

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2014-15 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 \$43,262,651 total funds (including \$8,486,846 General Fund) and 274.1 FTE for FY 2014-15. This represents an increase of \$592,407 total funds (including \$763,041 General Fund) compared to FY 2013-14. The increase in General Fund consists of the Department's request for \$250,000 General Fund for the Colorado State Fair, non-prioritized requests from the Department of Personnel and the Governor's Office of Information Technology, and adjustments to centrally appropriated line items.

JBC Staff Figure Setting: FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Staff Recommendation

Staff recommends an appropriation of \$43,895,695 total funds (including \$8,927,859 General Fund. The recommendation is \$633,044 higher than the Department's request due to higher funding for centrally appropriated line items consistent with Committee policy, a recommendation to fund FFA and 4H programs at the Colorado State Fair, and a JBC staff initiated recommendation to increase funding for the Noxious Weed Management program.

Department of Agriculture						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$42,649,039	\$7,702,600	\$29,176,366	\$1,632,203	\$4,137,870	274.1
Other Legislation	21,205	21,205	0	0	0	0.0
HB 14-1232 (Supplemental)	<u>0</u>	<u>0</u>	<u>24,000</u>	<u>0</u>	<u>(24,000)</u>	<u>0.0</u>
TOTAL	\$42,670,244	\$7,723,805	\$29,200,366	\$1,632,203	\$4,113,870	274.1
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$42,670,244	\$7,723,805	\$29,200,366	\$1,632,203	\$4,113,870	274.1
R1 FFA and 4-H program funding	250,000	250,000	0	0	0	0.0
NP1 Annual fleet vehicle request	14,974	0	14,974	0	0	0.0
NP2 Secure Colorado phase II	40,664	40,664	0	0	0	0.0
NP3 Eliminate redundant applications	23,888	23,888	0	0	0	0.0
NP4 Capitol Complex network resiliency	6,546	6,546	0	0	0	0.0
NP5 DTRS operations increase	3,225	3,225	0	0	0	0.0
NP6 IT technical development	2,036	2,036	0	0	0	0.0
NP7 IT service management eco-system	27,882	27,882	0	0	0	0.0
Centrally appropriated line item adjustments	730,622	598,337	168,709	(2,677)	(33,747)	0.0
JBC Staff initiated adjustment	325,000	325,000	0	0	0	0.0
Base reduction for office consolidation	(107,950)	(39,214)	(68,736)	0	0	0.0
Statewide IT common policy adjustments	(67,554)	(13,105)	(54,449)	0	0	0.0
Annualize prior year legislation	(21,205)	(21,205)	(24,000)	0	24,000	0.0
Indirect cost assessment	<u>(2,677)</u>	<u>0</u>	<u>(2,677)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$43,895,695	\$8,927,859	\$29,234,187	\$1,629,526	\$4,104,123	274.1
Increase/(Decrease)	\$1,225,451	\$1,204,054	\$33,821	(\$2,677)	(\$9,747)	0.0
Percentage Change	2.9%	15.6%	0.1%	(0.2%)	(0.2%)	0.0%
FY 2014-15 Executive Request						
Request Above/(Below) Recommendation	(\$633,044)	(\$441,013)	(\$176,306)	\$0	(\$15,725)	0.0

Description of Incremental Changes

R1 FFA and 4H program funding: The recommendation includes a new Long Bill line item with an appropriation of \$250,000 General Fund to provide partial funding for 4H and FFA youth programs at the Colorado State Fair.

Non-prioritized requested changes (NP1 through NP7): The recommendation reflects the Department of Personnel's annual fleet vehicle request and six requested changes from the Governor's Office of Information Technology, pending Committee action. *These request items will be addressed in separate figure setting presentations for the Office of the Governor on March 13, 2014, and the Department of Personnel on March 14, 2014.*

Centrally appropriated line item adjustments: The recommendation reflects adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; administrative law judges; payment to risk management and property funds; and Capitol complex leased space. *Pending request items will be addressed in a separate figure setting presentation for the Department of Personnel on March 14, 2014.*

JBC Staff initiated adjustment: The recommendation includes an increase of \$325,000 General Fund for Conservation Services in the Agricultural Services Division to support the Noxious Weed Management Program.

Base reduction for office consolidation: The recommendation reflects a decrease of \$107,950 total funds (including \$39,214 General Fund) for leased space due to the Department's consolidation of five office locations in the Denver metro area.

Statewide IT common policy adjustments: The recommendation reflects requested adjustments for line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of OIT; communication services payments; and information technology security. *This request item will be addressed in a separate figure setting presentation for the Office of the Governor on March 13, 2014.*

Annualize prior year legislation: The recommendation includes a decrease of \$21,205 General Fund to remove one-time funding for the industrial hemp regulatory program (SB 13-241), and a net-zero fund source adjustment to reverse a supplemental true-up of indirect cost assessments in four divisions (HB 14-1232).

Indirect cost assessment: The recommendation reflects a net decrease of \$2,667 cash funds to accurately reflect indirect cost assessments made to various divisions in the Department.

(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 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$10,820,230	\$2,542,598	\$6,388,690	\$1,503,203	\$385,739	18.7
Other Legislation	13,905	13,905	0	0	0	0.0
HB 14-1232 (Supplemental)	<u>(4,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,000)</u>	<u>0.0</u>
TOTAL	\$10,830,135	\$2,556,503	\$6,388,690	\$1,503,203	\$381,739	18.7
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$10,830,135	\$2,556,503	\$6,388,690	\$1,503,203	\$381,739	18.7
NP1 Annual fleet vehicle request	14,974	0	14,974	0	0	0.0
NP2 Secure Colorado phase II	40,664	40,664	0	0	0	0.0
NP3 Eliminate redundant applications	23,888	23,888	0	0	0	0.0
NP4 Capitol Complex network resiliency	6,546	6,546	0	0	0	0.0
NP5 DTRS operations increase	3,225	3,225	0	0	0	0.0
NP6 IT technical development	2,036	2,036	0	0	0	0.0
NP7 IT service management eco-system	27,882	27,882	0	0	0	0.0
Centrally appropriated line item adjustments	24,669	414,310	(302,156)	(2,677)	(84,808)	0.0
Base reduction for office consolidation	(107,950)	(39,214)	(68,736)	0	0	0.0
Statewide IT common policy adjustments	(67,554)	(13,105)	(54,449)	0	0	0.0
Annualize prior year legislation	<u>(9,905)</u>	<u>(13,905)</u>	<u>0</u>	<u>0</u>	<u>4,000</u>	<u>0.0</u>
TOTAL	\$10,788,610	\$3,008,830	\$5,978,323	\$1,500,526	\$300,931	18.7
Increase/(Decrease)	(\$41,525)	\$452,327	(\$410,367)	(\$2,677)	(\$80,808)	0.0
Percentage Change	(0.4%)	17.7%	(6.4%)	(0.2%)	(21.2%)	0.0%
FY 2014-15 Executive Request:	\$10,480,566	\$2,892,817	\$5,802,017	\$1,500,526	\$285,206	18.7
Request Above/(Below) Recommendation	(\$308,044)	(\$116,013)	(\$176,306)	\$0	(\$15,725)	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: The Department requests an appropriation of \$1,506,222 total funds (including \$240,404 General Fund) and 16.7 FTE. This represents continuation-level funding with compensation common policy adjustments.

Recommendation: Staff recommends the request.

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 \$2,013,527 total funds (including \$726,809 General Fund). **Staff recommends an appropriation of \$2,013,527 (including \$726,809 General Fund), consistent with Committee policy.**

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 \$34,366 total funds (including \$13,286 General Fund). **Staff recommends an appropriation of \$34,518 total funds (including \$13,345 General Fund), consistent with Committee policy.**

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 \$686,580 total funds (including \$265,855 General Fund). **Staff recommends an appropriation of \$689,632 total funds (including \$267,073 General Fund), consistent with Committee policy.**

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 \$643,668 total funds (including \$249,239 General Fund). **Staff recommends an appropriation of \$646,530 total funds (including \$250,381 General Fund), consistent with Committee policy.**

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 \$256,987 total funds (including \$102,655 General Fund). **Staff recommends \$558,618 total funds (including \$215,960 General Fund), consistent with Committee policy.**

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 \$266,467 total funds (including \$115,501 General Fund). **Staff recommends \$266,814 total funds (including \$115,790 General Fund), consistent with Committee policy.**

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: The Department requests an appropriation of \$200,862 total funds (including \$3,135 General Fund).

Recommendation: Staff recommendation for this line item is pending the approval of a Committee policy. Staff requests permission to adjust all pending line items once Committee policy is established.

Operating Expenses

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

Request and Recommendation: The Department requests continuation-level funding of \$242,932 in reappropriated and federal funds. **Staff recommends the request.**

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: The Department requests an appropriation of \$423,795 total funds (including \$136,125 General Fund) for 4,653 legal service hours. This includes a decrease of \$13,905 total funds to remove a one-time funding increase for legal services hours related to the establishment of the industrial hemp regulatory program (SB 13-241 Schwartz/Coram).

Recommendation: Staff recommends 4,653 hours of legal services and requests permission to adjust the line item based on Committee action regarding the hourly rate for legal services.

Administrative Law Judge Services

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

Request: The Department requests an appropriation of \$1,237 cash funds for FY 2014-15. This includes a net decrease of \$3,209 cash funds.

Recommendation: Staff recommendation for this line item is pending the approval of a Committee policy.

Purchase of Services from Computer Center

The Department requests no appropriation for this line item due to the request from the Governor's Office of Information Technology to consolidate five common policy line items for the purchase of information technology services into a single line item (see new line item "Payments to OIT"). **Staff recommendation is pending the approval of a Committee policy.**

Colorado State Network

The Department requests no appropriation for this line item due to the request from the Governor's Office of Information Technology to consolidate five common policy line items for the purchase of information technology services into a single line item (see new line item "Payments to OIT"). **Staff recommendation is pending the approval of a Committee policy.**

Management and Administration of OIT

The Department is not requesting an appropriation for this line item due to the request from the Governor's Office of Information Technology to consolidate five common policy line items for the purchase of information technology services into a single line item (see new line item "Payments to OIT"). **Staff recommendation is pending the approval of a Committee policy.**

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 \$154,948 (including \$24,870 General Fund). **Staff recommendation is pending the approval of a Committee policy.**

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.

Request: The Department requests an appropriation of \$244,715 total funds (including \$116,494 General Fund).

➔ NP1 Annual fleet vehicle request

The request includes an increase of \$14,974 cash funds to replace of 12 vehicles as outlined in the following table:

Program that Uses the Vehicle	Type of Vehicle	Model Year	May 2013 Mileage	June 2015 Mileage
Animal Industry	4X4 Truck	2008	130,266	171,191
Animal Industry	4X4 Truck	2006	129,247	192,222
Animal Industry	4X4 Truck	2006	162,965	204,465
Colorado State Fair	4X2 Truck	2000	131,172	137,997
Colorado State Fair	4X4 Truck	2002	151,052	159,227
Colorado State Fair	4X4 Truck	2001	136,012	139,787
Colorado State Fair	4X4 Truck	2000	143,430	150,455
Conservation Services	4X4 Truck	2005	100,721	130,121
ICS	Cargo Van	2007	96,250	137,675
ICS	Tractor Trailer	2001	147,000	160,950
ICS	Sedan	2005	123,722	130,597
Plant Industry	4X4 Truck	2007	118,665	153,090

Analysis: All requested vehicles will meet high mileage replacement criteria (over 130,000 miles) or high maintenance cost criteria (over 125 % above average) for FY 2014-15.

Recommendation: Staff recommends the replacement of twelve vehicles. The final dollar figure for the recommendation is pending the approval of a Committee policy and staff requests permission to adjust this line item based on Committee action.

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 the request.**

Leased Space

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

Request: The Department requests an appropriation of \$13,914 cash funds. This includes a decrease of \$107,950 total funds (including \$39,214 General Fund) due to the Department’s consolidation of five office locations in the Denver metro area.

Recommendation: Staff recommends the request as outlined in the following table.

JBC Staff Figure Setting: FY 2014-15
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Commissioner's Office and Administrative Services, Leased Space				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	<u>\$121,864</u>	<u>\$39,214</u>	<u>\$82,650</u>	<u>0.0</u>
TOTAL	\$121,864	\$39,214	\$82,650	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$121,864	\$39,214	\$82,650	0.0
Base reduction for office consolidation	<u>(107,950)</u>	<u>(39,214)</u>	<u>(68,736)</u>	<u>0.0</u>
TOTAL	\$13,914	\$0	\$13,914	0.0
Increase/(Decrease)	(\$107,950)	(\$39,214)	(\$68,736)	0.0
Percentage Change	(88.6%)	(100.0%)	(83.2%)	0.0%
FY 2014-15 Executive Request:	\$13,914	\$0	\$13,914	0.0
Request Above/(Below)				
Recommendation	\$0	\$0	\$0	0.0

Capitol Complex Leased Space

The Department requests no appropriation for this line item due to the Department's consolidation of five office locations in the Denver metro area. **Staff recommendation is pending the approval of a Committee policy.**

Communication Services Payment

The Department requests no appropriation for this line item due to the request from the Governor's Office of Information Technology to consolidate five common policy line items for the purchase of information technology services into a single line item (see new line item "Payments to OIT"). **Staff recommendation is pending the approval of a Committee policy.**

COFRS Modernization

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

Request and Recommendation: The Department requests continuation-level funding of \$66,270 total funds (including \$9,783 General Fund). **Staff recommendation is pending the approval of a Committee policy.**

Payments to OIT (New Line Item)

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: The Department requests an appropriation of \$1,142,078 total funds (including \$796,620 General Fund). This includes the following non-prioritized requests from OIT and the consolidation of appropriations to the IT common policy line items listed above.

➔ NP2 Secure Colorado phase II

The request includes an increase of \$40,664 General Fund to fund the Department's share of Phase II of a three-phase project to improve information technology security in OIT.

➔ NP3 Eliminate redundant applications

The request includes an increase of \$23,888 General Fund to fund the Department's share of costs incurred by OIT to consolidate or eliminate redundant information technology tools across all State agencies.

➔ NP4 Capitol Complex network resiliency

The request includes an increase \$6,546 General Fund to fund the Department's share of an upgrade of network equipment within Capitol Complex buildings to leverage the capabilities of the newly implemented Colorado State Network.

➔ NP5 DTRS operations increase

The request includes an increase of \$3,225 General Fund to fund the Department's share of the operating costs of maintaining infrastructure within the public safety radio communications system.

➔ NP6 IT technical development

The request includes an increase of \$2,036 General Fund to fund the Department's share of the costs of technical training opportunities and certification for OIT staff.

➔ NP7 IT service management ecosystem

The request includes an increase of \$27,882 General Fund to fund the Department's share of the costs of purchasing and implementing tools that link operational information created by OIT through its delivery of services to State agencies and the public.

Recommendation: Staff recommendation is pending the approval of a Committee policy.

Information Technology Security

The Department requests no appropriation for this line item due to the request from the Governor’s Office of Information Technology to consolidate five common policy line items for the purchase of information technology services into a single line item (see new line item “Payments to OIT”). **Staff recommendation is pending the approval of a Committee policy.**

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-level funding 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 continuation-level funding 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 2014-15 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 continuation-level funding of \$2,048,914 cash funds and 2.0 FTE. **Staff recommends the request.**

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: The Department requests continuation-level funding of \$203,114 in cash and federal funds for this purpose.

Recommendation: Staff recommends the request, but also requests permission to adjust all indirect cost line item as necessary based on Committee decisions. The recommendation includes the annualization of HB 14-1232 (Supplemental) as outlined in the table below.

JBC Staff Figure Setting: FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Commissioner's Office and Administrative Services, Indirect Cost Assessment					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$203,114	\$0	\$197,014	\$6,100	0.0
HB 14-1232 (Supplemental)	<u>(4,000)</u>	<u>0</u>	<u>0</u>	<u>(4,000)</u>	<u>0.0</u>
TOTAL	\$199,114	\$0	\$197,014	\$2,100	0.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$199,114	\$0	\$197,014	\$2,100	0.0
Annualize prior year legislation	<u>4,000</u>	<u>0</u>	<u>0</u>	<u>4,000</u>	<u>0.0</u>
TOTAL	\$203,114		\$197,014	\$6,100	0.0
Increase/(Decrease)	\$4,000	\$0	\$0	\$4,000	0.0
Percentage Change	2.0%	0.0%	0.0%	190.5%	0.0%
FY 2014-15 Executive Request:	\$203,114	\$0	\$197,014	\$6,100	0.0
Request Above/(Below) Recommendation	\$0		\$0	\$0	0.0

(2) Agricultural Services Division

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

- **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 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 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$12,486,050	\$3,457,445	\$6,610,744	\$84,000	\$2,333,861	122.9
Other Legislation	7,300	7,300	0	0	0	0.0
HB 14-1232 (Supplemental)	<u>74,561</u>	<u>0</u>	<u>94,561</u>	<u>0</u>	<u>(20,000)</u>	<u>0.0</u>
TOTAL	\$12,567,911	\$3,464,745	\$6,705,305	\$84,000	\$2,313,861	122.9
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$12,567,911	\$3,464,745	\$6,705,305	\$84,000	\$2,313,861	122.9
Centrally appropriated line item adjustments	327,012	144,654	139,494	0	42,864	0.0
JBC Staff initiated adjustment	325,000	325,000	0	0	0	0.0
Indirect cost assessment adjustment	97,884	0	97,884	0	0	0.0
Annualize prior year legislation	<u>(81,861)</u>	<u>(7,300)</u>	<u>(94,561)</u>	<u>0</u>	<u>20,000</u>	<u>0.0</u>
TOTAL	\$13,235,946	\$3,927,099	\$6,848,122	\$84,000	\$2,376,725	122.9
Increase/(Decrease)	\$668,035	\$462,354	\$142,817	\$0	\$62,864	0.0
Percentage Change	5.3%	13.3%	2.1%	0.0%	2.7%	0.0%
FY 2014-15 Executive Request:	\$12,910,946	\$3,602,099	\$6,848,122	\$84,000	\$2,376,725	122.9
Request Above/(Below) Recommendation	(\$325,000)	(\$325,000)	\$0	\$0	\$0	0.0

LINE ITEM DETAIL – AGRICULTURAL SERVICES DIVISION

Animal Industry

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: The Department requests \$2,283,450 total funds (including \$1,489,648 General Fund) and 25.5 FTE. This represents continuation-level funding with compensation common policy adjustments.

Recommendation: Staff recommends the request and requests permission to apply a fund split.

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 continuation-level funding of \$324,320 cash funds and 1.0 FTE. **Staff recommends the request.**

Plant Industry

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: The Department requests an appropriation of \$3,938,664 total funds (including \$362,689 General Fund) and 36.5 FTE. This includes the annualization of SB 13-230 on industrial hemp, as well as compensation common policy adjustments.

Recommendation: Staff recommends the request as shown in the table below, and requests permission to apply a fund split.

Agricultural Services Division, Plant Industry					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$3,844,781	\$347,328	\$2,290,056	\$1,207,397	36.5
Other Legislation	<u>7,300</u>	<u>7,300</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,852,081	\$354,628	\$2,290,056	\$1,207,397	36.5
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$3,852,081	\$354,628	\$2,290,056	\$1,207,397	36.5
Centrally appropriated line item adjustments	93,883	15,361	56,476	22,046	0.0
Annualize prior year legislation	<u>(7,300)</u>	<u>(7,300)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,938,664	\$362,689	\$2,346,532	\$1,229,443	36.5
Increase/(Decrease)	\$86,583	\$8,061	\$56,476	\$22,046	0.0
Percentage Change	2.2%	2.3%	2.5%	1.8%	0.0%
FY 2014-15 Executive Request:	\$3,938,664	\$362,689	\$2,346,532	\$1,229,443	36.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Inspection and Consumer Services

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: The Department requests an appropriation of \$3,551,482 total funds (including \$1,009,582 General Fund) and 44.6 FTE. This represents continuation-level funding with compensation common policy adjustments.

Recommendation: Staff recommends the request.

Conservation Services

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.

Request: The Department requests an appropriation of \$1,802,423 total funds (including \$740,180 General Fund) and 15.3 FTE. This represents continuation-level funding with compensation common policy adjustments.

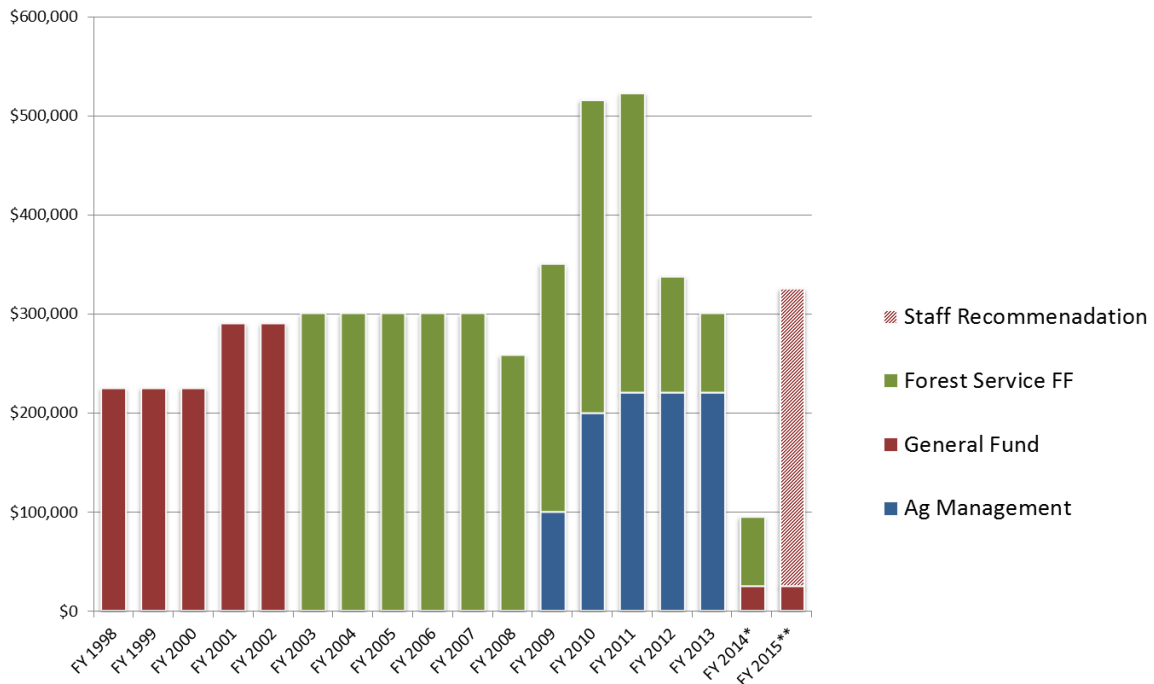
Recommendation: Staff recommends \$2,127,423 total funds (including \$1,065,180 General Fund). The recommendation includes an increase of \$325,000 General Fund to restore funding for the Noxious Weed Management Program and provide additional funds for grants to assist counties and municipalities manage weed infestations in areas affected by recent fires and floods.

➔ JBC Staff Initiated Recommendation: Noxious Weeds

Analysis: The Noxious Weed Management Program in the Conservation Services Division serves as the point agency for noxious weed management efforts in Colorado, and is responsible for coordinating and assisting the efforts of private landowners and local, state, and federal agencies to prevent, contain, and eradicate noxious weed infestations in the state. This includes providing technical assistance and educational resources to public and private landowners, keeping databases for inventory and mapping of weed infestations, and distributing financial resources to incentivize and support weed management efforts.

JBC Staff Figure Setting: FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

The following figure shows funding for the Noxious Weed Management Program by source from FY 1997-98 through FY 2014-15 staff recommendation is in shaded red):



The Program received \$300,000 per year from the U.S. Forest Service from 2003 to 2011, but federal funds have since been cut by 77.0 percent and are expected to be completely discontinued by FY 2014-15. Additionally, annual funding of \$220,000 cash funds from the Agriculture Management Fund has been withdrawn for the foreseeable future due to upcoming expenditures related to the Department’s office consolidation. (*Solid green and blue bars in the figure above.*) At present, the only remaining funding for the Program is \$25,000 General Fund that was restored by an amendment to the 2013 Long Bill. This is 95.0 percent less than the previous high in FY 2010-11 and 91.0 percent less than average program funding since it became available in FY 1997-98.

Noxious weed infestations continue to be problematic for public and private landowners across the state. Estimates of the economic impact of noxious weeds in Colorado vary, but the most recent and conservative estimate places losses at \$13.9 million dollars per year: \$4.3 million in agricultural production, \$4.4 million in recreational land use, and \$5.2 million in wildlife habitat. These figures come from a preliminary survey and are likely an underestimate of the total economic impact of noxious weeds in Colorado due to methodological limitations. A 1998 study on invasive grass species and winter wheat production estimated an economic impact of \$60.0 million per year: \$24.0 million in direct costs to producers and an additional \$36.0 million in losses across the state’s rural economy.

General Fund Appropriation

Economic and environmental impacts of noxious weed infestations are not restricted to any single area or industry, and the recommended General Fund appropriation would give the Program the capacity to address a statewide problem using state funds. The Program was

originally supported by an annual appropriation of \$225,000 to \$290,000 General Fund (*solid red in figure above*), which was eliminated in 2002 as part of the effort to balance the state budget. Staff recommendation restores funding for the Program at less than the original appropriation after accounting for inflation.

Statutory Requirements for List A Species

Program priorities and resources are currently structured by a list-based classification for noxious weeds species, established in 2003 (HB 03-1140, Larson/Entz). Statute requires that List A species—rare non-native weed species with limited distribution in the state—be eradicated. If allowed to take hold, List A species have potential to cause considerable economic and environmental harm. As such, monitoring and managing List A weeds are top priorities for the Program and nearly all available grant resources are allocated to projects that address the eradication of these rare but potentially damaging species.

The Program reports that it has been able to identify, map, treat, and monitor all known populations of List A species in the state with an average annual appropriation of \$300,000. Staff’s recommendation would restore funding and allow the Program to continue to assist stakeholders in meeting the statutory obligation to eradicate List A species. At current levels of funding, counties and municipalities would be required by state law to eradicate List A species without any financial assistance to do so.

Program Response to Natural Disasters

Noxious weed species aggressively out-compete desirable plant species and can take hold almost immediately after an acute disruption (e.g. wildfire or flood), or in response to ongoing adverse conditions (e.g. drought). Areas affected by recent fires have experienced a flush of invasive plant species and the Program has been able to coordinate management efforts on a small scale, but presently lacks resources to assist communities with rapid response to disasters or larger mitigation efforts. Beyond restoring original funding, staff recommendation would also provide \$50,000 General Fund to allow the Program to offer grant funding to support disaster-related projects.

Agricultural Services Division, Conservation Services					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	<u>\$1,734,757</u>	<u>\$711,634</u>	<u>\$613,123</u>	<u>\$410,000</u>	<u>15.3</u>
TOTAL	\$1,734,757	\$711,634	\$613,123	\$410,000	15.3
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$1,734,757	\$711,634	\$613,123	\$410,000	15.3
JBC Staff initiated adjustment	325,000	325,000	0	0	0.0
Centrally appropriated line item adjustments	<u>67,666</u>	<u>28,546</u>	<u>18,302</u>	<u>20,818</u>	<u>0.0</u>
TOTAL	\$2,127,423	\$1,065,180	\$631,425	\$430,818	15.3

JBC Staff Figure Setting: FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Agricultural Services Division, Conservation Services					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
Increase/(Decrease)	\$392,666	\$353,546	\$18,302	\$20,818	0.0
Percentage Change	22.6%	49.7%	3.0%	5.1%	0.0%
FY 2014-15 Executive Request:	\$1,802,423	\$740,180	\$631,425	\$430,818	15.3
Request Above/(Below) Recommendation	(\$325,000)	(\$325,000)	\$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 continuation-level funding of \$99,360 cash funds. **Staff recommends 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: The Department requests \$911,247 in cash and federal funds. This includes a base increase of \$97,884 cash funds to accurately reflect indirect cost assessments from this division.

Recommendation: Staff recommends the request. The recommendation includes the annualization of HB 14-1232 (Supplemental) as outlined in the table below.

Agricultural Services Division, Indirect Cost Assessment					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$813,363	\$0	\$603,733	\$209,630	0.0
HB 14-1232 (Supplemental)	<u>74,561</u>	<u>0</u>	<u>94,561</u>	<u>(20,000)</u>	<u>0.0</u>
TOTAL	\$887,924	\$0	\$698,294	\$189,630	0.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$887,924	\$0	\$698,294	\$189,630	0.0
Indirect cost assessment adjustment	97,884	0	97,884	0	0.0
Annualize prior year legislation	<u>(74,561)</u>	<u>0</u>	<u>(94,561)</u>	<u>20,000</u>	<u>0.0</u>

*JBC Staff Figure Setting: FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

Agricultural Services Division, Indirect Cost Assessment					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
TOTAL	\$911,247		\$701,617	\$209,630	0.0
Increase/(Decrease)	\$23,323	\$0	\$3,323	\$20,000	0.0
Percentage Change	2.6%	0.0%	0.5%	10.5%	0.0%
FY 2014-15 Executive Request:	\$911,247	\$0	\$701,617	\$209,630	0.0
Request Above/(Below) Recommendation	\$0		\$0	\$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 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$4,754,867	\$646,832	\$3,144,765	\$45,000	\$918,270	41.4
HB 14-1232 (Supplemental)	<u>(80,561)</u>	<u>0</u>	<u>(80,561)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,674,306	\$646,832	\$3,064,204	\$45,000	\$918,270	41.4
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$4,674,306	\$646,832	\$3,064,204	\$45,000	\$918,270	41.4
Centrally appropriated line item adjustments	103,343	22,320	75,685	0	5,338	0.0
Annualize prior year legislation	80,561	0	80,561	0	0	0.0
Indirect cost assessment adjustment	<u>(100,561)</u>	<u>0</u>	<u>(100,561)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,757,649	\$669,152	\$3,119,889	\$45,000	\$923,608	41.4
Increase/(Decrease)	\$83,343	\$22,320	\$55,685	\$0	\$5,338	0.0
Percentage Change	1.8%	3.5%	1.8%	0.0%	0.6%	0.0%
FY 2014-15 Executive Request:	\$4,757,649	\$669,152	\$3,119,889	\$45,000	\$923,608	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.

Request: The Department requests an appropriation of \$1,438,944 total funds (including \$469,152 General Fund) and 5.4 FTE. This represents continuation-level funding with compensation common policy adjustments.

Recommendation: Staff recommends the request.

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 continuation-level funding of \$45,000 reappropriated funds. **Staff recommends 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 continuation-level funding of \$500,000 cash funds. **Staff recommends 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 continuation-level funding of \$569,613 cash funds and 1.5 FTE. **Staff recommends 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.

Request: The Department requests \$14,270 total funds for this purpose. This includes a base reduction of \$100,561 cash funds to accurately reflect indirect cost assessments from this division.

Recommendation: Staff recommends the request. The recommendation includes the annualization of HB 14-1232 (Supplemental) as outlined in the table below.

Agricultural Markets Division, Agricultural Markets, Indirect Cost Assessment					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$114,831	\$0	\$110,561	\$4,270	0.0
HB 14-1232 (Supplemental)	(80,561)	0	(80,561)	0	0.0
TOTAL	\$34,270	\$0	\$30,000	\$4,270	0.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$34,270	\$0	\$30,000	\$4,270	0.0
Annualize prior year legislation	80,561	0	80,561	0	0.0
Indirect cost assessment adjustment	(100,561)	0	(100,561)	0	0.0
TOTAL	\$14,270		\$10,000	\$4,270	0.0
Increase/(Decrease)	(\$20,000)	\$0	(\$20,000)	\$0	0.0
Percentage Change	(58.4%)	0.0%	(66.7%)	0.0%	0.0%
FY 2014-15 Executive Request:	\$14,270	\$0	\$10,000	\$4,270	0.0
Request Above/(Below)					
Recommendation	\$0		\$0	\$0	0.0

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: The Department requests an appropriation of \$2,095,927 total funds (including \$200,000 of General Fund) and 34.5 FTE. This represents continuation-level funding with compensation common policy adjustments.

Recommendation: Staff recommends 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.

Request and Recommendation: The Department requests continuation-level funding of \$93,895 cash funds. **Staff recommends the request.**

(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 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$4,159,945	\$0	\$4,159,945	\$0	\$0	59.0
HB 14-1232 (Supplemental)	<u>10,000</u>	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,169,945	\$0	\$4,169,945	\$0	\$0	59.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$4,169,945	\$0	\$4,169,945	\$0	\$0	59.0
Centrally appropriated line item adjustments	121,332	0	121,332	0	0	0.0
Annualize prior year legislation	<u>(10,000)</u>	<u>0</u>	<u>(10,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,281,277	\$0	\$4,281,277	\$0	\$0	59.0
Increase/(Decrease)	\$111,332	\$0	\$111,332	\$0	\$0	0.0
Percentage Change	2.7%	0.0%	2.7%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$4,281,277	\$0	\$4,281,277	\$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.

Request: The Department requests an appropriation of \$4,061,546 cash funds and 59.0 FTE. This represents continuation-level funding with compensation common policy adjustments.

Recommendation: Staff recommends the request.

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 continuation-level funding of \$15,000 cash funds. **Staff recommends 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 continuation-level funding of \$40,000 cash funds. **Staff recommends 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: The Department requests continuation-level funding of \$164,731 cash funds.

Recommendation: Staff recommends the request. The recommendation includes the annualization of HB 14-1232 (Supplemental) as outlined in the table below.

Brand Board, Indirect Cost Assessment				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$164,731	\$0	\$164,731	0.0
HB 14-1232 (Supplemental)	<u>10,000</u>	<u>0</u>	<u>10,000</u>	<u>0.0</u>
TOTAL	\$174,731	\$0	\$174,731	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$174,731	\$0	\$174,731	0.0
Annualize prior year legislation	<u>(10,000)</u>	<u>0</u>	<u>(10,000)</u>	<u>0.0</u>
TOTAL	\$164,731		\$164,731	0.0

JBC Staff Figure Setting: FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Brand Board, Indirect Cost Assessment				
	Total Funds	General Fund	Cash Funds	FTE
Increase/(Decrease)	(\$10,000)	\$0	(\$10,000)	0.0
Percentage Change	(5.7%)	0.0%	(5.7%)	0.0%
FY 2014-15 Executive Request:	\$164,731	\$0	\$164,731	0.0
Request Above/(Below) Recommendation	\$0		\$0	0.0

(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 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$8,422,222</u>	<u>\$0</u>	<u>\$8,422,222</u>	<u>\$0</u>	<u>\$0</u>	<u>26.9</u>
TOTAL	\$8,422,222	\$0	\$8,422,222	\$0	\$0	26.9
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$8,422,222	\$0	\$8,422,222	\$0	\$0	26.9
R1 FFA and 4-H program funding	250,000	250,000	0	0	0	0.0
Centrally appropriated line item adjustments	<u>134,354</u>	<u>0</u>	<u>134,354</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$8,806,576	\$250,000	\$8,556,576	\$0	\$0	26.9
Increase/(Decrease)	\$384,354	\$250,000	\$134,354	\$0	\$0	0.0
Percentage Change	4.6%	0.0%	1.6%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$8,806,576	\$250,000	\$8,556,576	\$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: The Department requests \$8,443,307 cash funds and 26.9 FTE. This represents continuation-level funding with compensation common policy adjustments.

Recommendation: Staff recommends the request.

FFA and 4H Program Funding (New Line Item)

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.

Request: The Department requests a new Long Bill line item with an appropriation of \$250,000 General Fund to provide partial funding for 4H and FFA youth programs at the Colorado State Fair event.

➔ R1 FFA and 4H program funding

The request includes a new Long Bill line item and an appropriation of \$250,000 General Fund to help offset a portion of the annual costs of 4-H and FFA programs at the Colorado State Fair.

Analysis: 4-H and FFA are national organizations that have been active in Colorado for more than a century. The Colorado FFA Association was chartered in 1929 and now has 96 local chapters in public schools with just under 6,000 members. The 4-H program was operational as early as 1914, currently has 14,000 enrolled members, and serves approximately 94,000 youth across the state. Membership reports for Colorado 4-H show that 46.3 percent of all youth participants live in central cities of over 50,000 or their suburbs and both organizations emphasize that their impact extends beyond rural areas.

The State Fair has a central place in both programs, serving as an educational experience for participants as well as a showcase for their projects. There are approximately 8,000 4-H entries from across the state each year and the Fair spends an average of \$340,000 providing lodging in the dormitories located on the fairgrounds, free stall spaces for show livestock, event MCs, and judges and awards for competitions. 4H and FFA State Fair participants pay a nominal entry fee (\$12 on average) that helps defray a very small proportion of costs, but the programs do not generate any other revenue so the majority of the expense is absorbed by the State Fair. This contributes to the State Fair's ongoing financial losses, estimated at an average of \$300,000 per year after taking non-operating revenue and depreciation into account.

4H and FFA programs are an important part of the State Fair's strategic objective to promote youth and agriculture. They serve youth from across Colorado, including those in central cities

and suburbs, and support the Fair's goal of promoting youth and agriculture. As such, the General Fund is an appropriate source of funding. A 2011 economic impact study estimated that the State Fair generates \$1.7 million in General Fund revenue per year and currently receives no General Fund Appropriation. The request for 4H and FFA program funding is 14.7 percent of General Fund raised by the Fair annually, and represents 3.2 percent of the Department's total General Fund appropriation.

The Department has a minimized its request by partnering with the State Fair Foundation to fully cover the cost of the programs. Substantively raising the entry fee as an alternative or addition to state funding would begin to make the price of participating prohibitive for some families. The request does not rectify the Fair's ongoing issues with large operating losses, but it does cover the part of the expenses that the Fair cannot make up in revenue and could potentially relieve the Fair's cash deficit going forward.

Recommendation: Staff recommends the request for a new Long Bill line item and an appropriation of \$250,000 General Fund to support 4H and FFA programs at the Colorado State Fair.

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 continuation-level funding of \$113,269 cash funds. **Staff recommends 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 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$2,005,725</u>	<u>\$1,055,725</u>	<u>\$450,000</u>	<u>\$0</u>	<u>\$500,000</u>	<u>5.2</u>
TOTAL	\$2,005,725	\$1,055,725	\$450,000	\$0	\$500,000	5.2
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$2,005,725	\$1,055,725	\$450,000	\$0	\$500,000	5.2
Centrally appropriated line item adjustments	<u>19,912</u>	<u>17,053</u>	<u>0</u>	<u>0</u>	<u>2,859</u>	<u>0.0</u>
TOTAL	\$2,025,637	\$1,072,778	\$450,000	\$0	\$502,859	5.2
Increase/(Decrease)	\$19,912	\$17,053	\$0	\$0	\$2,859	0.0
Percentage Change	1.0%	1.6%	0.0%	0.0%	0.6%	0.0%
FY 2014-15 Executive Request:	\$2,025,637	\$1,072,778	\$450,000	\$0	\$502,859	5.2
Request Above/(Below) Recommendation	\$0	\$0	\$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: The Department requests \$456,064 cash funds and 5.2 FTE. This represents continuation-level funding with compensation common policy adjustments.

Recommendation: Staff recommends the request.

Distributions to 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.

Request and Recommendation: The Department requests continuation-level funding of \$391,714 General Fund. **Staff recommends the request.**

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: The Department requests \$502,859 federal funds. This represents continuation-level funding with compensation common policy adjustments.

Recommendation: Staff recommends the request.

Long Bill Footnotes and Requests for Information

LONG BILL FOOTNOTES

None.

REQUESTS FOR INFORMATION

None.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 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>1,264,109</u>	<u>1,259,167</u>	<u>1,439,377</u>	<u>1,506,222</u>	<u>1,506,222</u>
FTE	16.1	15.3	16.7	16.7	16.7
General Fund	266,767	233,586	178,741	240,404	240,404
Cash Funds	0	0	0	7,859	7,859
Reappropriated Funds	997,342	955,219	1,149,282	1,146,605	1,146,605
Federal Funds	0	70,362	111,354	111,354	111,354
Health, Life, and Dental	<u>1,083,810</u>	<u>1,402,366</u>	<u>2,054,944</u>	<u>2,013,527</u>	<u>2,013,527</u>
General Fund	285,788	428,370	518,245	726,809	726,809
Cash Funds	798,022	973,996	1,441,357	1,236,999	1,236,999
Federal Funds	0	0	95,342	49,719	49,719
Short-term Disability	<u>18,689</u>	<u>16,995</u>	<u>29,150</u>	<u>34,366</u>	<u>34,518</u>
General Fund	5,387	5,387	7,785	13,286	13,345
Cash Funds	13,302	11,608	19,022	19,268	19,353
Federal Funds	0	0	2,343	1,812	1,820

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
S.B. 04-257 Amortization Equalization					
Disbursement	<u>223,117</u>	<u>341,451</u>	<u>630,509</u>	<u>686,580</u>	<u>689,632</u>
General Fund	69,745	131,582	168,695	265,855	267,073
Cash Funds	153,372	209,869	411,377	384,583	386,247
Federal Funds	0	0	50,437	36,142	36,312
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>238,729</u>	<u>292,894</u>	<u>568,674</u>	<u>643,668</u>	<u>646,530</u>
General Fund	69,745	112,538	151,758	249,239	250,381
Cash Funds	168,984	180,356	371,382	360,546	362,107
Federal Funds	0	0	45,534	33,883	34,042
Salary Survey					
General Fund	<u>0</u>	<u>0</u>	<u>549,150</u>	<u>256,987</u>	<u>558,618</u>
Cash Funds	0	0	165,804	102,655	215,960
Federal Funds	0	0	346,136	140,263	313,201
Federal Funds	0	0	37,210	14,069	29,457
Merit Pay					
General Fund	<u>0</u>	<u>0</u>	<u>249,959</u>	<u>266,467</u>	<u>266,814</u>
Cash Funds	0	0	74,821	115,501	115,790
Federal Funds	0	0	157,462	138,582	138,640
Federal Funds	0	0	17,676	12,384	12,384
Workers' Compensation					
General Fund	<u>176,054</u>	<u>165,703</u>	<u>161,359</u>	<u>200,862</u>	<u>200,862</u> P
Cash Funds	28,153	3,135	3,135	3,135	3,135
Cash Funds	147,901	162,568	158,224	197,727	197,727

P - The recommendation for this line item is pending.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation	
Operating Expenses	<u>113,932</u>	<u>116,902</u>	<u>242,932</u>	<u>242,932</u>	<u>242,932</u>	
General Fund	112,619	116,634	0	0	0	
Cash Funds	1,313	268	0	0	0	
Reappropriated Funds	0	0	241,982	241,982	241,982	
Federal Funds	0	0	950	950	950	
Legal Services	<u>331,783</u>	<u>311,817</u>	<u>437,700</u>	<u>423,795</u>	<u>423,795</u>	P
General Fund	105,770	114,912	150,030	136,125	136,125	
Cash Funds	226,013	192,655	272,670	272,670	272,670	
Federal Funds	0	4,250	15,000	15,000	15,000	
Administrative Law Judge Services	<u>0</u>	<u>3,468</u>	<u>4,446</u>	<u>1,237</u>	<u>1,237</u>	P
Cash Funds	0	3,468	4,446	1,237	1,237	
Purchase of Services from Computer Center	<u>520,488</u>	<u>623,116</u>	<u>921,093</u>	<u>0</u>	<u>0</u>	*P
General Fund	382,810	458,292	632,600	0	0	
Cash Funds	137,678	164,824	288,493	0	0	
Colorado State Network	<u>182,691</u>	<u>208,016</u>	<u>157,528</u>	<u>0</u>	<u>0</u>	*P
General Fund	71,404	81,302	61,569	0	0	
Cash Funds	111,287	126,714	95,959	0	0	
Management and Administration of OIT	<u>134,856</u>	<u>17,784</u>	<u>0</u>	<u>0</u>	<u>0</u>	*P
General Fund	104,395	13,767	0	0	0	
Cash Funds	30,461	4,017	0	0	0	
Payment to Risk Management and Property Funds	<u>108,062</u>	<u>162,091</u>	<u>147,063</u>	<u>154,948</u>	<u>154,948</u>	P
General Fund	29,403	28,742	24,870	24,870	24,870	
Cash Funds	78,659	133,349	122,193	130,078	130,078	

*This line item includes a decision item.

P - The recommendation for this line item is pending.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Vehicle Lease Payments	<u>194,856</u>	<u>192,990</u>	<u>229,741</u>	<u>244,715</u>	<u>244,715</u> *P
General Fund	52,906	54,257	116,494	116,494	116,494
Cash Funds	116,083	112,262	109,454	124,428	124,428
Federal Funds	25,867	26,471	3,793	3,793	3,793
Information Technology Asset Maintenance	<u>153,031</u>	<u>151,780</u>	<u>153,031</u>	<u>153,031</u>	<u>153,031</u>
General Fund	34,705	42,041	42,041	42,041	42,041
Cash Funds	118,326	109,739	110,990	110,990	110,990
Leased Space	<u>110,078</u>	<u>119,281</u>	<u>121,864</u>	<u>13,914</u>	<u>13,914</u>
General Fund	43,026	39,214	39,214	0	0
Cash Funds	67,052	80,067	82,650	13,914	13,914
Capitol Complex Leased Space	<u>171,143</u>	<u>169,713</u>	<u>213,608</u>	<u>0</u>	<u>0</u> P
General Fund	139,606	117,995	149,603	0	0
Cash Funds	31,537	51,718	64,005	0	0
Communication Services Payments	<u>14,542</u>	<u>12,505</u>	<u>16,049</u>	<u>0</u>	<u>0</u> *P
General Fund	9,283	3,127	4,009	0	0
Cash Funds	5,259	9,378	12,040	0	0
COFRS Modernization	<u>0</u>	<u>57,758</u>	<u>66,270</u>	<u>66,270</u>	<u>66,270</u> P
General Fund	0	8,526	9,783	9,783	9,783
Cash Funds	0	49,232	56,487	56,487	56,487
Federal Funds	0	0	0	0	0
Payments to OIT	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,142,078</u>	<u>1,142,078</u> *P
General Fund	0	0	0	796,620	796,620
Cash Funds	0	0	0	345,458	345,458

*This line item includes a decision item.

P - The recommendation for this line item is pending.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Information Technology Security	0	0	<u>10,721</u>	0	0 *P
General Fund	0	0	7,306	0	0
Cash Funds	0	0	3,415	0	0
Utilities	<u>136,718</u>	<u>138,752</u>	<u>161,939</u>	<u>161,939</u>	<u>161,939</u>
General Fund	58,983	91,050	50,000	50,000	50,000
Cash Funds	77,735	47,702	0	0	0
Reappropriated Funds	0	0	111,939	111,939	111,939
Agricultural Statistics	<u>3,000</u>	<u>11,317</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Cash Funds	3,000	11,317	15,000	15,000	15,000
Grants	<u>3,406,200</u>	0	0	0	0 +
FTE	10.1	0.0	0.0	0.0	0.0
Federal Funds	3,406,200	0	0	0	0
Agriculture Management Fund	<u>1,567,134</u>	<u>2,525,898</u>	<u>2,048,914</u>	<u>2,048,914</u>	<u>2,048,914</u>
FTE	2.0	2.3	2.0	2.0	2.0
Cash Funds	1,567,134	2,525,898	2,048,914	2,048,914	2,048,914
Certificate of Participation	0	0	0	0	0 ++
Reappropriated Funds	0	0	0	0	0
Indirect Cost Assessment	<u>133,843</u>	<u>18,300</u>	<u>199,114</u>	<u>203,114</u>	<u>203,114</u>
Cash Funds	16,942	18,300	197,014	197,014	197,014
Federal Funds	116,901	0	2,100	6,100	6,100

*This line item includes a decision item.

P - The recommendation for this line item is pending.

+ As of FY 2012-13, this line item is no longer included in the Long Bill.

++This line item was part of a previous decision item and is not included in the Long Bill.

JBC Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
TOTAL - (1) Commissioner's Office and Administrative Services	10,286,865	8,320,064	10,830,135	10,480,566	10,788,610
<i>FTE</i>	<u>28.2</u>	<u>17.6</u>	<u>18.7</u>	<u>18.7</u>	<u>18.7</u>
General Fund	1,870,495	2,084,457	2,556,503	2,892,817	3,008,830
Cash Funds	3,870,060	5,179,305	6,388,690	5,802,017	5,978,323
Reappropriated Funds	997,342	955,219	1,503,203	1,500,526	1,500,526
Federal Funds	3,548,968	101,083	381,739	285,206	300,931

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
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(2) AGRICULTURAL SERVICES DIVISION

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	<u>1,862,098</u>	<u>2,338,813</u>	<u>2,207,252</u>	<u>2,283,450</u>	<u>2,283,450</u>
FTE	27.1	27.1	25.5	25.5	25.5
General Fund	1,406,355	1,426,428	1,427,902	1,489,648	1,489,648
Cash Funds	455,743	527,511	526,383	540,835	540,835
Federal Funds	0	384,874	252,967	252,967	252,967
Vaccine and Service Fund	<u>351,520</u>	<u>374,757</u>	<u>324,320</u>	<u>324,320</u>	<u>324,320</u>
FTE	0.8	1.3	1.0	1.0	1.0
Cash Funds	351,520	374,757	324,320	324,320	324,320
Plant Industry	<u>3,049,103</u>	<u>3,469,963</u>	<u>3,852,081</u>	<u>3,938,664</u>	<u>3,938,664</u>
FTE	34.4	39.1	36.5	36.5	36.5
General Fund	315,455	345,460	354,628	362,689	362,689
Cash Funds	2,291,475	2,280,659	2,290,056	2,346,532	2,346,532
Federal Funds	442,173	843,844	1,207,397	1,229,443	1,229,443
Inspection and Consumer Services	<u>3,137,211</u>	<u>3,736,205</u>	<u>3,462,217</u>	<u>3,551,482</u>	<u>3,551,482</u>
FTE	40.3	41.1	44.6	44.6	44.6
General Fund	0	972,110	970,581	1,009,582	1,009,582
Cash Funds	3,137,211	2,217,443	2,153,769	2,204,033	2,204,033
Reappropriated Funds	0	0	84,000	84,000	84,000
Federal Funds	0	546,652	253,867	253,867	253,867

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Conservation Services	<u>1,320,486</u>	<u>3,122,298</u>	<u>1,734,757</u>	<u>1,802,423</u>	<u>2,127,423</u> S
FTE	14.7	16.3	15.3	15.3	15.3
General Fund	676,936	686,767	711,634	740,180	1,065,180
Cash Funds	606,501	593,029	613,123	631,425	631,425
Federal Funds	37,049	1,842,502	410,000	430,818	430,818
Lease Purchase Lab Equipment	<u>63,136</u>	<u>1,196</u>	<u>99,360</u>	<u>99,360</u>	<u>99,360</u>
General Fund	0	0	0	0	0
Cash Funds	63,136	1,196	99,360	99,360	99,360
Indirect Cost Assessment	<u>535,029</u>	<u>578,597</u>	<u>887,924</u>	<u>911,247</u>	<u>911,247</u>
Cash Funds	474,867	427,372	698,294	701,617	701,617
Federal Funds	60,162	151,225	189,630	209,630	209,630
Program Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u> +
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Noxious Weed Management Grant Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u> +
Cash Funds	0	0	0	0	0
TOTAL - (2) Agricultural Services Division	10,318,583	13,621,829	12,567,911	12,910,946	13,235,946
FTE	<u>117.3</u>	<u>124.9</u>	<u>122.9</u>	<u>122.9</u>	<u>122.9</u>
General Fund	2,398,746	3,430,765	3,464,745	3,602,099	3,927,099
Cash Funds	7,380,453	6,421,967	6,705,305	6,848,122	6,848,122
Reappropriated Funds	0	0	84,000	84,000	84,000
Federal Funds	539,384	3,769,097	2,313,861	2,376,725	2,376,725

+ As of FY 2012-13, these line items are no longer included in the Long Bill.

S This line item includes a JBC Staff initiated recommendation.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 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>452,241</u>	<u>1,191,167</u>	<u>1,411,286</u>	<u>1,438,944</u>	<u>1,438,944</u>
FTE	4.3	6.5	5.4	5.4	5.4
General Fund	0	446,217	446,832	469,152	469,152
Cash Funds	452,241	21,449	50,454	50,454	50,454
Federal Funds	0	723,501	914,000	919,338	919,338
Economic Development Grants	<u>37,663</u>	<u>30,811</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>
Reappropriated Funds	37,663	0	45,000	45,000	45,000
Federal Funds	0	30,811	0	0	0
Agricultural Development Board	<u>386,080</u>	<u>124,182</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
FTE	0.3	0.0	0.0	0.0	0.0
Cash Funds	386,080	124,182	500,000	500,000	500,000
Wine Promotion Board	<u>564,012</u>	<u>609,110</u>	<u>569,613</u>	<u>569,613</u>	<u>569,613</u>
FTE	1.5	1.1	1.5	1.5	1.5
Cash Funds	564,012	609,110	569,613	569,613	569,613
Indirect Cost Assessment	<u>11,295</u>	<u>12,842</u>	<u>34,270</u>	<u>14,270</u>	<u>14,270</u>
Cash Funds	11,295	9,150	30,000	10,000	10,000
Federal Funds	0	3,692	4,270	4,270	4,270

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
SUBTOTAL - (A) Agricultural Markets	1,451,291	1,968,112	2,560,169	2,567,827	2,567,827
<i>FTE</i>	<u>6.1</u>	<u>7.6</u>	<u>6.9</u>	<u>6.9</u>	<u>6.9</u>
General Fund	0	446,217	446,832	469,152	469,152
Cash Funds	1,413,628	763,891	1,150,067	1,130,067	1,130,067
Reappropriated Funds	37,663	0	45,000	45,000	45,000
Federal Funds	0	758,004	918,270	923,608	923,608

(B) Agricultural Products Inspection

Program Costs	<u>1,998,826</u>	<u>2,020,241</u>	<u>2,020,242</u>	<u>2,095,927</u>	<u>2,095,927</u>
<i>FTE</i>	26.6	37.1	34.5	34.5	34.5
General Fund	200,000	200,000	200,000	200,000	200,000
Cash Funds	1,798,826	1,820,241	1,820,242	1,895,927	1,895,927
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Indirect Cost Assessment	<u>105,435</u>	<u>111,000</u>	<u>93,895</u>	<u>93,895</u>	<u>93,895</u>
Cash Funds	105,435	111,000	93,895	93,895	93,895

SUBTOTAL - (B) Agricultural Products Inspection	2,104,261	2,131,241	2,114,137	2,189,822	2,189,822
<i>FTE</i>	<u>26.6</u>	<u>37.1</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	1,904,261	1,931,241	1,914,137	1,989,822	1,989,822
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
TOTAL - (3) Agricultural Markets Division	3,555,552	4,099,353	4,674,306	4,757,649	4,757,649
<i>FTE</i>	<u>32.7</u>	<u>44.7</u>	<u>41.4</u>	<u>41.4</u>	<u>41.4</u>
General Fund	200,000	646,217	646,832	669,152	669,152
Cash Funds	3,317,889	2,695,132	3,064,204	3,119,889	3,119,889
Reappropriated Funds	37,663	0	45,000	45,000	45,000
Federal Funds	0	758,004	918,270	923,608	923,608

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
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(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>3,632,300</u>	<u>3,807,662</u>	<u>3,940,214</u>	<u>4,061,546</u>	<u>4,061,546</u>
FTE	53.5	57.9	59.0	59.0	59.0
General Fund	0	0	0	0	0
Cash Funds	3,632,300	3,807,662	3,940,214	4,061,546	4,061,546
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Alternative Livestock	<u>14,161</u>	<u>8,769</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Cash Funds	14,161	8,769	15,000	15,000	15,000
Brand Estray Fund	<u>64,383</u>	<u>30,432</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
Cash Funds	64,383	30,432	40,000	40,000	40,000
Indirect Cost Assessment	<u>129,066</u>	<u>136,838</u>	<u>174,731</u>	<u>164,731</u>	<u>164,731</u>
Cash Funds	129,066	136,838	174,731	164,731	164,731
TOTAL - (4) Brand Board	<u>3,839,910</u>	<u>3,983,701</u>	<u>4,169,945</u>	<u>4,281,277</u>	<u>4,281,277</u>
FTE	<u>53.5</u>	<u>57.9</u>	<u>59.0</u>	<u>59.0</u>	<u>59.0</u>
General Fund	0	0	0	0	0
Cash Funds	3,839,910	3,983,701	4,169,945	4,281,277	4,281,277
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
(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>7,562,577</u>	<u>7,519,741</u>	<u>8,308,953</u>	<u>8,443,307</u>	<u>8,443,307</u>
FTE	25.6	25.2	26.9	26.9	26.9
General Fund	0	0	0	0	0
Cash Funds	7,562,577	7,519,741	8,308,953	8,443,307	8,443,307
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>0</u>	<u>250,000</u>	<u>250,000</u> *
General Fund	0	0	0	250,000	250,000
Indirect Cost Assessment	<u>82,673</u>	<u>87,837</u>	<u>113,269</u>	<u>113,269</u>	<u>113,269</u>
Cash Funds	82,673	87,837	113,269	113,269	113,269
TOTAL - (5) Colorado State Fair	<u>7,645,250</u>	<u>7,607,578</u>	<u>8,422,222</u>	<u>8,806,576</u>	<u>8,806,576</u>
FTE	<u>25.6</u>	<u>25.2</u>	<u>26.9</u>	<u>26.9</u>	<u>26.9</u>
General Fund	0	0	0	250,000	250,000
Cash Funds	7,645,250	7,607,578	8,422,222	8,556,576	8,556,576
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

*This line item includes a decision item.

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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 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>431,503</u>	<u>438,820</u>	<u>439,011</u>	<u>456,064</u>	<u>456,064</u>
FTE	4.2	5.4	5.2	5.2	5.2
General Fund	431,503	438,820	439,011	456,064	456,064
Reappropriated Funds	0	0	0	0	0
Distribution to Soil Conservation Districts	<u>191,714</u>	<u>191,714</u>	<u>391,714</u>	<u>391,714</u>	<u>391,714</u>
General Fund	191,714	191,714	391,714	391,714	391,714
Matching Grants to Districts	<u>418,382</u>	<u>318,996</u>	<u>675,000</u>	<u>675,000</u>	<u>675,000</u>
General Fund	0	0	225,000	225,000	225,000
Cash Funds	418,382	318,996	450,000	450,000	450,000
Salinity Control Grants	<u>1,070,424</u>	<u>817,655</u>	<u>500,000</u>	<u>502,859</u>	<u>502,859</u>
FTE	1.5	0.0	0.0	0.0	0.0
Federal Funds	1,070,424	817,655	500,000	502,859	502,859
TOTAL - (6) Conservation Board	<u>2,112,023</u>	<u>1,767,185</u>	<u>2,005,725</u>	<u>2,025,637</u>	<u>2,025,637</u>
FTE	<u>5.7</u>	<u>5.4</u>	<u>5.2</u>	<u>5.2</u>	<u>5.2</u>
General Fund	623,217	630,534	1,055,725	1,072,778	1,072,778
Cash Funds	418,382	318,996	450,000	450,000	450,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,070,424	817,655	500,000	502,859	502,859

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
TOTAL - Department of Agriculture	37,758,183	39,399,710	42,670,244	43,262,651	43,895,695
<i>FTE</i>	<u>263.0</u>	<u>275.7</u>	<u>274.1</u>	<u>274.1</u>	<u>274.1</u>
General Fund	5,092,458	6,791,973	7,723,805	8,486,846	8,927,859
Cash Funds	26,471,944	26,206,679	29,200,366	29,057,881	29,234,187
Reappropriated Funds	1,035,005	955,219	1,632,203	1,629,526	1,629,526
Federal Funds	5,158,776	5,445,839	4,113,870	4,088,398	4,104,123

Appendix B: Indirect Cost Assessment Methodology

Description of Indirect Cost Assessment Methodology

The Department of Agriculture’s indirect cost assessment methodology is calculated based on three components: an “*Indirect Cost Pool*”, an “*Indirect Cost Base*”, and an “*Indirect Cost Rate*”.

The *Indirect Cost Pool* is based on the estimated personal services, operating, and utilities line items for the requested budget year in the Commissioner’s and Administrative Services Office. For the FY 2014-15 request, the Department’s *Indirect Cost Pool* is \$1,500,526, as shown in the *Table 1* below.

Table 1		
Department of Agriculture Indirect Cost Pool		
Division	Line Item	FY 2014-15 Request
Executive Director’s Office	Personal Services	\$1,146,605
	Operating	241,982
	Utilities	<u>111,939</u>
FY 2014-15 Indirect Cost Pool		\$1,500,526

The *Indirect Cost Base* is set equal to the *Indirect Cost Pool*, or the amount of indirect costs the Department needs to collect.

The *Indirect Cost Rate* is initially set at 11.0 percent for most cash funds in the department. Statutory caps on indirect cost rates are in place for the Brand Board (3.6 percent cap), Alternative Livestock, Chemigation, and Agricultural Products Inspection (5.0 percent cap) cash funds. Indirect costs for the Colorado State Fair are assessed at a lower rate (1.5 percent) because it uses very few Department resources. The Department’s plan also includes \$220,000 collected from federal sources. The Department adjusts the *Indirect Cost Rate* over time to ensure that collected indirect costs are exactly equal to the *Indirect Cost Base*. *Table 2* summarizes the Department’s *Indirect Cost Base* by division.

Table 2	
Department of Agriculture Indirect Cost Base	
Division	Base
Commissioner	\$203,114
Agricultural Services	911,247
Agricultural Markets	108,165
Brand Board	164,731
State Fair	<u>113,269</u>
Total Indirect Cost Base	\$1,500,526

FY 2014-15 Indirect Cost Assessment Request

For FY 2014-15 the Department has requested a total \$1,500,526 for indirect cost assessments. **Table 3** shows the FY 2014-15 Department indirect cost assessment based on the November 1 request for each division.

Table 3			
Department Indirect Cost Assessment Request			
Division	Total	CF	FF
Commissioner's Office	203,114	197,014	6,100
Agricultural Services	911,247	701,617	209,630
Agricultural Markets	108,165	103,895	4,270
Brand Board	164,731	164,731	0
State Fair	<u>113,269</u>	<u>113,269</u>	<u>0</u>
Total FY 2014-15 Request	\$1,500,526	\$1,280,526	\$220,000
FY 2013-14 Indirect Cost Assessment	1,614,413	1,414,413	199,709
Difference (FY 15 - FY 14)	(\$113,887)	(\$133,887)	\$20,291