502,859
FY 2015-16 Recommended Appropriation		
FY 2014-15 Appropriation	\$502,859	\$502,859
Annualize prior year funding	<u>2,506</u>	<u>2,506</u>
TOTAL	\$505,365	\$505,365
Increase/(Decrease)	\$2,506	\$2,506
Percentage Change	0.5%	0.5%
FY 2015-16 Executive Request:	\$505,365	\$505,365
Request Above/(Below) Recommendation	\$0	\$0

Long Bill Footnotes and Requests for Information

LONG BILL FOOTNOTES

None.

REQUESTS FOR INFORMATION

None.

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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DEPARTMENT OF AGRICULTURE
John Salazar, Commissioner

(1) COMMISSIONER'S OFFICE AND ADMINISTRATIVE SERVICES

This division provides administrative and technical support for department divisions and programs, including accounting budgeting, and human resources. Cash funds are from various fees and the reappropriated funds are from departmental and statewide indirect cost recoveries. Federal funds are from federal grants for agricultural purposes.

Personal Services	<u>1,259,167</u>	<u>1,088,468</u>	<u>1,506,222</u>	<u>1,601,893</u>	<u>1,601,893</u>
FTE	15.3	17.5	16.7	16.7	16.7
General Fund	233,586	178,741	240,404	305,571	305,571
Cash Funds	0	0	7,859	8,057	8,057
Reappropriated Funds	955,219	909,727	1,146,605	1,173,627	1,173,627
Federal Funds	70,362	0	111,354	114,638	114,638
Health, Life, and Dental	<u>1,402,366</u>	<u>2,054,944</u>	<u>2,013,527</u>	<u>2,718,585</u>	<u>2,178,910</u>
General Fund	428,370	518,245	726,809	687,807	712,713
Cash Funds	973,996	1,441,357	1,236,999	1,941,252	1,373,343
Federal Funds	0	95,342	49,719	89,526	92,854
Short-term Disability	<u>16,995</u>	<u>29,150</u>	<u>34,576</u>	<u>35,488</u>	<u>35,488</u>
General Fund	5,387	7,785	13,367	13,883	13,883
Cash Funds	11,608	19,022	19,386	19,694	19,694
Federal Funds	0	2,343	1,823	1,911	1,911

* This line item includes a decision item

P - This line item is pending. The figure shown reflects the request amount.

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
S.B. 04-257 Amortization Equalization					
Disbursement	<u>341,451</u>	<u>630,509</u>	<u>690,983</u>	<u>709,705</u>	<u>709,705</u>
General Fund	131,582	168,695	267,267	277,853	277,853
Cash Funds	209,869	411,377	387,344	393,626	393,626
Federal Funds	0	50,437	36,372	38,226	38,226
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>292,894</u>	<u>568,674</u>	<u>647,769</u>	<u>685,511</u>	<u>685,511</u>
General Fund	112,538	151,758	250,536	268,381	268,381
Cash Funds	180,356	371,382	363,135	380,207	380,207
Federal Funds	0	45,534	34,098	36,923	36,923
Salary Survey					
General Fund	<u>0</u>	<u>549,150</u>	<u>465,516</u>	<u>176,518</u>	<u>176,518</u>
Cash Funds	0	165,804	179,967	69,052	69,052
Federal Funds	0	346,136	261,001	97,963	97,963
Federal Funds	0	37,210	24,548	9,503	9,503
Merit Pay					
General Fund	<u>0</u>	<u>249,959</u>	<u>180,780</u>	<u>172,276</u>	<u>172,276</u>
Cash Funds	0	74,821	77,582	73,028	73,028
Cash Funds	0	157,462	94,936	89,587	89,587
Federal Funds	0	17,676	8,262	9,661	9,661
Workers' Compensation					
General Fund	<u>165,703</u>	<u>161,359</u>	<u>195,784</u>	<u>214,521</u>	<u>217,025</u>
General Fund	3,135	3,135	3,135	7,819	8,445
Cash Funds	162,568	158,224	192,649	206,702	208,580

* This line item includes a decision item

P - This line item is pending. The figure shown reflects the request amount.

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Operating Expenses	<u>116,902</u>	<u>241,982</u>	<u>242,932</u>	<u>542,932</u>	<u>249,932</u> *
General Fund	116,634	0	0	300,000	0
Cash Funds	268	0	0	0	0
Reappropriated Funds	0	241,982	241,982	241,982	241,982
Federal Funds	0	0	950	950	950
Legal Services	<u>311,817</u>	<u>380,713</u>	<u>460,694</u>	<u>439,755</u>	<u>439,755</u>
General Fund	114,912	150,027	148,412	148,412	148,412
Cash Funds	192,655	226,436	297,282	276,343	276,343
Federal Funds	4,250	4,250	15,000	15,000	15,000
Administrative Law Judge Services	<u>3,468</u>	<u>4,446</u>	<u>1,313</u>	<u>6,706</u>	<u>6,676</u>
Cash Funds	3,468	4,446	1,313	6,706	6,676
Purchase of Services from Computer Center	<u>623,116</u>	<u>921,093</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	458,292	632,600	0	0	0
Cash Funds	164,824	288,493	0	0	0
Colorado State Network	<u>208,016</u>	<u>157,528</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	81,302	61,569	0	0	0
Cash Funds	126,714	95,959	0	0	0
Management and Administration of OIT	<u>17,784</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	13,767	0	0	0	0
Cash Funds	4,017	0	0	0	0
Payment to Risk Management and Property Funds	<u>162,091</u>	<u>147,063</u>	<u>156,601</u>	<u>126,011</u>	<u>155,570</u>
General Fund	28,742	24,870	24,870	21,811	24,767
Cash Funds	133,349	122,193	131,731	104,200	130,803

* This line item includes a decision item

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JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Vehicle Lease Payments	<u>192,990</u>	<u>217,822</u>	<u>256,862</u>	<u>272,637</u>	<u>261,926</u> *
General Fund	54,257	87,930	128,641	128,641	128,641
Cash Funds	112,262	103,503	124,428	140,203	129,492
Federal Funds	26,471	26,389	3,793	3,793	3,793
Information Technology Asset Maintenance	<u>151,780</u>	<u>153,031</u>	<u>153,031</u>	<u>153,031</u>	<u>153,031</u>
General Fund	42,041	42,041	42,041	42,041	42,041
Cash Funds	109,739	110,990	110,990	110,990	110,990
Leased Space	<u>119,281</u>	<u>121,311</u>	<u>13,914</u>	<u>13,914</u>	<u>13,914</u>
General Fund	39,214	39,209	0	0	0
Cash Funds	80,067	82,102	13,914	13,914	13,914
Capitol Complex Leased Space	<u>169,713</u>	<u>213,608</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	117,995	149,603	0	0	0
Cash Funds	51,718	64,005	0	0	0
Communication Services Payments	<u>12,505</u>	<u>16,049</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	3,127	4,009	0	0	0
Cash Funds	9,378	12,040	0	0	0
CORE Operations	<u>57,758</u>	<u>66,270</u>	<u>87,268</u>	<u>76,354</u>	<u>76,354</u>
General Fund	8,526	9,783	10,196	7,250	7,250
Cash Funds	49,232	56,487	68,622	60,331	60,331
Federal Funds	0	0	8,450	8,773	8,773
Payments to OIT	<u>0</u>	<u>0</u>	<u>1,188,097</u>	<u>1,057,286</u>	<u>1,057,286</u> P
General Fund	0	0	860,680	804,546	804,546
Cash Funds	0	0	327,417	252,740	252,740

* This line item includes a decision item

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JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Information Technology Security	0	<u>10,721</u>	0	0	0
General Fund	0	7,306	0	0	0
Cash Funds	0	3,415	0	0	0
Utilities	<u>138,752</u>	<u>161,939</u>	<u>161,939</u>	<u>161,939</u>	<u>161,939</u>
General Fund	91,050	50,000	50,000	50,000	50,000
Cash Funds	47,702	0	0	0	0
Reappropriated Funds	0	111,939	111,939	111,939	111,939
Agricultural Statistics	<u>11,317</u>	0	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Cash Funds	11,317	0	15,000	15,000	15,000
Agriculture Management Fund	<u>2,525,898</u>	<u>1,976,283</u>	<u>2,048,914</u>	<u>2,048,914</u>	<u>2,048,914</u>
FTE	2.3	1.4	2.0	2.0	2.0
Cash Funds	2,525,898	1,976,283	2,048,914	2,048,914	2,048,914
Agriculture Leadership and Education Grants	0	0	0	0	<u>225,000</u> *
Cash Funds	0	0	0	0	225,000
Indirect Cost Assessment	<u>18,300</u>	<u>195,377</u>	<u>203,114</u>	<u>203,114</u>	<u>203,114</u>
Cash Funds	18,300	195,377	197,014	197,014	197,014
Federal Funds	0	0	6,100	6,100	6,100
TOTAL - (1) Commissioner's Office and Administrative Services	8,320,064	10,317,449	10,724,836	11,432,090	10,838,737
FTE	<u>17.6</u>	<u>18.9</u>	<u>18.7</u>	<u>18.7</u>	<u>18.7</u>
General Fund	2,084,457	2,527,931	3,023,907	3,206,095	2,934,583
Cash Funds	5,179,305	6,246,689	5,899,934	6,363,443	6,038,274
Reappropriated Funds	955,219	1,263,648	1,500,526	1,527,548	1,527,548
Federal Funds	101,083	279,181	300,469	335,004	338,332

* This line item includes a decision item

P - This line item is pending. The figure shown reflects the request amount.

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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(2) AGRICULTURAL SERVICES

The division is divided into four distinct programs: (1) Inspection and Consumer Services; (2) Plant Industry; (3) Animal Industry; and (4) Fruit and Vegetable Inspections.

Animal Industry Division	<u>2,338,813</u>	<u>2,396,282</u>	<u>2,283,450</u>	<u>2,359,869</u>	<u>2,684,189</u> *
FTE	27.1	27.6	25.5	25.5	26.5
General Fund	1,426,428	1,419,967	1,489,648	1,553,164	1,553,164
Cash Funds	527,511	528,569	540,835	630,202	954,522
Federal Funds	384,874	447,746	252,967	176,503	176,503
Vaccine and Service Fund	<u>374,757</u>	<u>279,868</u>	<u>324,320</u>	<u>324,320</u>	<u>0</u> *
FTE	1.3	0.4	1.0	1.0	0
Cash Funds	374,757	279,868	324,320	324,320	0
Plant Industry Division	<u>3,469,963</u>	<u>3,102,272</u>	<u>3,938,664</u>	<u>4,013,655</u>	<u>4,013,655</u> *
FTE	39.1	40.3	36.5	36.5	36.5
General Fund	345,460	350,550	362,689	623,724	623,724
Cash Funds	2,280,659	1,977,644	2,346,532	2,594,803	2,594,803
Federal Funds	843,844	774,078	1,229,443	795,128	795,128
Inspection and Consumer Services Division	<u>3,736,205</u>	<u>3,593,726</u>	<u>3,551,482</u>	<u>3,643,139</u>	<u>3,643,139</u> *
FTE	41.1	43.4	44.6	44.6	44.6
General Fund	972,110	1,055,240	1,009,582	1,172,298	1,172,298
Cash Funds	2,217,443	2,118,499	2,204,033	2,072,680	2,072,680
Reappropriated Funds	0	0	84,000	84,000	84,000
Federal Funds	546,652	419,987	253,867	314,161	314,161

* This line item includes a decision item

P - This line item is pending. The figure shown reflects the request amount.

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Conservation Services Division	<u>3,122,298</u>	<u>2,253,662</u>	<u>2,502,423</u>	<u>2,547,613</u>	<u>2,547,613</u> *
FTE	16.3	14.5	15.3	15.3	15.3
General Fund	686,767	639,983	1,440,180	1,103,877	1,103,877
Cash Funds	593,029	569,864	631,425	621,638	621,638
Federal Funds	1,842,502	1,043,815	430,818	822,098	822,098
Lease Purchase Lab Equipment	<u>1,196</u>	<u>0</u>	<u>99,360</u>	<u>99,360</u>	<u>99,360</u>
General Fund	0	0	0	0	0
Cash Funds	1,196	0	99,360	99,360	99,360
Indirect Cost Assessment	<u>578,597</u>	<u>734,806</u>	<u>911,247</u>	<u>938,269</u>	<u>938,269</u>
Cash Funds	427,372	589,625	701,617	645,755	645,755
Federal Funds	151,225	145,181	209,630	292,514	292,514
TOTAL - (2) Agricultural Services	13,621,829	12,360,616	13,610,946	13,926,225	13,926,225
FTE	<u>124.9</u>	<u>126.2</u>	<u>122.9</u>	<u>122.9</u>	<u>122.9</u>
General Fund	3,430,765	3,465,740	4,302,099	4,453,063	4,453,063
Cash Funds	6,421,967	6,064,069	6,848,122	6,988,758	6,988,758
Reappropriated Funds	0	0	84,000	84,000	84,000
Federal Funds	3,769,097	2,830,807	2,376,725	2,400,404	2,400,404

* This line item includes a decision item

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JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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(3) AGRICULTURAL MARKETS DIVISION

This division provides marketing assistance and related support to Colorado agricultural-based businesses competing in local, national, and international arenas. The reappropriated funds are from a transfer from the Economic Development Commission, in the Office of the Governor.

(A) Agricultural Markets

Program Costs	<u>1,191,167</u>	<u>1,099,103</u>	<u>1,438,944</u>	<u>1,461,819</u>	<u>1,461,819</u>
FTE	6.5	7.4	5.4	5.4	5.4
General Fund	446,217	446,232	469,152	489,079	489,079
Cash Funds	21,449	0	50,454	50,454	50,454
Federal Funds	723,501	652,871	919,338	922,286	922,286
 Economic Development Grants	 <u>30,811</u>	 <u>55,342</u>	 <u>45,000</u>	 <u>45,000</u>	 <u>45,000</u>
Reappropriated Funds	0	0	45,000	45,000	45,000
Federal Funds	30,811	55,342	0	0	0
 Agricultural Development Board	 <u>124,182</u>	 <u>197,818</u>	 <u>500,000</u>	 <u>500,000</u>	 <u>500,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	124,182	197,818	500,000	500,000	500,000
 Wine Promotion Board	 <u>609,110</u>	 <u>604,662</u>	 <u>569,613</u>	 <u>572,493</u>	 <u>572,493</u>
FTE	1.1	1.5	1.5	1.5	1.5
Cash Funds	609,110	604,662	569,613	572,493	572,493
 Indirect Cost Assessment	 <u>12,842</u>	 <u>35,058</u>	 <u>14,270</u>	 <u>14,270</u>	 <u>14,270</u>
Cash Funds	9,150	29,928	10,000	10,000	10,000
Federal Funds	3,692	5,130	4,270	4,270	4,270

* This line item includes a decision item

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JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
SUBTOTAL - (A) Agricultural Markets	1,968,112	1,991,983	2,567,827	2,593,582	2,593,582
<i>FTE</i>	7.6	8.9	6.9	6.9	6.9
General Fund	446,217	446,232	469,152	489,079	489,079
Cash Funds	763,891	832,408	1,130,067	1,132,947	1,132,947
Reappropriated Funds	0	0	45,000	45,000	45,000
Federal Funds	758,004	713,343	923,608	926,556	926,556
(B) Agricultural Products Inspection					
Program Costs	<u>2,020,241</u>	<u>1,863,439</u>	<u>2,095,927</u>	<u>2,142,213</u>	<u>2,142,213</u>
<i>FTE</i>	37.1	30.1	34.5	34.5	34.5
General Fund	200,000	200,000	200,000	200,000	200,000
Cash Funds	1,820,241	1,663,439	1,895,927	1,942,213	1,942,213
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Indirect Cost Assessment	<u>111,000</u>	<u>92,539</u>	<u>93,895</u>	<u>93,895</u>	<u>93,895</u>
Cash Funds	111,000	92,539	93,895	93,895	93,895
SUBTOTAL - (B) Agricultural Products Inspection	2,131,241	1,955,978	2,189,822	2,236,108	2,236,108
<i>FTE</i>	<u>37.1</u>	<u>30.1</u>	<u>34.5</u>	<u>34.5</u>	<u>34.5</u>
General Fund	200,000	200,000	200,000	200,000	200,000
Cash Funds	1,931,241	1,755,978	1,989,822	2,036,108	2,036,108
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
TOTAL - (3) Agricultural Markets Division	4,099,353	3,947,961	4,757,649	4,829,690	4,829,690
<i>FTE</i>	<u>44.7</u>	<u>39.0</u>	<u>41.4</u>	<u>41.4</u>	<u>41.4</u>
General Fund	646,217	646,232	669,152	689,079	689,079
Cash Funds	2,695,132	2,588,386	3,119,889	3,169,055	3,169,055
Reappropriated Funds	0	0	45,000	45,000	45,000
Federal Funds	758,004	713,343	923,608	926,556	926,556

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JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
(4) BRAND BOARD					
The Brand Board is responsible for inspecting cattle, horse, and alternative livestock brands to verify ownership at the time of sale, transport, or slaughter, and constitutes an enterprise for the purposes of Section 20 of Article X of the Colorado Constitution.					
Brand Inspection	<u>3,807,662</u>	<u>3,905,478</u>	<u>4,061,546</u>	<u>4,032,313</u>	<u>4,032,313</u>
FTE	57.9	55.1	59.0	59.0	59.0
General Fund	0	0	0	0	0
Cash Funds	3,807,662	3,905,478	4,061,546	4,032,313	4,032,313
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Alternative Livestock	<u>8,769</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Cash Funds	8,769	15,000	15,000	15,000	15,000
Brand Estray Fund	<u>30,432</u>	<u>68,016</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
Cash Funds	30,432	68,016	40,000	40,000	40,000
Indirect Cost Assessment	<u>136,838</u>	<u>168,019</u>	<u>164,731</u>	<u>164,731</u>	<u>164,731</u>
Cash Funds	136,838	168,019	164,731	164,731	164,731
TOTAL - (4) Brand Board	<u>3,983,701</u>	<u>4,156,513</u>	<u>4,281,277</u>	<u>4,252,044</u>	<u>4,252,044</u>
FTE	<u>57.9</u>	<u>55.1</u>	<u>59.0</u>	<u>59.0</u>	<u>59.0</u>
General Fund	0	0	0	0	0
Cash Funds	3,983,701	4,156,513	4,281,277	4,252,044	4,252,044
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

* This line item includes a decision item

P - This line item is pending. The figure shown reflects the request amount.

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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(5) COLORADO STATE FAIR

This division administers the State Fair under the guidance of the State Fair Authority. Cash funds are from the fees collected by the State Fair during its 11-day event, and from non-fair events held at the State Fairgrounds in Pueblo, Colorado.

Program Costs	<u>7,519,741</u>	<u>7,412,903</u>	<u>8,443,307</u>	<u>8,512,643</u>	<u>8,512,643</u>
FTE	25.2	24.4	26.9	26.9	26.9
General Fund	0	0	0	0	0
Cash Funds	7,519,741	7,412,903	8,443,307	8,512,643	8,512,643
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 FFA and 4H Funding	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>550,000</u>	<u>250,000</u> *
General Fund	0	0	250,000	550,000	250,000
 State Fair Facilities Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>300,000</u> *
General Fund	0	0	0	0	300,000
 Indirect Cost Assessment	<u>87,837</u>	<u>107,602</u>	<u>113,269</u>	<u>113,269</u>	<u>113,269</u>
Cash Funds	87,837	107,602	113,269	113,269	113,269

TOTAL - (5) Colorado State Fair	<u>7,607,578</u>	<u>7,520,505</u>	<u>8,806,576</u>	<u>9,175,912</u>	<u>9,175,912</u>
FTE	<u>25.2</u>	<u>24.4</u>	<u>26.9</u>	<u>26.9</u>	<u>26.9</u>
General Fund	0	0	250,000	550,000	550,000
Cash Funds	7,607,578	7,520,505	8,556,576	8,625,912	8,625,912
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

* This line item includes a decision item

P - This line item is pending. The figure shown reflects the request amount.

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
(6) CONSERVATION BOARD					
This division works to preserve Colorado's natural resources including reducing soil erosion and flood damage, as well as protecting underground water reserves.					
Program Costs	<u>438,820</u>	<u>439,008</u>	<u>456,064</u>	<u>474,995</u>	<u>474,995</u>
FTE	5.4	5.6	5.2	5.2	5.2
General Fund	438,820	439,008	456,064	474,995	474,995
Reappropriated Funds	0	0	0	0	0
Distribution to Soil Conservation Districts	<u>191,714</u>	<u>391,714</u>	<u>391,714</u>	<u>391,714</u>	<u>483,767</u> *
General Fund	191,714	391,714	391,714	391,714	483,767
Matching Grants to Districts	<u>318,996</u>	<u>444,222</u>	<u>675,000</u>	<u>675,000</u>	<u>675,000</u>
General Fund	0	225,000	225,000	225,000	225,000
Cash Funds	318,996	219,222	450,000	450,000	450,000
Salinity Control Grants	<u>817,655</u>	<u>1,021,926</u>	<u>502,859</u>	<u>505,365</u>	<u>505,365</u>
FTE	0.0	1.8	0.0	0.0	0.0
Federal Funds	817,655	1,021,926	502,859	505,365	505,365
TOTAL - (6) Conservation Board	1,767,185	2,296,870	2,025,637	2,047,074	2,139,127
FTE	5.4	7.4	5.2	5.2	5.2
General Fund	630,534	1,055,722	1,072,778	1,091,709	1,183,762
Cash Funds	318,996	219,222	450,000	450,000	450,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	817,655	1,021,926	502,859	505,365	505,365
TOTAL - Department of Agriculture	39,399,710	40,599,914	44,206,921	45,663,035	45,161,735
FTE	<u>275.7</u>	<u>271.0</u>	<u>274.1</u>	<u>274.1</u>	<u>274.1</u>
General Fund	6,791,973	7,695,625	9,317,936	9,989,946	9,810,487
Cash Funds	26,206,679	26,795,384	29,155,798	29,849,212	29,524,043
Reappropriated Funds	955,219	1,263,648	1,629,526	1,656,548	1,656,548
Federal Funds	5,445,839	4,845,257	4,103,661	4,167,329	4,170,657

* This line item includes a decision item

P - This line item is pending. The figure shown reflects the request amount.



**Colorado
State Fair**

COLORADO DEPARTMENT OF AGRICULTURE

TO: Tom Dermody

FROM: Chris Wiseman

Dated: February 11, 2015

Subject: Recommendations to improve the financial stability and continued operations of the Colorado State Fair.

Each year the Colorado State Fair reviews its revenue, expenses, and the success of the annual State Fair and non-Fair time events. Through that review we have made decisions and adjustments to improve the Fair and our financial stability. While we realize these adjustments are necessary, we also realize that it is time for a more comprehensive review of the Fairs resources.

The annual eleven day State Fair event itself is profitable. In 2014 the State Fair set a high with increases in revenue and a reduction in expenses. Current figures show a dramatic increase in profits from gate admissions, carnival attractions, concessions, and concerts of over \$700,000 from the prior year. This is a good start in setting the Fair in the right direction.

The issue has always been the cost of operations and maintenance of the facility during non-Fair times. Most fairs across the country experience the same overriding issue: A facility capable of producing an annual event on the scale of a State Fair is difficult to sustain the rest of the year. The Colorado State Fair is no different. We are seeking to address the challenge through our current request for funds to help maintain our facilities so that the fairgrounds are an attractive venue for non-fair business.

The performance measure for the State Fair in the Department's Performance Plan is to increase the percentage of utilization of the facilities to seventy percent by FY 2016-2017. Currently, there is no staff dedicated to increasing non-Fair revenue and facility utilization. In FY 2012-2013 the non-Fair utilization of grounds and facilities was at forty-eight percent with revenues of \$685,789. In FY 2013-2014 the Fair increased usage to fifty-one percent and increased revenue to \$742,000. This increase has been achieved with current staff and existing resources, these are modest gains to say the least. In order to reach our goal of seventy percent utilization and \$822,000 in revenue by FY 2016-2017 we would need additional resources to dedicate to that goal.

The Colorado State Fair is working with the Department on addressing our resource deficiencies to focus on marketing the fairgrounds, ultimately increasing grounds and facility use to increase



revenue. With additional resources focused on achieving our utilization goal We believe that we could increase non-Fair revenues more than the current projections.

While improvements made to the annual State Fair and non-Fair business/revenue will help, we believe that a more holistic review of the entire Colorado State Fair operations is needed. A comprehensive study, at a minimum, could include the following topics or issues:

- The feasibility of moving the Fair to a new location;
- The cost of closing the Fair down, and disposing of the property;
- A comprehensive study of all current events at the Fair (both Fair and non-Fair);
- An evaluation of current staffing levels (maintenance, security, programs, and administration);
- The economic impact of the Fair;
- A review of sponsorship, rental, gate, and all revenue sources for the Fair to improve fee structures; and
- A review of which buildings should or could be “mothballed” annually to save money.

The Colorado state fair exists to promote agriculture and support youth in Colorado. In order to support that mission we seek to engage many possible solutions to improve our financial stability. We look forward to working with you to explore the need for a comprehensive review of the Fairs challenges and opportunities and resources to support our mission and a successful future.

