

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2010-11 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
FY 2010-11 STAFF FIGURE SETTING
JBC Working Document: Decisions Subject to Change
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DEPARTMENT OF AGRICULTURE John Stulp, Commissioner

(1) COMMISSIONER'S OFFICE AND ADMINISTRATIVE SERVICES

Primary Function: Provides administrative and technical support for the divisions and programs within the Department, such as accounting, budgeting, human resources, and information technology. The source of cash funds is from fees collected by various cash funds within the Department. The source of reappropriated funds are from indirect cost recoveries.

Personal Services	1,572,327	1,536,209	1,715,866	12,526,823	1,684,402	NP: PERA
FTE	<u>19.2</u>	<u>16.9</u>	<u>18.7</u>	<u>174.9</u>	<u>18.7</u>	
General Fund	734,680	383,190	640,260	3,631,394	594,632	DI #1, BR #1
FTE	19.2	16.9	18.7	55.7	18.7	
Cash Funds	134,522	0	0	7,287,027	0	DI #1
FTE	0.0	0.0	0.0	116.2	0	DI #1, BR #1
Reappropriated Funds/Cash Funds Exempt	703,125	1,153,019	1,075,606	1,081,997	1,089,770	BR #1
Federal Funds	0	0	0	526,405	0	DI #1
FTE	0.0	0.0	0.0	3.0	0	DI #1
Health, Life, and Dental	<u>649,500</u>	<u>823,266</u>	<u>1,609,102</u>	<u>1,529,590</u>	<u>pending</u>	
General Fund	225,000	150,400	431,350	350,337		BR #1, NP: OIT
Cash Funds	349,500	672,866	1,128,878	1,102,407		BR #1, NP: OIT
Federal Funds	75,000	0	48,874	76,846		
Short-Term Disability	<u>0</u>	<u>13,585</u>	<u>20,847</u>	<u>23,358</u>	<u>pending</u>	
General Fund	0	0	5,988	7,240		BR #1, NP: OIT
Cash Funds	0	13,585	14,277	14,732		BR #1, NP: OIT
Federal Funds	0	0	582	1,386		

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SB 04-257 Amortization Equalization						
Disbursement	<u>50,000</u>	<u>210,205</u>	<u>281,829</u>	<u>361,669</u>	pending	
General Fund	25,000	43,000	81,502	112,096		BR #1, NP: OIT
Cash Funds	25,000	167,205	192,163	228,110		BR #1, NP: OIT
Federal Funds	0	0	8,164	21,463		
SB 06-235 Supplemental Amortization						
Equalization Disbursement	<u>0</u>	<u>78,377</u>	<u>175,279</u>	<u>263,717</u>	pending	
General Fund	0	0	50,076	81,737		BR #1, NP: OIT
Cash Funds	0	78,377	120,101	166,330		BR #1, NP: OIT
Federal Funds	0	0	5,102	15,650		
Salary Survey and Senior Executive Service	<u>342,987</u>	<u>424,546</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	127,987	177,500	0	0	0	
Cash Funds	215,000	247,046	0	0	0	
Performance-based Pay Awards	<u>171,000</u>	<u>220,805</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	106,000	114,884	0	0	0	
Cash Funds	65,000	105,921	0	0	0	
Workers' Compensation	<u>179,678</u>	<u>229,157</u>	<u>185,949</u>	<u>194,119</u>	pending	
General Fund	52,174	66,541	53,995	46,530		BR #1
Cash Funds	86,817	160,586	130,307	145,868		BR #1
Reappropriated Funds/Cash Funds Exempt	39,096	0	0	0		
Federal Funds	1,591	2,030	1,647	1,721		
Operating Expenses - GF	103,552	115,713	117,348	<u>1,672,570</u>	<u>116,758</u>	
General Fund	103,552	115,713	117,348	413,755	116,758	DI #1, NP: Mail Equipment
Cash Funds	0	0	0	1,199,514	0	DI #1
Federal Funds	0	0	0	59,301	0	DI #1

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Legal Services	285,799	114,869	350,366	350,366	pending	
<i>Hours Equivalent</i>	<u>3,968</u>	<u>1,593</u>	<u>4,648</u>	<u>4,648</u>	<u>4,648</u>	
General Fund	106,583	75,091	90,460	83,608		BR #1
Cash Funds	157,291	22,778	247,449	254,301		BR #1
Reappropriated Funds/Cash Funds Exempt	6,392	0	0	0		
Federal Funds	15,533	17,000	12,457	12,457		
Purchase of Services from Computer Center	644	24,086	24,086	<u>389,328</u>	pending	
General Fund	644	24,086	24,086	287,137		NP: OIT
Cash Funds	0	0	0	102,191		NP: OIT
Multiuse Network Payments (New Line Item)	n/a	n/a	n/a	<u>131,370</u>	pending	
General Fund				51,540		NP: OIT
Cash Funds				79,830		NP: OIT
Management and Administration of OIT	n/a	11,107	11,657	<u>134,738</u>	pending	
General Fund		11,107	11,657	104,597		NP: OIT
Cash Funds		0	0	30,141		NP: OIT
Payment to Risk Management Fund	<u>130,460</u>	<u>187,542</u>	<u>167,913</u>	<u>37,534</u>	pending	
General Fund	49,608	71,313	63,849	11,782		BR #1
Cash Funds	48,192	114,768	102,756	25,459		BR #1
Reappropriated Funds/Cash Funds Exempt	31,645	0	0	0		
Federal Funds	1,015	1,461	1,308	293		
Vehicle Lease Payments	<u>134,770</u>	<u>168,436</u>	<u>226,932</u>	<u>231,499</u>	pending	
General Fund	42,270	50,043	94,437	73,212		BR #1, NP: OIT
Cash Funds	69,005	92,980	127,810	153,602		BR #1, NP: OIT
Federal Funds	23,495	25,413	4,685	4,685		
Information Technology Asset Maintenance	<u>107,562</u>	<u>153,031</u>	<u>153,031</u>	<u>153,031</u>	<u>153,031</u>	
General Fund	35,881	42,041	42,041	34,705	42,041	BR #1
Cash Funds	66,055	110,990	110,990	118,326	110,990	BR #1
Reappropriated Funds/Cash Funds Exempt	5,626	0	0	0		

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Leased Space	<u>102,457</u>	<u>104,171</u>	<u>116,689</u>	<u>119,810</u>	<u>119,810</u>	
General Fund	51,004	49,779	48,440	48,142	48,142	
Cash Funds	8,000	54,392	68,249	71,668	71,668	
Reappropriated Funds/Cash Funds Exempt	43,453	0	0	0	0	
Capital Complex Leased Space	<u>170,848</u>	<u>169,975</u>	<u>172,409</u>	<u>166,973</u>	pending	
General Fund	139,366	138,654	140,639	136,205		
Cash Funds	31,482	31,321	31,770	30,768		
Communications Services Payments	<u>14,151</u>	<u>14,781</u>	<u>14,781</u>	<u>13,732</u>	pending	
General Fund	9,069	9,473	9,473	8,801		
Cash Funds	0	5,308	5,308	4,931		
Reappropriated Funds/Cash Funds Exempt	5,082	0	0	0		
Utilities	<u>136,413</u>	<u>136,094</u>	<u>146,318</u>	<u>146,318</u>	<u>146,318</u>	
General Fund	82,046	85,141	91,051	66,939	91,051	BR #1
Cash Funds	52,240	50,953	55,267	79,379	55,267	BR #1
Reappropriated Funds/Cash Funds Exempt	2,127	0	0	0	0	
Agriculture Statistics	<u>75,000</u>	<u>73,527</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	
General Fund	60,000	60,000	0	0	0	
Cash Funds	15,000	13,527	15,000	15,000	15,000	
Grants - FF	3,760,084	3,332,572	2,707,674	2,707,089	2,691,198	NP: PERA
FTE	15.0	16.8	13.0	13.0	13.0	
Indirect Cost Assessment - FF	154,827	174,695	100,386	83,806	pending	NP: OIT, NP: PERA

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						<i>Request Appropriation</i>
TOTAL - (1) COMMISSIONER'S OFFICE	8,142,059	8,316,749	8,313,462	21,252,440	4,926,517	155.6%
FTE	<u>34.2</u>	<u>33.7</u>	<u>31.7</u>	<u>187.9</u>	<u>31.7</u>	492.7%
General Fund	1,950,864	1,667,956	1,996,652	5,549,757	892,624	178.0%
FTE	19.2	16.9	18.7	55.7	18.7	197.9%
Cash Funds	1,323,104	1,942,603	2,350,325	11,109,584	252,925	372.7%
FTE	0.0	0.0	0.0	116.2	0.0	n/a
Reappropriated Funds/Cash Funds Exempt	836,546	1,153,019	1,075,606	1,081,997	1,089,770	0.6%
Federal Funds	4,031,545	3,553,171	2,890,879	3,511,102	2,691,198	21.5%
FTE	15.0	16.8	13.0	16.0	13.0	23.1%

(2) AGRICULTURAL SERVICES DIVISION

Primary Function: The division is divided into three distinct programs: (1) Inspection and Consumer Services; (2) Plant Industry; (3) Animal Industry; (4) Fruit and Vegetable Inspections. The source of cash funds is from fees collected by various cash funds within the Division.

Personal Services	9,455,221	9,671,989	10,351,242	0	0	NP: PERA
FTE	<u>143.2</u>	<u>141.6</u>	<u>152.3</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	3,148,690	3,356,984	3,390,189	0	0	DI #1, BR #1, NP: OIT
FTE	44.1	42.0	43.9	0.0	0.0	DI #1, BR #1, NP: OIT
Cash Funds	5,971,506	5,994,333	6,444,215	0	0	DI #1, BR #1, NP: OIT
FTE	96.1	96.6	105.4	0.0	0.0	DI #1, BR #1, NP: OIT
Federal Funds	335,025	320,672	516,838	0	0	DI #1
FTE	3.0	3.0	3.0	0.0	0.0	DI #1
Operating Expenses	<u>1,354,218</u>	<u>1,314,402</u>	<u>1,525,949</u>	<u>0</u>	<u>0</u>	
General Fund	403,990	333,780	352,830	0	0	DI #1, BR #1
Cash Funds	862,449	937,870	1,113,818	0	0	DI #1, BR #1
Federal Funds	87,779	42,752	59,301	0	0	DI #1

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PROGRAM COSTS	9,455,221	9,671,989	10,351,242	0	11,851,493	NP: PERA
FTE	<u>143.2</u>	<u>141.6</u>	<u>152.3</u>	<u>0.0</u>	<u>152.3</u>	
General Fund	3,148,690	3,356,984	3,390,189	0	3,739,321	DI #1, BR #1, NP: OIT
FTE	44.1	42.0	43.9	0.0	43.9	DI #1, BR #1, NP: OIT
Cash Funds	5,971,506	5,994,333	6,444,215	0	7,530,474	DI #1, BR #1, NP: OIT
FTE	96.1	96.6	105.4	0.0	105.4	DI #1, BR #1, NP: OIT
Federal Funds	335,025	320,672	516,838	0	581,698	DI #1
FTE	3.0	3.0	3.0	0.0	3.0	DI #1
Noxious Weed Management Grants - CF	187	0	15,000	15,000	15,000	
Diseased Livestock Fund - CF	45,300	10,000	25,000	25,000	25,000	
Cervidae Disease Revolving Fund - CF	18	660	25,000	25,000	25,000	
Operating Expenses for Aquaculture - CF	21,727	33,291	43,437	43,437	43,437	
Lease Purchase Lab Equipment	<u>85,992</u>	<u>66,099</u>	<u>85,992</u>	<u>85,992</u>	<u>85,992</u>	
General Fund	39,672	22,033	39,672	0	39,672	BR #1
Cash Funds	46,320	44,066	46,320	85,992	46,320	BR #1
Indirect Cost Assessments	<u>539,710</u>	<u>670,942</u>	<u>662,428</u>	<u>675,231</u>	<u>pending</u>	
Cash Funds	478,166	614,570	639,262	656,468		BR #1, NP: OIT
Federal Funds	61,544	56,372	23,166	18,763		NP: OIT
						<i>Request vs. Appropriation</i>
TOTAL - (2) AGRICULTURAL SERVICES	11,502,373	11,767,383	12,734,048	869,660	12,045,922	(93.2%)
FTE	<u>143.2</u>	<u>141.6</u>	<u>152.3</u>	<u>0.0</u>	<u>152.3</u>	(100.0%)
General Fund	3,592,352	3,712,797	3,782,691	0	3,778,993	(100.0%)
FTE	44.1	42.0	43.9	0.0	43.9	(100.0%)
Cash Funds	7,425,673	7,634,790	8,352,052	850,897	7,685,231	(89.8%)
FTE	96.1	96.6	105.4	0.0	105.4	(100.0%)
Federal Funds	484,348	419,796	599,305	18,763	581,698	(96.9%)
FTE	3.0	3.0	3.0	0.0	3.0	(100.0%)

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(3) AGRICULTURAL MARKETS DIVISION						
Primary Function: Provides marketing assistance and related support to Colorado agricultural-based businesses competing in local, national, and international arenas. The source of cash funds is from the Agricultural Value-added Cash Fund. The The reappropriated funds are from a transfer from the Economic Development Commission, in the Office of the Governor.						
Personal Services - GF	370,376	391,162	414,804	0	0	DI #1, NP: PERA
FTE - GF	4.4	4.7	4.7	0.0	0.0	DI #1
Operating Expenses	<u>64,196</u>	<u>68,297</u>	<u>82,577</u>	<u>0</u>	<u>0</u>	
General Fund	29,861	32,123	32,123	0	0	DI #1, NP: Mail Equipment
Cash Funds	34,335	36,174	50,454	0	0	DI #1
PROGRAM COSTS	370,376	391,162	414,804	0	488,273	DI #1, NP: PERA
FTE - GF	<u>4.4</u>	<u>4.7</u>	<u>4.7</u>	<u>0.0</u>	<u>4.7</u>	DI #1
General Fund	29,861	32,123	32,123	0	437,819	DI #1
Cash Funds	34,335	36,174	50,454	0	50,454	DI #1
Economic Development Grants - RF/CFE	124,797	177,354	45,000	45,000	45,000	
Ag Value Added Development Board - CF	348,204	385,454	574,837	574,837	574,261	NP: PERA
FTE - CF	0.5	0.5	0.5	0.5	0.5	
Indirect Cost Assessments - CF	0	3,966	3,861	3,127	<u>pending</u>	NP: OIT, NP: PERA <i>Request vs. Appropriation</i>
TOTAL - (3) AGRICULTURAL MARKETS	907,573	1,026,233	1,121,079	622,964	1,107,534	(44.4%)
FTE	<u>4.9</u>	<u>5.2</u>	<u>5.2</u>	<u>0.5</u>	<u>5.2</u>	(90.4%)
General Fund	400,237	423,285	446,927	0	437,819	(100.0%)
FTE	4.4	4.7	4.7	0.0	4.7	(100.0%)
Cash Funds	382,539	425,594	629,152	577,964	624,715	(8.1%)
FTE	0.5	0.5	0.5	0.5	0.5	0.0%
Reappropriated Funds/Cash Funds Exemp	124,797	177,354	45,000	45,000	45,000	0.0%

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(4) BRAND BOARD						
Primary Function: Inspects cattle, horse, and alternative livestock brands to verify ownership at the time of sale, transport, or slaughter. The source of funding is fee-for-service. The Brand Board constitute an enterprise for the purposes of Section 20 of Article X of the Colorado Constitution (TABOR).						
Brand Inspections	3,619,609	3,601,804	3,798,341	3,859,310	3,785,750	NP: PERA
FTE	<u>57.4</u>	<u>56.9</u>	<u>66.3</u>	<u>66.3</u>	<u>66.3</u>	
Cash Funds	0	3,601,804	3,798,341	3,859,310	3,785,750	
FTE	0.0	56.9	66.3	66.3	66.3	
Reappropriated Funds/Cash Funds Exempt	3,619,609	0	0	0	0	
FTE	57.4	0.0	0.0	0.0	0.0	
Alternative Livestock	<u>14,555</u>	<u>13,448</u>	<u>95,662</u>	<u>95,662</u>	<u>95,662</u>	
Cash Funds	0	13,448	95,662	95,662	95,662	
Reappropriated Funds/Cash Funds Exempt	14,555	0	0	0	0	
Indirect Cost Assessments	<u>134,522</u>	<u>137,241</u>	<u>142,379</u>	<u>142,379</u>	<u>pending</u>	
Cash Funds	0	137,241	142,379	142,379		
Reappropriated Funds/Cash Funds Exempt	134,522	0	0	0		
						<i>Request vs. Appropriation</i>
TOTAL - (4) BRAND BOARD	3,768,686	3,752,493	4,036,382	4,097,351	3,881,412	1.5%
FTE	57.4	56.9	66.3	66.3	66.3	0.0%
Cash Funds	0	3,752,493	4,036,382	4,097,351	3,881,412	1.5%
FTE	0.0	56.9	66.3	66.3	66.3	0.0%
Reappropriated Funds/Cash Funds Exempt	3,768,686	0	0	0	0	n/a
FTE	57.4	0.0	0.0	0.0	0.0	n/a

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(5) SPECIAL PURPOSE						
Primary Function: This section is comprised of the Agriculture Mangement Fund, the Wine Promotion Board, Vaccine and Service Fund, and the Brand. Estray Fund.						
Agriculture Management Fund - CF	n/a	n/a	2,098,540	2,098,540	2,098,540	NP: PERA
FTE	n/a	n/a	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	
Personal Services	n/a	n/a	274,458	274,458	274,458	<i>informational purposes only</i>
Programs/Operating	n/a	n/a	1,800,916	1,800,916	1,800,916	<i>informational purposes only</i>
Indirects	n/a	n/a	23,166	23,166	23,166	<i>informational purposes only</i>
Wine Promotion Board - CF	575,281	584,774	472,317	572,258	570,166	DI #2, NP: PERA
FTE - CF	1.0	1.0	1.5	1.5	1.5	
Vaccine and Service Fund - CF	301,600	272,612	162,713	277,820	276,867	DI #2, NP: PERA
FTE - CF	n/a	n/a	0.9	1.0	1.0	
Brand Estray Fund	<u>63,963</u>	<u>53,145</u>	<u>94,050</u>	<u>94,050</u>	<u>94,050</u>	
Cash Funds	0	53,145	94,050	94,050	94,050	
Reappropriated Funds/Cash Funds Exempt	63,963	0	0	0	0	
Indirect Cost Assessment - CF	8,588	59,490	34,749	34,398	<u>pending</u>	NP: OIT <i>Request vs. Appropriation</i>
TOTAL - (5) SPECIAL PURPOSE	949,432	970,021	2,862,369	3,077,066	3,039,623	7.5%
FTE	<u>1.0</u>	<u>1.0</u>	<u>5.4</u>	<u>5.5</u>	<u>5.5</u>	1.9%
Cash Funds	885,469	970,021	2,862,369	3,077,066	3,039,623	7.5%
FTE	1.0	1.0	5.4	5.5	5.5	1.9%
Reappropriated Funds/Cash Funds Exemp	63,963	0	0	0	0	n/a

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	Actual	Actual	Appropriation	Request	Staff Recomm. With PERA Reduction	DI/Notes
(6) COLORADO STATE FAIR						
Primary Function: Administering the State Fair under the guidance of the State Fair Authority. The source of funding is fees collected by the State Fair during its 11-day run and from non-fair events held at the State Fairgrounds in Pueblo, Colorado, throughout the remainder of the year.						
Program Costs - CF	8,171,749	8,192,273	8,329,073	8,400,000	8,375,904	NP: PERA
FTE	21.8	24.3	26.9	26.9	26.9	
Indirect Cost Assessment - CF	n/a	106,685	131,803	143,055	pending	NP: OIT
						<i>Request vs. Appropriation</i>
TOTAL - (6) COLORADO STATE FAIR - CF	8,171,749	8,298,958	8,460,876	8,543,055	8,375,904	1.0%
FTE	21.8	24.3	26.9	26.9	26.9	0.0%

(7) CONSERVATION BOARD

Primary Function: Preserving Colorado's natural resources including reducing soil erosion and flood damage, as well as protecting underground water reserves.

Personal Services - GF	346,901	366,963	378,862	0	0	DI #1, NP: PERA
FTE	5.1	5.5	5.2	0.0	0.0	DI #1
Operating Expenses - GF	59,223	62,415	64,109	0	0	DI #1
PROGRAM COSTS - GF	346,901	366,963	378,862	0	434,559	DI #1, NP: PERA
FTE	5.1	5.5	5.2	0.0	5.2	DI #1
Distributions to Soil Conservation Districts - GF	391,714	391,714	191,714	191,714	191,714	
Matching Grants to Districts	<u>622,065</u>	<u>25,135</u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	
General Fund	150,000	25,000	0	0	0	
Cash Funds	0	135	450,000	450,000	450,000	
Reappropriated Funds/Cash Funds Exempt	472,065	0	0	0	0	

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Department of Agriculture**

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	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		DI/Notes
	Actual	Actual	Appropriation	Request	Staff Recomm. With PERA Reduction	
Salinity Control Grants - FF	2,738,557	2,969,999	500,000	500,000	498,716	NP: PERA
FTE	0.7	0.9	0.0	0.0	0.0	
						<i>Request vs. Appropriation</i>
TOTAL - (7) CONSERVATION BOARD	3,686,395	3,816,226	1,584,685	1,141,714	1,574,989	(28.0%)
FTE	<u>5.8</u>	<u>6.4</u>	<u>5.2</u>	<u>0.0</u>	<u>5.2</u>	(100.0%)
General Fund	947,838	846,092	634,685	191,714	626,273	(69.8%)
FTE	5.1	5.5	5.2	0.0	5.2	(100.0%)
Cash Funds	0	135	450,000	450,000	450,000	0.0%
Reappropriated Funds/Cash Funds Exempt	472,065	0	0	0	0	n/a
Federal Funds	2,738,557	2,969,999	500,000	500,000	498,716	0.0%
FTE	0.7	0.9	0.0	0.0	0.0	n/a
						<i>Request vs. Appropriation</i>
DEPARTMENT OF AGRICULTURE						
TOTALS	37,128,267	37,948,063	39,112,901	39,604,250	34,951,901	1.3%
FTE	<u>210.9</u>	<u>269.1</u>	<u>293.0</u>	<u>287.1</u>	<u>293.1</u>	(2.0%)
General Fund	6,891,291	6,650,130	6,860,955	5,741,471	5,735,709	(16.3%)
FTE	72.8	69.1	72.5	55.7	72.5	(23.2%)
Cash Funds	18,188,534	23,024,594	27,141,156	28,705,917	24,309,810	5.8%
FTE	119.4	179.3	204.5	215.4	204.6	5.3%
Reappropriated Funds/Cash Funds Exempt	4,793,992	1,330,373	1,120,606	1,126,997	1,134,770	0.6%
FTE	57.4	0.0	0.0	0.0	0.0	n/a
Federal Funds	7,254,450	6,942,966	3,990,184	4,029,865	3,771,612	1.0%
FTE	18.7	20.7	16.0	16.0	16.0	0.0%

**DEPARTMENT OF AGRICULTURE
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(1) COMMISSIONER'S OFFICE AND ADMINISTRATION 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. The Administrative Services section provides administrative and technical support Department programs, including accounting, budgeting and human resources.

Decision Item #1

Request: The Department has requested as decision item #1 the transfer and consolidation of the personal services lines and operating expenses line items from the Agricultural Services Division, Agricultural Markets Division and the Conservation Services to the respective line items in the Commissioner's Office.

Staff Analysis: The Department states these transfers will enable the Department to better manage periodic program expenditure fluctuations and workload changes. Maintaining the break-out of these line items within their divisions benefits the General Assembly in two ways: (1) by keeping the organizational structure as is, appropriations for these specific purposes are more transparent; and (2) provides a linear historical reference for how programs and its administrative support are funded over time. The transfer of these line items does not provide any material or financial benefits other than increased Departmental latitude with it's appropriation. Any periodic fluctuations in workload that require the Department's appropriation to be adjusted can be addressed through the regular supplemental process.

Staff Recommendation: **Staff does not recommend the Department's request to integrate these line items. Staff recommends that the personal services and operating expenses line items in the Agricultural Services, Agricultural Markets and Conservation Board divisions be combined into Program Costs line items for each division.** Staff believes the program costs line items will enable the Department the latitude it has requested but not delegate the General Assembly's fiscal oversight to the Department.

Budget Reduction #1

Request: The Department has requested the JBC sponsor legislation to refinance six programs in that are partially funded with General Fund and wholly finance these programs with cash funds from fees. ***This request requires statutory changes to the Fertilizer, Feed, Large Scales, Measurement Standards, Farm Products, and Commodity Handlers programs, because funding for these programs are dictated by statute.***

Staff Analysis: The Department estimates that if this proposed legislation is enacted, the Department's FY 2010-11 General Fund appropriation would be reduced by \$1,301,256, the cash

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funds appropriation would increase by \$1,301,254 and the reappropriated funds appropriation would increase by \$108,229 for indirect cost recoveries in FY 2010-11.

Prior to July 1, 2003 the Inspection and Consumer Services (ICS) programs were funded 100.0 percent with General Fund. During the 2003 Session in response to the budget crisis, the General Assembly passed S.B. 03-297 to fully cash fund these programs. House Bill 07-1198 partially subsidized ICS programs with General Fund in relation to how each program benefits the common good. The following table outlines the funding mix changes to ICS programs.

Inspection and Consumer Services Programs Funding Mix Changes								
Program	Prior to July 1, 2003		July 1, 2003 - July 1, 2007		July 1, 2007- Present		Proposed as of July 1, 2010	
	GF	CF	GF	CF	GF	CF	GF	CF
Fertilizer	100.0%	0.0%	0.0%	100.0%	50.0%	50.0%	0.0%	100.0%
Feed	100.0%	0.0%	0.0%	100.0%	50.0%	50.0%	0.0%	100.0%
Large Device	100.0%	0.0%	0.0%	100.0%	25.0%	75.0%	0.0%	100.0%
Measurement Standards Lab	100.0%	0.0%	0.0%	100.0%	75.0%	25.0%	0.0%	100.0%
Farm Products	100.0%	0.0%	0.0%	100.0%	25.0%	75.0%	0.0%	100.0%

Fees will need to be increased if these programs are fully cash funded. The following table outlines the average percent fee increase for each of the six programs.

Fee Impact if Inspection Consumer Services Program are 100 Percent Cash Funded				
Program	Avg. Fee Change (Percent)	Number of Affected Fees	Smallest Increase	Largest Increase
Fertilizer	85.6%	9	20.0%	150.0% - Commercial Fertilizer/Soil Conditioner/Plant Amendment inspection fee per ton
Feed	113.0%	7	100.0%	140.0% - Small package inspection fee and late fee
Large Device	33.0%	4	33.0%	34.0% - Grain Moisture Meter
Measurements Standards Lab	122.0%	6	32.0%	300.0% - Lab fees for Metrology Program
Farm Products	33.0%	3	33.0%	34.0% - Small Volume Dealers/Cash Buyers License
Commodity Handlers	33.0%	3	33.0%	34.0% - Late License Fee

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Staff Recommendation: **Staff recommends that the JBC sponsor legislation that would refinance these programs fully with cash funds from fees for two years.** The table below characterizes the impact of the legislation in FY 2010-11. Since this budget reduction item requires legislation, recommendations in this packet are set to current law and do not include the refinancing of General Fund. Due to the large number of affected line items the impact of staff's recommendation is provided by division.

Budget Reduction #1: Fully Refinance ICS Programs with Cash Funds					
Division	Total Funds	GF	CF	RF	FTE
Commissioner's Office	\$0	(\$287,064)	\$178,835	\$108,229	0.0
Agricultural Services	108,229	(1,014,190)	1,122,419	0	0.0
Total Recommendation	\$108,229	(\$1,301,254)	\$1,301,254	\$108,229	0.0

Personal Services

Description: This line item funds the Commissioner's Office and administrative services. Administrative services include accounting, budgeting and human resources for all divisions.

Request: The Department requests an appropriation of \$12,526,823, of which \$3,631,394 is General Fund and 174.9 FTE. This request includes decision item #1 to consolidate various personal services and operating line items, budget reduction #1 which would fully cash fund the ICS programs but will not be included in staff's recommendation because it is not current law, and the non-prioritized Governor's Office of Information Technology (OIT) decision item.

Staff Summary Commissioner's Office	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Commissioner's Office*	10.4	11.7	7.7	11.7
Administrative Services	7.0	7.0	7.0	7.0
Subtotal Commissioner's Office	17.4	18.7	14.7	18.7
Transfer from Agricultural Services Division*	n/a	n/a	150.3	0.0
Transfer from Agricultural Markets Division	n/a	n/a	4.7	0.0
Transfer from Conservation Board	n/a	n/a	5.2	0.0
Commissioner's Office Total	17.4	18.7	174.9	18.7

*The requested FTE includes a reduction of 4.0 FTE for the non-prioritized OIT decision item.

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The Department is requesting that FTE from the Agricultural Services Division, Agricultural Markets Division and Conservation Board Division be transferred into the Commissioner's Office. See the FTE tables in each of the mentioned divisions for more detail on FTE positions.

Recommendation: Staff recommends \$1,715,866 total funds, of which \$626,096 is General Fund and 18.7 FTE based on current statute. If the Public Employee's Retirement Association (PERA) contribution shift bill passes with a 2.5 percent employer contribution reduction, staff recommends \$1,684,402 total funds, of which \$594,632 is General Fund and 18.7 FTE. Staff's recommendation does not include budget reduction #1 because it is not current law, and staff's recommendation is outlined in the following table. The recommendation reflects staff's recommendation to deny decision item #1. Staff requests permission to adjust the line and apply a funding split once Committee's acted on the OIT decision item, and the Committee receives updated schedules on the PERA reduction.

Commissioner's Office - Personal Services				
	GF	RF/CFE	Total	FTE
FY 2009-10 Long Bill	\$640,260	\$1,075,606	\$1,715,866	18.7
FY 2009-10 Supplementals	(43,218)	0	(43,218)	
Subtotal FY 2009-10 Appropriation	597,042	1,075,606	1,672,648	18.7
Fund Mix Adjustment	(14,164)	14,164	0	0.0
DI #1 - Line Item Consolidation	0	0	0	0.0
Restore FY 2009-10 Personal Services Reduction	43,218	0	43,218	
OIT Staff Consolidation			<u>pending</u>	
Recommended FY 2010-11 Appropriation without PERA Reduction	\$626,096	\$1,089,770	\$1,715,866	18.7
2.5% PERA Reduction*	(31,464)	0	(31,464)	0.0
Recommended FY 2010-11 Appropriation with PERA Reduction	\$594,632	\$1,089,770	\$1,684,402	18.7

* The 2.5 percent PERA reduction does not account for the pending non-prioritized OIT decision item. If the JBC approves the OIT consolidation then the 2.5 percent PERA reduction will have to be adjusted accordingly.

Health, Life, and Dental

This line funds the Department's share of the state's group health, life and dental insurance plans for state employees. Health, life, and dental is appropriated to the Executive Director's Office and distributed as needed to the divisions. The Department requests an appropriation of

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\$1,529,590 of which \$350,337 is General Fund. This request includes budget reduction #1 which would fully cash fund the ICS programs but will not be included in staff's recommendation because it is not current law, the non-prioritized OIT decision item, and the total compensation budget amendment. **The staff recommendation is pending the approval of a Committee policy for this line.** Staff requests permission to adjust the line and apply a funding split once Committee's acted on the OIT decision item, and the Committee receives updated schedules on the PERA reduction.

Short-term Disability

This line item funds the Department's share of the state's short-term disability program which is administered by the Department of Personnel and Administration (DPA). The Department requests an appropriation of \$23,358, of which \$7,240 is General Fund. This request includes budget reduction #1 which would fully cash fund the ICS programs but will not be included in staff's recommendation because it is not current law, the non-prioritized OIT decision item, and the total compensation budget amendment. **The staff recommendation is pending the approval of the Committee common policy.** Staff requests permission to adjust the line and apply a funding split once Committee's acted on the OIT decision item, and the Committee receives updated schedules on the PERA reduction.

S.B. 04-257 Amortization Equalization Disbursement

This line funds the costs associated with S.B. 04-257, which requires additional state contribution for employees in PERA. The Department requests an appropriation of \$361,669, of which \$112,096 is General Fund. This request includes budget reduction #1 which would fully cash fund the ICS programs but will not be included in staff's recommendation because it is not current law, the non-prioritized OIT decision item, and the total compensation budget amendment. **Staff recommendation is pending the approval of the Committee common policy.** Staff requests permission to adjust the line and apply a funding split once Committee's acted on the OIT decision item, and the Committee receives updated schedules on the PERA reduction.

S.B. 06-235 Supplemental Amortization Equalization Disbursement

Senate Bill 06-235 created a mechanism to increase the state's effective PERA rate beginning on January 1, 2008. The Department requests an appropriation of \$263,717, of which \$81,737 is General Fund. This request includes budget reduction #1 which would fully cash fund the ICS programs but will not be included in staff's recommendation because it is not current law, the non-prioritized OIT decision item, and the total compensation budget amendment. **Staff recommendation is pending the approval of Committee common policy.** Staff requests permission to adjust the line and apply a funding split once Committee's acted on the OIT decision item, and the Committee receives updated schedules on the PERA reduction.

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Salary Survey and Senior Executive Services

DPA's total compensation report pursuant to Section 24-50-104 (4) (c), C.R.S., recommends salary adjustments that are funded by this line. The Department did not request funding for this line. In accordance with Committee policy, **staff recommends that no salary survey be funded for FY 2010-11.**

Performance-Based Pay Awards

Employee performance-based pay is centrally appropriated and funded by this line pursuant to Section 24-50-104 (1) (c) (I), C.R.S. The Department did not request funding for this line. In accordance with Committee policy, **staff recommends that no performance-based pay awards be funded for FY 2010-11.**

Workers' Compensation

This line item is used to pay the Department's share of the state's workers' compensation program run by the DPA. The Department requests an appropriation of \$194,119, of which \$46,530 is General Fund for this purpose. This request includes budget reduction #1 which would fully cash fund the ICS programs but will not be included in staff's recommendation because it is not current law. **The staff recommendation for this line item is pending the approval of a Committee policy**, and staff requests permission to adjust the line and apply a fund split once Committee policy is established.

Operating Expenses

The Department requests an appropriation of \$1,672,570, of which \$413,755 is General Fund for this line item. This request includes decision item #1 to consolidate various personal services and operating line items and the non-prioritized mail decision item. **Staff recommends an appropriation of \$116,758 General Fund in accordance with Committee policy and staff's recommendation to deny decision item #1.** Staff's recommendation is outlined in the following table and staff requests permission to adjust the line and apply a funding split once the Committee has acted on pending items.

Commissioner's Office - Operating Expenses	
	GF
FY 2009-10 Long Bill	\$117,348
FY 2009-10 Supplementals	(590)
Subtotal FY 2009-10 Appropriation	116,758
DI #1 - Line Item Consolidation	0

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Commissioner's Office - Operating Expenses	
NP - Mail Equipment	<u>pending</u>
Recommended FY 2010-11 Appropriation	\$116,758

Legal Services

This line item is used to pay the Department of Law for the provision of legal services to all divisions. The Department requests an appropriation of \$350,366, of which \$83,608 is General Fund and 4,648 hours. This request includes budget reduction #1 which would fully cash fund the ICS programs but will not be included in staff's recommendation because it is not current law. **Staff recommends approving the request for funding sufficient to purchase a continuation level of 4,648 hours of services. The dollar amount of staff's recommendation is pending the determination of the hourly rate for legal services by the Committee.** Staff requests permission to adjust the line and apply a funding split once Committee policy is established.

Purchase of Services from Computer Center

This line item is used to reimburse DPA for the Department's share of the state's computer system. The Department requests \$389,328, of which \$287,137 is General Fund for this purpose. **Staff recommendation is pending the approval of a Committee policy for this line, and the Committee's decision on the non-prioritized OIT decision item.** Staff requests permission to adjust the line and apply a funding split once Committee policy for this line item is established.

Multiuse Network Payments (NEW LINE ITEM)

This line item is being added as a part of the non-prioritized OIT decision item and would be used to reimburse DPA for the Department's share of the statewide multi-use network. The Department is requesting an appropriation of \$131,370, of which \$51,540 is General Fund. This request includes the non-prioritized OIT decision item. **The staff recommendation is pending the approval of a Committee policy for this line and the Committee's decision on the non-prioritized OIT decision item.** Staff requests permission to adjust the line and apply a funding split once Committee policy for this line item is established.

Management and Administration of OIT

Description: This line was added during the FY 2008-09 supplemental process as a result of S.B. 08-155 to reimburse OIT for the Department's share of the management and administration of OIT.

Request: The Department requests an appropriation of \$134,738 for this purpose, of which \$104,597 is General Fund. This request includes the non-prioritized OIT decision item.

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Recommendation: **Staff recommendation is pending the approval of a Committee policy for this line, and the Committee decision on the non-prioritized OIT decision item.** Staff requests permission to adjust the line and apply a fund split once a Committee policy is approved for this line.

Payment to Risk Management and Property Funds

This line item is used to reimburse DPA for the Department's share of the state's liability and property insurance. The Department requests \$37,534 for this purpose, of which \$11,782 is General Fund. This request includes budget reduction #1 which would fully cash fund the ICS programs but will not be included in staff's recommendation because it is not current law. **Staff recommendation is pending the approval of a Committee policy.** Staff requests permission to adjust the line and apply a fund split once Committee policy is established.

Vehicle Lease Payments

This line funds the annual payment to DPA 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. The Department requests \$231,499, of which \$73,212 is General Fund. This request includes budget reduction #1 which would fully cash fund the ICS programs but will not be included in staff's recommendation because it is not current law. **Staff recommendation is pending the approval of a Committee policy.** Once Committee policy is established, staff requests permission to adjust the line and apply a funding split.

Information Technology Asset Maintenance

This line is used to replace aging software for computers and databases, in an effort to mitigate lost productivity due to aging equipment. The Department requests \$153,031 for this purpose, of which \$34,705 is General Fund. This request includes budget reduction #1 which would fully cash fund the ICS programs but will not be included in staff's recommendation because it is not current law. **Staff recommends the Department's request for an appropriation of \$153,031 of which \$42,041 is General Fund.**

Leased Space

Request: The Department requests an appropriation of \$119,810 for leased space, of which \$48,142 is General Fund. This request reflects an increase of \$3,121 total funds over the FY 2009-10 appropriation for rate adjustments.

Recommendation: **Staff recommends an appropriation of 119,810 total funds, of which \$48,142 is General Fund.**

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Capitol Complex Leased Space

The Department requests \$166,973 total funds, of which \$136,205 is General Fund for 13,554 square feet at 700 Kipling Ave for the main offices. **Staff recommends funding for 13,554 square feet of space, and the dollar amount is pending the approval of a Committee policy.** Staff requests permission to adjust the line and apply a fund split once Committee policy for this line item is established.

Communication Services Payment

This line item provides the funds for the Department's share of the state's public safety communications infrastructure, which is maintained by DPA. The Department requests \$13,732 for this purpose, of which \$8,801 is General Fund. **The staff recommendation is pending the approval of a Committee policy for this line,** and staff requests permission to adjust the line and apply a funding split once Committee policy for this line item is established.

Utilities

Description: This line funds the utility costs incurred at state owned buildings. The state owns the Insectary building in Palisade, and the ICS buildings and warehouses in Denver.

Request: The Department requests an appropriation of \$146,318, of which \$66,939 is General Fund for this purpose. This request includes budget reduction #1 which would fully cash fund the ICS programs but will not be included in staff's recommendation because it is not current law.

Recommendation: **Staff recommends the Department's request for \$146,318 total funds of which \$91,051 is General Fund.**

Agricultural Statistics Bulletin

Description: The Department contracts with the Colorado 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: The Department requests a continuation funding level of \$15,000 cash funds.

Recommendation: **Staff recommends a continuation appropriation of \$15,000 cash funds.**

Grants

Description: This line item represents all federal grants the Department garners each year, excluding U.S. Environmental Protection Agency grants the Department receives for pesticide

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efforts that require a cash fund match. For FY 2010-11 the Department is expecting thirty-six different grants will be garnered for various programs and services.

Request: The Department requests an appropriation of \$2,707,089 federal funds and 13.0 FTE for various federal programs the Department administers.

Recommendation: **Staff recommends \$2,707,674 federal funds and 13.0 FTE based on current statute. If the PERA contribution shift bill passes with a 2.5 percent employer contribution reduction, staff recommends \$2,691,198 federal funds and 13.0 FTE.** Staff's recommendation is outlined in the following table.

Commissioner's Office - Grants		
	GF	FTE
FY 2009-10 Long Bill	\$2,707,674	13.0
FY 2009-10 Supplementals	(22,642)	0.0
Subtotal FY 2009-10	2,685,032	13.0
Restore FY 2009-10 Personal Services Reduction	22,642	0.0
Recommendation for FY 2010-11 without PERA Reduction	\$2,707,674	13.0
PERA 2.5% Reduction	(16,476)	0.0
Recommendation for FY 2010-11 with PERA Reduction	\$2,691,198	13.0

Indirect Cost Assessment

Description: This line item funds the Department's share of statewide indirect costs. Statewide indirect costs are overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these statewide overhead costs, that would otherwise have been supported by cash and federally funded sources.

Request: The Department requests an appropriation of \$83,806 federal funds. This request includes the non-prioritized OIT decision item.

Recommendation: **Staff recommendation is pending the approval of a Committee policy for this line, and the Committee's decision on the non-prioritized OIT decision item.** Staff

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requests permission to adjust the line once Committee common policies are established, and the Committee receives updates schedules for the PERA reduction.

(2) AGRICULTURAL SERVICES DIVISION

This division administers the majority of the Department's major programs and the responsibilities are divided up among four distinct programs.

Inspection and Consumer Services Programs

These programs ensure compliance with product quality standards through licensing and inspection; certifies commercial weights and measurement devices; and analyzes fertilizer and animal feed for chemical contaminants.

Fruit and Vegetable Inspection

This program performs mandatory and non-mandatory inspections to determine grade, size, and quality of fruits and vegetables.

Animal Industry

This program oversees the monitoring of the health of livestock and other animals used in various fields of agriculture, and for the implementation of pest control.

Plant Industry

This program manages statewide pest control programs, registers pesticides and pesticide applicators, and inspects plants and plant byproducts intended for domestic or international export.

Personal Services

Description: This line item funds the personnel responsible for the inspections, certification, and administration associated with the four major division programs. In the following staffing summary table, the FY 2010-11 request year represents the FTE that the Department is requesting be transferred to the Commissioner's Office.

Staffing Summary Inspection and Consumer Services	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Administration*	3.0	3.0	2.0	3.0
Facilities	1.0	1.0	1.0	1.0
Technical Services	10.0	10.0	10.0	10.0
Field Program Inspector	12.0	12.0	12.0	12.0

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Staffing Summary Inspection and Consumer Services	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Laboratory Services	4.8	6.0	6.0	6.0
Farm Products Inspection	2.0	2.0	2.0	2.0
Measurement Standards	10.5	11.0	11.0	11.0
ICS Subtotal	43.3	45.0	44.0	45.0

*The request includes the reduction of 1.0 FTE as part of the non-prioritized OIT decision item.

Staffing Summary Fruit/Vegetable Inspection	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Fruit/Vegetable Inspection	29.2	34.5	34.5	34.5
Fruit/Vegetable Inspection Subtotal	29.2	34.5	34.5	34.5

Staffing Summary Animal Industry	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Administration	4.0	4.0	4.0	4.0
Animal Protection	1.0	1.0	1.0	1.0
Rodent/Predator Control	0.6	1.0	1.0	1.0
Veterinary/Animal Care	15.4	18.0	18.0	18.0
Animal Industry Subtotal	21.0	24.0	24.0	24.0

Staffing Summary Plant Industry	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Administration	13.3	13.3	13.3	13.3
Field Inspectors	13.5	14.0	14.0	14.0
Professional Grades*	10.6	10.8	9.8	10.8
Insectary	6.0	6.0	6.0	6.0
Lab	2.7	2.7	2.7	2.7
Noxious Weed	2.0	2.0	2.0	2.0
Plant Industry Subtotal	48.1	48.8	47.8	48.8

*The request includes the reduction of 1.0 FTE as part of the non-prioritized OIT decision item.

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Staffing Summary Agricultural Service	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Inspection and Consumer Services	43.3	45.0	44.0	45.0
Fruit/Vegetable Inspection	29.2	34.5	34.5	34.5
Animal Industry	21.0	24.0	24.0	24.0
Plant Industry	48.1	48.8	47.8	48.8
Agricultural Services Total	141.6	152.3	150.3	152.3

Request: The Department requested an appropriation of \$0 and 0.0 FTE. This request includes decision item #1 to consolidate various personal services and operating line items, budget reduction #1 which would fully cash fund the ICS programs but will not be included in staff's recommendation because it is not current law, and the non-prioritized OIT decision item.

Recommendation: **Staff recommends \$0 total funds and 0.0 FTE based on current statute. If the PERA contribution shift bill passes, staff's recommendation will not change, reflecting staff's recommendation to combine this line with the operating expenses line into a program costs line item for this division.** Staff's recommendation is outlined in the following table, and staff requests permission to adjust the line and apply a funding split once Committee's acted on the OIT decision item, and the Committee receives updated schedules on the PERA reduction.

Agricultural Services Division - Personal Services						
	GF	CF	RF	FF	Total	FTE
FY 2009-10 Long Bill	\$3,390,189	\$6,404,240	\$0	\$516,838	\$10,311,267	151.3
FY 2009-10 Supplementals	(548,562)	(67,662)	521,015	4,066	(91,143)	0.0
S.B. 09-118	0	39,975	0	0	39,975	1.0
Subtotal FY 2009-10 Appropriation	2,841,627	6,376,553	521,015	520,904	10,260,099	152.3
Annualize S.B. 09-118	0	0	0	0	0	0.0
Restore GF to ICS Programs	521,015	0	(521,015)	0	0	0.0
Restore FY 2009-10 Personal Services Reduction	92,003	186,208	0	5,501	283,712	0.0
OIT Staff Consolidation					<u>pending</u>	
FY 2010-11 Subtotal without PERA Reduction	3,454,645	6,562,761	0	526,405	10,543,811	152.3

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Agricultural Services Division - Personal Services						
	GF	CF	RF	FF	Total	FTE
2.5% PERA Reduction*	(66,932)	(135,604)	0	(4,008)	(206,544)	0.0
DI #1 - Staff Recommendation^	(3,387,713)	(6,427,157)	0	(522,397)	(10,337,267)	(152.3)
Recommended FY 2010-11 Appropriation with PERA Reduction	\$0	\$0	\$0	\$0	\$0	0.0

* The 2.5 percent PERA reduction does not account for the pending non-prioritized decision item to consolidate OIT staff. If the JBC approves the OIT consolidation then the 2.5 percent PERA reduction will have to be adjusted accordingly.

^ This recommendation is based on the passage of the PERA contribution shift bill. If this bill does not pass then this line will have to be adjusted upward to reinstate the 2.5 percent PERA reduction.

Operating Expenses

Request: The Department requests \$0 for this line item. This request includes decision item #1 to consolidate various personal services and operating line items, budget reduction #1 which would fully cash fund the ICS programs but will not be included in staff's recommendation because it is not current law, and the non-prioritized mail equipment decision item.

Recommendation: **Staff recommends an appropriation of \$0 total funds, reflecting staff's recommendation to combine this line with the operating expenses line into a program costs line item for this division.** Staff's recommendation is outlined in the following table, and staff requests permission to adjust the line once common policies have been decided.

Agricultural Services Division - Operating Expenses					
	GF	CF	RF	FF	Total
FY 2009-10 Long Bill	\$352,830	\$1,104,140	\$0	\$59,301	\$1,516,271
FY 2009-10 Supplementals	(101,222)	(9,271)	100,000	0	(10,493)
S.B. 09-118	0	9,678	0	0	9,678
Subtotal FY 2009-10 Appropriation	251,608	1,104,547	100,000	59,301	1,515,456
Annualize S.B. 09-118	0	(1,230)	0	0	(1,230)
Restore GF to ICS Programs	100,000	0	(100,000)	0	0
NP - Mail Equipment					<u>pending</u>
FY 2010-11 Subtotal	351,608	1,103,317	0	59,301	1,514,226

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Agricultural Services Division - Operating Expenses					
DI #1 - Line item consolidation	(351,608)	(1,103,317)	0	(59,301)	(1,514,226)
Recommendation for FY 2010-11	\$0	\$0	\$0	\$0	0

Program Costs (NEW LINE ITEM)

Description: This new line item combines the Agricultural Services personal services and the operating expenses line items. This line item will fund the personnel responsible for various programs administration, inspections and certification, as well as program operating expenses.

Request: The Department did not request this line item for FY 2010-11.

Recommendation: **Staff recommends \$12,058,037 total funds, of which \$3,806,253 is General Fund and 152.3 FTE based on current statute. If the PERA contribution shift bill passes with a 2.5 percent employer contribution reduction, staff recommends \$11,851,493 total funds, of which \$3,739,321 is General Fund and 152.3 FTE.** This recommendation is in accordance with staff's recommendation to combine the personal services and operating expenses line items into a program costs line item. Staff's recommendation is outlined in the following table, and staff requests permission to adjust the line item once Committee policy is established on pending items.

Agricultural Services Division - Program Costs (NEW LINE ITEM)					
	GF	CF	FF	Total	FTE
Personal Services*	\$3,454,645	\$6,562,761	\$526,405	\$10,543,811	152.3
Operating Expenses*	351,608	1,103,317	59,301	1,514,226	0.0
Recommended FY 2010-11 Appropriation without PERA Reduction	3,806,253	7,666,078	585,706	12,058,037	152.3
2.5% PERA Reduction^	(66,932)	(135,604)	(4,008)	(206,544)	0.0
Recommended FY 2010-11 Appropriation with PERA Reduction	3,739,321	7,530,474	581,698	11,851,493	152.3

* These line items have pending items and will require adjustments once the Committee acts on non-prioritized decision items and common policy items.

^ The 2.5 percent PERA reduction does not account for the pending non-prioritized decision item to consolidate OIT staff. If the JBC approves the OIT consolidation then the 2.5 percent PERA reduction will have to be adjusted accordingly.

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Noxious Weed Management Grant Program

Description: This line funds joint efforts by local governments and private landowners to eradicate newly emerging species. Funding for this line is from civil penalties collected, gifts, grants, donations, and appropriations from the General Assembly pursuant to Section 35-5.5-116 (1), C.R.S.

Request: The Department requests a continuing funding level of \$15,000 cash funds.

Recommendation: **Staff recommends a continuation appropriation of \$15,000 cash funds.**

Diseased Livestock Indemnity Fund

Description: Moneys in this line are continuously appropriated and represent an indemnity fund for livestock owners whose animals are destroyed to prevent the spread of infectious disease pursuant to Section 35-50-114 (3), C.R.S.

Request: The Department requests a continuing funding level of \$25,000 cash funds.

Recommendation: **Staff recommends a continuation appropriation of \$25,000 cash funds.**

Cervidae Disease Revolving Fund

Description: This line provides an indemnity fund for elk ranchers who suffer losses when animals are destroyed to prevent the spread of infectious disease. The source of funds is a 'per-head' inspection fee set by the members of the Captive Wildlife and Alternative Livestock Board, and are continuously appropriated pursuant to Section 35-50-115, C.R.S.

Request: The Department requests a continuing funding level of \$25,000 cash funds.

Recommendation: **Staff recommends a continuation appropriation of \$25,000 cash funds.**

Operating Expenses for Aquaculture

Description: The aquaculture program permits all private facilities that broker live native or nonnative fish, as well as for those private facilities that propagate, sell, trade, or transport live fish. Currently there are 42 licensed aquaculture facilities ("fish farms") in the state. Moneys are raised through permit fees. Expenses under this line item include printing/reproduction, inspection contractors, and travel necessary to inspect sites that have applied for permits. In FY 2007-08, the Aquaculture Cash Fund was moved from the Agricultural Markets Division to the Agricultural Services Division to better align the budget line item with where the personnel management of the program is located.

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Request: The Department requests a continuing funding level of \$43,437 cash funds.

Recommendation: **Staff recommends a continuation appropriation of \$43,437 cash funds.**

Lease Purchase Lab Equipment

Description: 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 compliance activities of ICS programs, the Plant Industry, and the Conservation Board. Within the ICS Division, the lab provides analyses for animal feed, feed drugs, and fertilizer programs to guard against crop and livestock contamination. Within the Plant Industry Division, the lab provides analyses for the pesticide registrations division and the pesticide enforcement investigations. The lab also provides groundwater analysis for the Conservation Board groundwater protection program.

Request: The Department requests \$85,992 cash funds. This request includes budget reduction #1 which would fully cash fund the ICS programs but will not be included in staff's recommendation because it is not current law.

Recommendation: **Staff recommends an appropriation of \$85,992** total funds, of which \$39,672 is General Fund.

Indirect Cost Assessment

Description: This line item funds a portion of the costs of the Commissioner's Office and for the Department's share of statewide indirect costs. This description applies to Indirect Cost Assessment lines in each of the following division.

Request: The Department requests \$675,231 total funds for this purpose. This request includes budget reduction #1 which would fully cash fund the ICS programs but will not be included in staff's recommendation because it is not current law, and the non-prioritized OIT decision item.

Recommendation: **The staff recommendation is pending the approval of Committee common policies and non-prioritized decision items.** Staff requests permission to adjust the line once Committee common policies are established.

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(3) AGRICULTURAL MARKETS DIVISION

The Agricultural Markets Division strives to increase export sales of Colorado agricultural products within domestic and international markets.

Personal Services

Description: Staff are responsible for marketing Colorado's agricultural products.

Request: The Department requests an appropriation of \$0 and 0.0 FTE. This request includes decision item #1 to consolidate various personal services and operating line items. In the following staffing summary table, the FY 2010-11 request year represents the FTE that the Department is requesting be transferred to the Commissioner's Office.

Staff Summary Agricultural Markets	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Marketing Supervisor	1.0	1.0	1.0	1.0
Senior Ag Market Specialist	1.0	1.0	1.0	1.0
Ag Market Specialist	1.7	1.7	1.7	1.7
Administrative Support	1.0	1.0	1.0	1.0
Agricultural Markets Total	4.7	4.7	4.7	4.7

Recommendation: **Staff recommends \$0 total funds and 0.0 FTE based on current statute. If the PERA contribution shift bill passes, staff's recommendation will not change reflecting staff's recommendation to combine this line item with the operating expenses line item in this division within a program costs line item.** Staff's recommendation is outlined in the following table, and staff requests permission to adjust the line once the Committee has acted on non-prioritized decision items, and the Committee has received update PERA reduction schedules.

Agricultural Markets Division - Personal Services		
	GF	FTE
FY 2009-10 Long Bill	\$414,804	4.7
FY 2009-10 Supplementals	(12,502)	0.0
Subtotal: FY 2009-10 Appropriation	402,302	4.7
Reinstate FY 09-10 Personal Services Cut	12,502	0.0
OIT Staff Consolidation	<u>pending</u>	

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Agricultural Markets Division - Personal Services		
	GF	FTE
2.5% PERA Reduction	(9,108)	0.0
FY 2010-11 Subtotal	405,696	4.7
DI #1 - Staff Recommendation^	(405,696)	(4.7)
Recommended FY 2010-11 Appropriation with PERA Reduction	\$0	0.0

^ This recommendation is based on the passage of the PERA contribution shift bill. If this bill does not pass then this line will have to be adjusted upward to reinstate the 2.5% PERA reduction.

Operating Expenses

Request: The Department requests an appropriation of \$0 total funds. This request includes decision item #1 to consolidate various personal services and operating line items, and various other non-prioritized decision items.

Recommendation: **Staff recommends \$0 total funds reflecting staff's recommendation to combine this line item with the operating expenses line item in this division within a program costs line item.** The following table outlines staff's recommendation, and staff requests permission to adjust the line item once Committee policy is established on pending items.

Agricultural Services Division - Operating Expenses			
	GF	CF	Total
FY 2009-10 Long Bill	\$32,123	\$50,454	\$82,577
Subtotal FY 2009-10 Appropriation	32,123	50,454	82,577
NP - Mail Equipment			<u>pending</u>
FY 2010-11 Subtotal	32,123	50,454	82,577
DI #1 - Staff Recommendation	(32,123)	(50,454)	(82,577)
Recommended FY 2010-11 Appropriation	\$0	\$0	\$0

Program Costs (NEW LINE ITEM)

Description: This new line item combines the Agricultural Markets personal services and operating expenses line items. This line item will fund the personnel responsible for marketing Colorado's agricultural products, and associated operating expenses.

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Request: The Department did not request this line item for FY 2010-11.

Recommendation: Staff recommends \$497,381 total funds, of which \$446,927 is General Fund and 4.7 FTE based on current statute. If the PERA contribution shift bill passes with a 2.5 percent employer contribution reduction, staff recommends \$488,273 total funds, of which \$437,819 is General Fund and 4.7 FTE. Staff's recommendation is outlined in the following table, and staff requests permission to adjust the line item once Committee policy is established on pending items.

Agricultural Markets Division - Program Costs (NEW LINE ITEM)				
	GF	CF	Total	FTE
Personal Services*	\$414,804	\$0	\$414,804	4.7
Operating Expenses*	32,123	50,454	82,577	0.0
Recommended FY 2010-11 Appropriation without PERA Reduction	446,927	50,454	497,381	4.7
2.5% PERA Reduction^	(9,108)	0	(9,108)	0.0
Recommended FY 2010-11 Appropriation with PERA Reduction	437,819	50,454	488,273	4.7

* These line items have pending items and will require adjustments once the Committee acts on non-prioritized decision items and common policy items.

^ The 2.5 percent PERA reduction does not account for the pending non-prioritized decision item to consolidate OIT staff. If the JBC approves the OIT consolidation then the 2.5 percent PERA reduction will have to be adjusted accordingly.

Economic Development Grants

Description: This line shows the dollars the Division receives from the Governor's Economic Development Commission pursuant to 24-46-105, C.R.S.

Request: The Department requests a continuation funding level of \$45,000 reappropriated funds.

Recommendation: Staff recommends a continuing appropriation level of \$45,000 reappropriated funds.

Agricultural Development Board

Description: This program and board was created by H.B. 01-1086 to assist in the development of agricultural processing facilities in Colorado. The primary source of funding for this program is the sale of tax credits that are triggered when state revenues exceed TABOR limitations in a given fiscal year. Due to the passage of Referendum C, this program is not anticipated to receive

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any tax credits prior to FY 2010-11. In response to this lack of funding, H.B. 06-1322 was passed that transfers \$500,000 from the Operational Account of the Severance Tax Trust Fund for three years to promote agricultural energy-related projects and research, pursuant to Section 35-75-205 (1.5) (a), C.R.S. This transfer authority was extended through FY 2011-12 by S.B. 09-124.

Request: The Department requests a continuation funding level of \$547,837 cash funds and 0.5 FTE.

***Recommendation:* Staff recommends an appropriation of \$574,837 cash funds and 0.5 FTE based on current statute. If the PERA contribution shift bill passes with a 2.5 percent employer contribution reduction, staff recommends \$574,261 reappropriated funds and 0.5 FTE.**

Indirect Cost Assessment

Request: The Department has requested an appropriation of \$3,127 cash funds.

Recommendation: **The staff recommendation is pending the approval of Committee common policies**, and staff requests permission to adjust the line and apply a funding split once Committee common policies are established.

(4) BRAND BOARD

The Brand Board administrates livestock brands; inspects alternative livestock facilities; verifies ownership prior to the sale, transport, or slaughter of livestock; 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).

Brand Inspection

Description: 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 \$3,859,310 cash funds and 66.3 FTE.

Staff Summary Brand Board	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Program Director	1.0	1.0	1.0	1.0
Administrative Staff	6.5	8.0	8.0	8.0

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Staff Summary Brand Board	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Inspection Agents	49.4	57.3	57.3	57.3
TOTAL	56.9	66.3	66.3	66.3

Recommendation: Staff recommends an appropriation of \$3,859,310 cash funds and 66.3 FTE based on current statute. If the PERA contribution shift bill passes with a 2.5 percent employer contribution reduction, staff recommends \$3,785,750 cash funds and 66.3 FTE. The following table summarizes the staff recommendation, and staff requests permission to adjust the line once the Committee receives update PERA reduction schedules.

Brand Inspection - Brand Board		
	CF	FTE
FY 2009-10 Long Bill Appropriation	\$3,798,341	66.3
FY 2009-10 Supplementals	(39,964)	0.0
Subtotal FY 2009-10 Appropriation	3,758,377	66.3
Restore FY 2009-10 Personal Services Reduction	100,933	0.0
Recommended FY 2010-11 Appropriation without PERA Reduction	\$3,859,310	66.3
2.5% PERA Reduction	(\$73,560)	0.0
Recommended FY 2010-11 Appropriation with PERA Reduction	\$3,785,750	66.3

Alternative Livestock

Description: This line funds the selling, trading, giving, bartering, or otherwise transferring of any domesticated elk or fallow deer in the State. Funding for this line is from the Alternative Livestock Cash Fund which is required to pay no more than 3.6 percent of its base appropriation for indirect cost recoveries.

Request: The Department requests a continuing funding level of \$95,662 cash funds.

Recommendation: Staff recommends a continuation appropriation of \$95,662 cash funds.

Indirect Cost Assessment

Request: The Department requests an appropriation of \$142,379 cash funds.

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Recommendation: **The staff recommendation is pending the approval of Committee common policies,** and staff requests permission to adjust the line once Committee common policies are established.

(5) SPECIAL PURPOSE

Agriculture Management Fund

Description: This fund was created by H.B. 08-1399, and added to the FY 2009-10 Long Bill. The Fund receives 65 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 2010-11 the Department anticipates moneys will be allocated to agricultural programs including the State Fair, other emerging agricultural issues, and to fund three positions.

Option to Balance FY 2010-11

During FY 2009-10 the Department proposed refinancing General Fund dollars with Agriculture Management Fund dollars to reduce the Department's General Fund appropriation. This option could be utilized in FY 2010-11 to reduce the Department's General Fund appropriation. If the Committee would like, staff can work with the Department to identify what General Fund dollars could be refinanced with Agriculture Management Fund dollars and comeback into the Committee with this option. During FY 2009-10 the Department was able to refinance approximately \$600,000 of General Fund with these cash fund dollars.

Request: The Department anticipates the Fund will receive an estimated transfer that will enable the Department to incur expenditures of \$2,098,540 in FY 2010-11. Of this amount, the Department anticipates that \$1,800,916 will be used to fund programs, \$274,458 will support three positions, and \$23,166 will be for indirect cost assessment. The Department requests an appropriation of \$2,098,540 cash funds and 3.0 FTE.

Recommendation: **Staff recommends an appropriation of \$2,098,540 cash funds and 3.0 FTE.** Currently the FTE are vacant, if these FTE are filled during FY 2010-11, staff recommends the line not be reduced if the PERA employer contribution shift bill passes because the funds can be spent on programs not personal services.

Wine Promotion Board

Description: 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. these funds are continuously appropriation and at least one-third of the

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revenue in the fund shall go toward research and development, and at least one-third shall go toward promotion and marketing which includes administrative costs.

Request: The Department requests \$572,258 cash funds and 1.5 FTE. The request includes decision item #2 to increase spending authority for this line item by \$100,093 cash funds.

Decision Item #2

The Department has requested an additional \$100,093 cash funds for this line item. These funds are continuously appropriated pursuant to Section 35-29.5-105 (1), C.R.S., enabling the Department to spend above the appropriation in the Long Bill. The Department has requested the increase to the line item to more accurately reflect the actual expenditures by the Wine Promotion Board.

Staff recommends the Committee approve the request to increase the Wine Promotion Board line item by \$100,093 cash funds to enable the Long Bill to more accurately reflect the expenditures from this line item.

Recommendation: **Staff recommends \$572,410 cash funds and 1.5 FTE based on current statute. If the PERA contribution shift bill passes with a 2.5 percent employer contribution reduction, staff recommends \$570,166 cash funds and 1.5 FTE.** Staff's recommendation is outlined in the following table. Staff requests permission to adjust the line and apply a funding split once the Committee receives updated schedules on the PERA reduction.

Wine Promotion Board Line Item		
	CF	FTE
FY 2009-10 Long Bill Appropriation	\$472,317	1.5
FY 2009-10 Supplementals	(3,083)	0.0
Subtotal FY 2009-10 Appropriation	469,234	1.5
Restore FY 2009-10 Personal Services Reduction	3,083	0.0
DI #2 - Increasing Spending Authority	100,093	0.0
Recommended FY 2010-11 Appropriation without PERA Reduction	\$572,410	1.5
2.5% PERA Reduction	(2,244)	0.0
Recommended FY 2010-11 Appropriation with PERA Reduction	\$570,166	1.5

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Vaccine and Service Fund

Description: The Vaccine and Service Fund provides money for the vaccination of heifer calves against brucellosis, the testing of livestock for brucellosis, and the identification and disposal of reactor livestock. The source of revenue is cash proceeds from the sale of vaccines and services, and these moneys are continuously appropriated pursuant to Section 35-50-106, C.R.S.

Request: The Department requests \$277,820 cash funds and 1.0 FTE, which includes decision item #2 to increase spending authority for this line item by \$115,107 cash funds.

Decision Item #2

The Department has requested an additional \$115,107 cash funds spending authority for this line. These funds are continuously appropriated pursuant to Section 35-50-106, C.R.S. This means that the Department is able to spend above the appropriation in the Long Bill. The Department has requested the increase to this line item to more accurately reflect the actual expenditures from the Vaccine and Service Fund.

Staff recommends the Committee approve the request to increase the Vaccine and Service Fund line item by \$115,107 cash funds to enable the Long Bill to more accurately reflect the expenditures from this line item.

Recommendation: **Staff recommends \$277,820 cash funds and 1.0 FTE based on current statute. If the PERA contribution shift bill passes with a 2.5 percent employer contribution reduction, staff recommends \$276,867 cash funds and 1.0 FTE.** Staff's recommendation is outlined in the following table. Staff requests permission to adjust the line and apply a funding split once the Committee receives updated schedules on the PERA reduction.

Vaccine and Service Fund		
	CF	FTE
FY 2009-10 Long Bill Appropriation	\$162,713	0.0
S.B. 09-154	0	0.9
Subtotal FY 2009-10 Appropriation	162,713	0.9
Annualize S.B. 09-154	0	0.1
DI #2 - Increase Spending Authority	115,107	0.0
Recommended FY 2010-11 Appropriation without PERA Reduction	\$277,820	1.0

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Vaccine and Service Fund		
	CF	FTE
2.5% PERA Reduction	(953)	0.0
Recommended FY 2010-11 Appropriation with PERA Reduction	\$276,867	1.0

Brand Estray Fund

Description: This line item funds the care and feeding 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. Revenue for this fund is from the sale proceeds of estray animals, 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 state constitution.

Request: The Department requests a continuation funding level of \$94,050 cash funds.

Recommendation: **Staff recommends a continuing appropriation of \$94,050 cash funds.**

Indirect Cost Assessment

Request: The Department requests \$34,398 cash funds for this line item. This request includes the non-prioritized OIT decision item.

Recommendation: **Staff's recommendation is pending the approval of Committee common policies and the non-prioritized OIT decision item.** Staff requests permission to adjust the line once Committee common policies are established.

(6) COLORADO STATE FAIR

The Colorado State Fair is administered by the eleven member State Fair Authority. The source of funding for this Division is from fees collected by the Colorado State Fair during its eleven day run each August and from non-fair events held at the fairgrounds during the rest of the year.

Program Costs

Description: This program line includes all personal services and operating costs related to the running and maintenance of the State Fair and fairgrounds in Pueblo, Colorado.

Request: The Department requests \$8,400,000 cash funds and 26.9 FTE.

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Staff Summary Colorado State Fair	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Fair Manager	1.0	1.0	1.0	1.0
Professional Grades	8.3	8.3	8.3	8.3
Program Administration	7.9	8.0	8.0	8.0
Maintenance	7.1	9.6	9.6	9.6
TOTAL	24.3	26.9	26.9	26.9

Recommendation: Staff recommends an appropriation of \$8,400,000 cash funds and 26.9 FTE based on current statute. If the PERA contribution shift bill passes with a 2.5 percent employer contribution reduction, staff recommends \$8,375,904 cash funds and 26.9 FTE. The following table reflects how staff calculated the recommendation for this line item. Staff requests permission to adjust the line and apply a funding split once the Committee receives updated schedules on the PERA reduction.

Colorado State Fair - Program Costs		
	CF	FTE
FY 2009-10 Appropriation	\$8,329,073	26.9
FY 2009-10 Supplementals	37,822	0.0
Subtotal FY 2009-10 Appropriation	8,366,895	26.9
Restore FY 2009-10 Personal Services Reduction	33,105	0.0
Recommended FY 2010-11 Appropriation without PERA Reduction	8,400,000	26.9
2.5% PERA Reduction	(24,096)	0.0
Recommended FY 2010-11 Appropriation with PERA Adjustment	8,375,904	26.9

Indirect Cost Assessment

Description: 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 65.5 percent of the total 'per FTE' costs that would have otherwise been applied to this Division to recover department and statewide overhead costs.

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Request: The Department has requested \$143,055 cash funds for this line item. This request includes the non-prioritized OIT decision item.

Recommendation: **The staff recommendation is pending the approval of Committee common policies and the non-prioritized OIT decision item.** Staff requests permission to adjust the line and apply a funding split once Committee common policies are established.

(7) CONSERVATION BOARD

The Conservation Board oversees programs to conserve Colorado's soil and natural resources in conjunction with 77 local districts. The State Conservation Board is comprised of eight members from the 77 district boards, plus one appointee of the Governor. The eight elected members represent each of the major watershed systems in Colorado. Board staff provide technical assistance to the local districts and help coordinate regional and statewide efforts to address conservation issues. 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.

Personal Services

Request: The Department has requested an appropriation of \$0 and 0.0 FTE. This request includes decision item #1 to consolidate various personal services and operating line items. In the following staffing summary table, the FY 2010-11 request year represents the FTE that the Department is requesting be transferred to the Commissioner's Office.

Staff Summary Conservation Board	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Program Administrator	1.0	1.0	1.0	1.0
Administrative Staff	1.5	1.2	1.2	1.2
Conservation Specialist	3.0	3.0	3.0	3.0
TOTAL	5.5	5.2	5.2	5.2

Recommendation: **Staff recommends \$0 total funds and 0.0 FTE based on current statute. If the PERA contribution shift bill passes, staff's recommendation will not change, reflecting staff's recommendation to combine this line with the personal services line into a program costs line item for this division.** Staff's recommendation is outlined in the following table. Staff requests permission to adjust the line and apply a funding split once the Committee receives updated schedules on the PERA reduction.

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Conservation Board - Personal Services		
	GF	FTE
FY 2009-10 Long Bill	\$378,862	5.2
FY 2009-10 Supplementals	(11,533)	0.0
Subtotal FY 2009-10 Appropriation	367,329	5.2
Reinstate FY 09-10 Personal Services Cut	11,533	0.0
2.5% PERA Reduction	(8,412)	0.0
FY 2010-11 Subtotal	370,450	5.2
DI #1 - Staff Recommendation [^]	(370,450)	(5.2)
Recommended FY 2010-11 Appropriation with PERA Reduction	\$0	0.0

[^] This recommendation is based on the passage of the PERA contribution shift bill. If this bill does not pass then this line will have to be adjusted upward to reinstate the 2.5% PERA reduction.

Operating Expenses

Request: The Department requests an appropriation of \$0 total funds. This request includes decision item #1 to consolidate various personal services and operating line items.

Recommendation: **Staff recommends an appropriation of \$0, reflecting staff's recommendation to consolidate the personal services and operating expenses line items in this division.**

Conservation Board - Operating Expenses	
	GF
FY 2009-10 Long Bill	\$64,109
Subtotal FY 2009-10 Appropriation	64,109
FY 2010-11 Subtotal	64,109
DI #1 - Staff Recommendation	(64,109)
Recommended FY 2010-11 Appropriation	\$0

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Program Costs (NEW LINE ITEM)

Description: This new line item combines the Conservation Board personal services and operating expenses line items. This line item will fund the personnel operating expenses for this Division.

Request: The Department did not request this line item for FY 2010-11.

Recommendation: **Staff recommends \$442,971 General Fund and 5.2 FTE based on current statute. If the PERA contribution shift bill passes with a 2.5 percent employer contribution reduction, staff recommends \$434,559 General Fund and 5.2 FTE.** Staff's recommendation is outlined in the following table. Staff requests permission to adjust the line and apply a funding split once the Committee receives updated schedules on the PERA reduction, and acts on non-prioritized decision items.

Conservation Board - Program Costs (NEW LINE ITEM)		
	GF	FTE
Personal Services*	\$378,862	5.2
Operating Expenses	64,109	0.0
Recommended FY 2010-11 Appropriation without PERA Reduction	442,971	5.2
2.5% PERA Reduction	(8,412)	0.0
Recommended FY 2010-11 Appropriation with PERA Reduction	434,559	5.2

* This line has pending items and will require adjustments once the Committee acts on non-prioritized decision items and common policy items.

Distributions to Conservation Districts

Description: The Conservation Board distributes direct assistance funds to the 77 conservation districts based on annual evaluations of each district's program. Districts are required to use these funds for travel, clerical, technical assistance and other operating expenses, pursuant to Section 35-1-106.7, C.R.S. Distributions are made 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. The difference between a given district's State distribution and its actual administration costs is covered by the sale of conservation products in the various districts as well as the authority to increase levies up to one-half of one mill to fund the full amount of the district budget. It should be noted that some districts depend on these moneys to fund most of their budget and some rely on these moneys to only a small degree.

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Request: The Department request a continuing funding level of \$191,714 General Fund.

Recommendation: **Staff recommends a continuation appropriation of \$191,714 General Fund.** These distributions are the primary component of the Conservation District program and are essential to maintaining the network of the 77 local districts.

Matching Grants to Districts

Description: This line item funds on-the-ground conservation problems that have been identified at the local level. The conservation district that receives a grant must provide a dollar-for-dollar match for any grant dollars received. Funding for this line is from the Operational account of the Severance Tax Trust Fund pursuant to S.B. 06-1393 through FY 2011-12.

Request: The Department requests a continuing funding level of \$450,000 cash funds.

Recommendation: **Staff recommends an appropriation of \$450,000 cash funds.**

Salinity Control Grants

Description: The salinity control grants are distributed to the four soil conservation districts in the 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, which minimize exposure of water to salt bearing soils.

Request: The Department requests a continuing funding level of \$500,000 federal funds.

Recommendation: **Staff recommends \$500,000 federal funds based on current statute. This line currently funds an FTE, and if the PERA contribution shift bill passes with a 2.5 percent employer contribution reduction, staff recommends \$498,716 federal funds.**

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Long Bill Footnotes and Requests for Information

The Long Bill for FY 2009-10 did not contain any footnotes specific to the Department of Agriculture. Staff does not recommends the any information requests be added for FY 2010-11.