

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2009-10 STAFF FIGURE SETTING

DEPARTMENT OF AGRICULTURE

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

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**FY 2009-10 FIGURE SETTING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE:**

DEPARTMENT OF AGRICULTURE

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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	1,541,046	1,572,327	1,540,598	1,783,151	1,715,866	
FTE	<u>18.9</u>	<u>19.2</u>	<u>18.7</u>	<u>19.6</u>	<u>18.7</u>	
General Fund	591,464	734,680	520,292 S	816,204 A	640,260	DI #1
FTE	18.9	19.2	18.7	19.6	18.7	
Cash Funds	126,480	134,522	0	0	0	
Reappropriated Funds/Cash Funds Exempt	823,102	703,125	1,020,306 S	966,947 A	1,075,606	DI #1
Health, Life, and Dental	<u>322,700</u>	<u>649,500</u>	<u>1,382,417</u>	<u>1,609,102</u>	<u>1,609,102</u>	
General Fund	222,700	225,000	370,583	400,057 A	431,350	
Cash Funds	100,000	349,500	969,845	1,160,171 A	1,128,878	
Federal Funds	0	75,000	41,989	48,874	48,874	
Short-Term Disability	<u>0</u>	<u>0</u>	<u>19,891</u>	<u>21,102</u>	<u>20,847</u>	
General Fund	0	0	5,738	5,359 A	5,988	
Cash Funds	0	0	13,585	15,140 A	14,277	
Federal Funds	0	0	568	603	582	
SB 04-257 Amortization Equalization Disbursement	<u>8,000</u>	<u>50,000</u>	<u>243,351</u>	<u>324,641</u>	<u>267,705</u>	
General Fund	8,000	25,000	69,152	81,048 A	75,973	
Cash Funds	0	25,000	167,205	234,263 A	184,228	
Federal Funds	0	0	6,994	9,330	7,504	
SB 06-235 Supplemental Amortization Equalization Disbursement	<u>0</u>	<u>0</u>	<u>112,921</u>	<u>202,900</u>	<u>166,511</u>	
General Fund	0	0	31,266	56,180	46,679	
Cash Funds	0	0	78,377	140,830	115,142	
Federal Funds	0	0	3,278	5,890	4,690	

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Salary Survey and Senior Executive Service	<u>198,451</u>	<u>342,987</u>	<u>608,483</u>	<u>0</u>	<u>0</u>	
General Fund	118,200	127,987	221,863	0 A	0	
Cash Funds	80,251	215,000	358,046	0 A	0	
Federal Funds	0	0	28,574	0 A	0	
Performance-based Pay Awards	<u>0</u>	<u>171,000</u>	<u>231,107</u>	<u>0</u>	<u>0</u>	
General Fund	0	106,000	114,884	0	0	
Cash Funds	0	65,000	105,921	0	0	
Federal Funds	0	0	10,302	0	0	
Workers' Compensation	<u>247,904</u>	<u>179,678</u>	<u>229,157</u>	<u>229,505</u>	<u>Pending</u>	
General Fund	88,247	52,174	66,541	55,013 A		NP-3
Cash Funds	103,521	86,817	160,586	172,459 A		NP-3
Reappropriated Funds/Cash Funds Exempt	53,941	39,096	0	0		
Federal Funds	2,195	1,591	2,030	2,033		NP-3
Operating Expenses - GF	103,552	103,552	117,137	125,218 A	117,137	DI #1, NP-1, NP-4
Legal Services	228,917	285,799	349,064	349,064	Pending	
Hours Equivalent	<u>3,378</u>	<u>3,968</u>	<u>4,648</u>	<u>4,648</u>	<u>4,648</u>	
General Fund	63,421	106,583	90,124	86,465 A		
Cash Funds	159,557	157,291	246,529	250,188 A		
Reappropriated Funds/Cash Funds Exempt	5,939	6,392	0	0		
Federal Funds	0	15,533	12,411	12,411		
Purchase of Services from Computer Center - GF	(1,649)	644	24,086	24,086	Pending	
Multiuse Network Payments - GF	14,580	0	0	0	Pending	
Management and Administration of OIT - GF	n/a	n/a	11,107 S	11,657 A	11,657	
Payment to Risk Management Fund	<u>257,628</u>	<u>130,460</u>	<u>187,542</u>	<u>187,542</u>	<u>Pending</u>	
General Fund	89,666	49,608	71,313	58,869 A		
Cash Funds	103,465	48,192	114,768	127,212 A		
Reappropriated Funds/Cash Funds Exempt	62,492	31,645	0	0		
Federal Funds	2,005	1,015	1,461	1,461		
Vehicle Lease Payments	<u>127,947</u>	<u>134,770</u>	<u>195,168</u>	<u>227,208</u>	<u>Pending</u>	
General Fund	36,774	42,270	81,219	72,652 A		DI #3, NP-5
Cash Funds	75,129	69,005	109,920	149,872 A		NP-5

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Federal Funds	16,044	23,495	4,029	4,684		NP-5
Leased Space	<u>103,880</u>	<u>102,457</u>	<u>127,264</u>	<u>116,689</u>	<u>116,689</u>	
General Fund	47,084	51,004	57,295	48,440	48,440	
Cash Funds	18,134	8,000	69,969	68,249	68,249	
Reappropriated Funds/Cash Funds Exempt	38,662	43,453	0	0	0	
Capital Complex Leased Space	<u>147,960</u>	<u>170,848</u>	<u>169,975</u>	<u>169,975</u>	<u>Pending</u>	
General Fund	120,695	139,366	138,654	138,654		
Cash Funds	27,265	31,482	31,321	31,321		
Communications Services Payments	<u>14,389</u>	<u>14,151</u>	<u>14,781</u>	<u>14,781</u>	<u>Pending</u>	
General Fund	5,678	9,069	9,473	9,473		
Cash Funds	0	0	5,308	5,308		
Reappropriated Funds/Cash Funds Exempt	8,711	5,082	0	0		
Utilities	<u>124,057</u>	<u>136,413</u>	<u>146,318</u>	<u>146,318</u>	<u>146,318</u>	
General Fund	48,192	82,046	91,051	66,939 A	91,051	
Cash Funds	71,445	52,240	55,267	79,379 A	55,267	
Reappropriated Funds/Cash Funds Exempt	1,779	2,127	0	0	0	
Federal Funds	2,641	0	0	0	0	
Information Technology Asset Maintenance	<u>109,638</u>	<u>107,562</u>	<u>153,031</u>	<u>153,031</u>	<u>153,031</u>	
General Fund	31,038	35,881	42,041	34,705 A	42,041	
Cash Funds	72,974	66,055	110,990	118,326 A	110,990	
Reappropriated Funds/Cash Funds Exempt	5,626	5,626	0	0	0	
Agriculture Statistics	<u>72,736</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	
General Fund	60,000	60,000	60,000	60,000	60,000	
Cash Funds	12,736	15,000	15,000	15,000	15,000	
Grants - FF	4,589,456	3,760,084	2,707,089	2,707,674 A	2,707,089	NP-1, NP-4
FTE	11.2	15.0	9.4	8.0	13.0	
Indirect Cost Assessment - FF	155,671	154,827	74,559 S	56,706	100,386	DI #1

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TOTAL - (1) COMMISSIONER'S OFFICE	8,366,863	8,142,059	8,720,046	8,535,350	7,207,338	(2.1%)
FTE	<u>30.1</u>	<u>34.2</u>	<u>28.1</u>	<u>27.6</u>	<u>31.7</u>	<u>(1.8%)</u>
General Fund	1,647,642	1,950,864	2,193,819	2,151,019	1,570,576	(2.0%)
FTE	18.9	19.2	18.7	19.6	18.7	4.8%
Cash Funds	950,957	1,323,104	2,612,637	2,567,718	1,692,031	(1.7%)
Reappropriated Funds/Cash Funds Exempt	1,000,252	836,546	1,020,306	966,947	1,075,606	(5.2%)
Federal Funds	4,768,012	4,031,545	2,893,284	2,849,666	2,869,125	(1.5%)
FTE	11.2	15.0	9.4	8.0	13.0	(14.9%)
(2) AGRICULTURAL SERVICES DIVISION				0		
Primary Function: The division is divided into three distinct programs: (1) Inspection and Consumer Services; (2) Plant Industry; and (3) Animal Industry. The source of cash funds is from fees collected by various cash funds within the Division.				0		
Personal Services	9,238,592	9,455,221	10,024,184	11,437,656	10,438,914	
FTE	<u>137.1</u>	<u>143.2</u>	<u>152.3</u>	<u>163.1</u>	<u>151.3</u>	
General Fund	2,128,011	3,148,690	3,368,709 S	3,481,268 A	3,511,105	DI #3, DI #6
FTE	27.5	44.1	44.9 S	56.3	44.9	DI #3, DI #6
Cash Funds	6,561,810	5,971,506	6,165,886 S	7,429,983 A	6,406,668	DI #6
FTE	106.6	96.1	104.4 S	103.8	103.4	
Reappropriated Funds/Cash Funds Exempt	200,081	0	0	0	0	
Federal Funds	348,690	335,025	489,589	526,405	521,141	DI #6
FTE	3.0	3.0	3.0	3.0	3.0	
Operating Expenses	<u>1,186,753</u>	<u>1,354,218</u>	<u>1,405,552</u>	<u>1,673,643</u>	<u>1,502,096</u>	
General Fund	157,083	403,990	346,972	347,349 A	346,402	DI #3, DI #6, NP-1, NP-4
Cash Funds	920,256	862,449	999,279	1,266,993 A	1,096,393	DI #4, DI #6, NP-1
Federal Funds	109,414	87,779	59,301	59,301	59,301	
Noxious Weed Management Grants - CF	117	187	15,000	15,000	15,000	
Diseased Livestock Fund - CF	0	45,300	25,000	25,000	25,000	
Cervidae Disease Revolving Fund - CF	188	18	25,000	25,000	25,000	
Operating Expenses for Aquaculture - CF	24,492	21,727	43,437	43,437	43,437	

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	Actual	Actual	Appropriation	Request	Recommendation	
Lease Purchase Lab Equipment	<u>0</u>	<u>85,992</u>	<u>85,992</u>	<u>85,992</u>	<u>85,992</u>	
General Fund	0	39,672	39,672	0 A	39,672	
Cash Funds	0	46,320	46,320	85,992 A	46,320	
Economic Development Grants - Reappropriated Funds/Ca	0	0	0	45,000	0	DI #6
Ag Value Added Development Board - CF	0	0	0	574,837	0	DI #6
FTE	0.0	0.0	0.0	0.5	0.0	DI #6
Distributions to Soil Conservation Districts - GF	0	0	0	391,714	0	DI #6
Matching Grants to Districts	<u>0</u>	<u>0</u>	<u>0</u>	<u>675,000</u>	<u>0</u>	
General Fund	0	0	0	225,000	0	DI #6
Cash Funds	0	0	0	450,000	0	DI #6
Salinity Control Grants - FF	0	0	0	500,000	0	DI #6
Indirect Cost Assessments	<u>736,778</u>	<u>539,710</u>	<u>638,365</u>	<u>689,791</u>	<u>662,428</u>	
Cash Funds	703,873	478,166	614,570 S	668,526 A	639,262	DI #1, DI #6
Federal Funds	32,905	61,544	23,795 S	21,265	23,166	
TOTAL - (2) AGRICULTURAL SERVICES	11,186,920	11,502,373	12,262,530	16,182,070	12,797,867	<i>Request vs. Appropriation</i>
FTE	<u>137.1</u>	<u>143.2</u>	<u>152.3</u>	<u>163.6</u>	<u>151.3</u>	32.0%
General Fund	2,285,094	3,592,352	3,755,353	4,445,331	3,897,179	18.4%
FTE	27.5	44.1	44.9	56.3	44.9	25.4%
Cash Funds	8,210,736	7,425,673	7,934,492	10,584,768	8,297,080	33.4%
FTE	106.6	96.1	104.4	104.3	103.4	(0.1%)
Reappropriated Funds/Cash Funds Exempt	200,081	0	0	45,000	0	100.0%
Federal Funds	491,009	484,348	572,685	1,106,971	603,608	93.3%
FTE	3.0	3.0	3.0	3.0	3.0	0.0%

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	Actual	Actual	Appropriation	Request	Recommendation	
(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 reappropriated funds are from a transfer from the Economic Development Commission, in the Office of the Governor.						
Personal Services - GF	370,386	370,376	393,351	0	414,804	DI #6
FTE	4.5	4.4	4.7	0.0	4.7	DI #6
Operating Expenses	<u>61,836</u>	<u>64,196</u>	<u>82,577</u>	<u>0</u>	<u>82,577</u>	
General Fund	29,861	29,861	32,123	0	32,123	DI #6, NP-1, NP-4
Cash Funds	31,975	34,335	50,454	0	50,454	DI #6
Economic Development Grants - Reappropriated Funds/Ca	119,075	124,797	45,000	0	45,000	
Ag Value Added Development Board - CF	90,430	348,204	574,837 a/	0	574,837	
FTE	0.5	0.5	0.5	0.0	0.5	
Indirect Cost Assessments - CF	0	0	3,966 S	0	3,861	DI #1, DI #6
<i>Request vs. Appropriation</i>						
TOTAL - (3) AGRICULTURAL MARKETS	641,727	907,573	1,099,731	0	1,121,079	(100.0%)
FTE	<u>5.0</u>	<u>4.9</u>	<u>5.2</u>	<u>0.0</u>	<u>5.2</u>	<u>(100.0%)</u>
General Fund	400,247	400,237	425,474	0	446,927	(100.0%)
FTE	4.5	4.4	4.7	0.0	4.7	(100.0%)
Cash Funds	122,405	382,539	629,257	0	629,152	(100.0%)
FTE	0.5	0.5	0.5	0.0	0.5	(100.0%)
Reappropriated Funds/Cash Funds Exempt	119,075	124,797	45,000	0	45,000	(100.0%)

a/ Includes \$500,000 received from the Operational Account of the Severance Tax Trust Fund, pursuant to Section 39-29-109.3 (2) (h), C.R.S.

(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 - CFE/CF	3,399,037	3,619,609	3,688,929	3,859,310	3,825,763	DI #2
FTE	57.7	57.4	66.3	66.3	66.3	

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Alternative Livestock - CFE/CF	13,886	14,555	95,662	95,662	95,662	
Indirect Cost Assessments - CFE/CF	126,480	134,522	137,241	138,935	142,379	
						<i>Request vs. Appropriation</i>
TOTAL - (4) BRAND BOARD - CF	3,539,403	3,768,686	3,921,832	4,093,907	4,063,804	4.4%
FTE	57.7	57.4	66.3	66.3	66.3	0.0%
(5) SPECIAL PURPOSE						
Primary Function: This section is comprised of the Wine Promotion Board, Vaccine and Service Fund, and the Brand Estray Fund. Once debt on the Events Center on the State Fair Grounds is paid in full, the Agriculture Management Fund will receive sixty-five percent of the interest derived from the deposit and investment of moneys in the Unclaimed Property Tourism Promotion Trust Fund, pursuant to H.B. 08-1399.						
Agriculture Management Fund - CF	0	0	1,348,763	2,112,719	2,098,540	
FTE	0.0	0.0	6.0	10.0	3.0	
Personal Services	0	0	408,266	0	274,458	<i>informational purposes only</i>
Programs	0	0	940,497	0	1,800,916	<i>informational purposes only</i>
Indirects	0	0	n/a	0	23,166	<i>informational purposes only</i>
Wine Promotion Board - CF	518,546	575,281	467,326	472,317 A	472,165	NP-1, NP-4
FTE	0.5	1.0	1.5	1.5	1.5	
Vaccine and Service Fund - CF	268,583 a/	301,600 a/	162,713 a/	162,713	162,713	
Brand Estray Fund - CFE/CF	45,752	63,963	94,050	94,050	94,050	
Indirect Cost Assessment - CF	8,133	8,588	59,490 S	81,515	34,749	DI #1
						<i>Request vs. Appropriation</i>
TOTAL - (5) SPECIAL PURPOSE - CF	841,014	949,432	2,132,342	2,923,314	2,862,217	37.1%
FTE	0.5	1.0	7.5	11.5	4.5	53.3%

a/ Funding is continuously appropriated, pursuant to Section 35-29.5-105, C.R.S.

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(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	7,976,409	8,171,749	9,009,242	9,046,590 A	7,092,024	NP-1
FTE	20.3	21.8	26.9	26.9	26.9	
Indirect Cost Assessment - CF	0	0	106,685 S	0	131,803	
						<i>Request vs. Appropriation</i>
TOTAL - (6) COLORADO STATE FAIR - CF	7,976,409	8,171,749	9,115,927	9,046,590	7,223,827	(0.8%)
FTE	20.3	21.8	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	245,781	346,901	367,699	0	388,039	DI #6
FTE	3.5	5.1	5.5	0.0	5.5	DI #6
Operating Expenses - GF	33,673	59,223	64,109	0	64,109	DI #6, NP-1, NP-4
Distributions to Soil Conservation Districts - GF	391,714	391,714	391,714	0	391,714	DI #6
Matching Grants to Districts	<u>573,396</u>	<u>622,065</u>	<u>475,000</u>	<u>0</u>	<u>450,000</u>	
General Fund	150,000	150,000	25,000 S	0	0	DI #6
Cash Funds	423,396	472,065	450,000	0	450,000	DI #6
Salinity Control Grants - FF	2,167,517	2,738,557	500,000	0	500,000	DI #6
FTE	0.0	0.7	0.0	0.0	0.0	DI #6

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TOTAL - (7) CONSERVATION BOARD	3,412,081	4,158,460	1,798,522	0	1,793,862	<i>Request vs. Appropriation</i> (100.0%)
FTE	<u>3.5</u>	<u>5.1</u>	<u>5.5</u>	<u>0.0</u>	<u>5.5</u>	(100.0%)
General Fund	821,168	947,838	848,522	0	843,862	(100.0%)
FTE	3.5	5.1	5.5	0.0	5.5	(100.0%)
Cash Funds	423,396	472,065	450,000	0	450,000	(100.0%)
Federal Funds	2,167,517	2,738,557	500,000	0	500,000	(100.0%)
						<i>Request vs. Appropriation</i>
DEPARTMENT OF AGRICULTURE						
TOTALS	35,964,417	37,600,332	39,050,930	40,781,231	37,069,994	4.4%
FTE	<u>254.2</u>	<u>267.6</u>	<u>291.8</u>	<u>295.9</u>	<u>291.4</u>	<u>1.4%</u>
General Fund	5,154,151	6,891,291	7,223,168	6,596,350	6,758,544	(8.7%)
FTE	54.4	72.8	73.8	75.9	73.8	2.8%
Cash Funds	22,064,320	22,493,248	26,796,487	29,216,297	25,218,111	9.0%
FTE	185.6	176.8	205.6	209.0	201.6	1.7%
Reappropriated Funds/Cash Funds Exempt	1,319,408	961,343	1,065,306	1,011,947	1,120,606	(5.0%)
Federal Funds	7,426,538	7,254,450	3,965,969	3,956,637	3,972,733	(0.2%)
FTE	14.2	18.0	12.4	11.0	16.0	(11.3%)

**DEPARTMENT OF AGRICULTURE
FIGURE SETTING FOR FY 2009-10**

JBC WORKING PAPERS - DECISIONS SUBJECT TO CHANGE
Staff Recommendation Does Not Represent Committee Decision

FORMAT NOTES: Individual line items appear in **bold underlined** font, decision items appear in ***bold italic*** font, and summary descriptions of staff recommendations appear in **bold** font.

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. The Administrative Services section provides administrative and technical support for various programs within the Department, such as accounting, budgeting, human resources, and computer programming.

Staffing Summary	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation
Commissioner's Office	12.2	11.7	12.6	11.7
Administrative Services	7.0	7.0	7.0	7.0
Federal Grants	15.0	9.4	8.0	13.0
Total	34.2	28.1	27.6	31.7

Personal Services

Description: This line item funds the 18.7 FTE in the Executive Director's Office, including the Executive Director, accounting, budgeting, human resources, information technology support, and general support staff. The source of reappropriated funds is indirect cost assessments collected from several cash- and federally-funded programs administered by the Department.

Request: The Department has requested \$1,783,151 in total funds and 19.6 FTE, consisting of \$816,204 General Fund and \$966,947 reappropriated funds. Reappropriated funds are from indirect cost recoveries from the Department's divisions. The Department has made various change requests impacting this line item from its FY 2008-09 appropriation. Please find below a discussion related to each change request.

Decision Item #1 (Geographic Information Systems Support). The Department has requested as its first priority decision item an increase of \$97,797 and 0.9 FTE for Geographic Information Systems (GIS) support to various Department programs. The actualized total cost of this change request is \$75,155, once duplicative appropriations related to indirect costs are removed. The

majority of this request's funding will be General Fund (69.9 percent), the remainder coming from various cash sources. This change request impacts several line items as exhibited in the table below.

Decision Item #1: Geographic Information Systems Support						
Division - Line Item	Total Funds	GF	CF	RF	FF	FTE
Commissioner's Office - Personal Services	\$67,285	\$44,643	\$0	\$22,642	\$0	0.9
Commissioner's Office - Operating	7,870	7,870	0	0	0	0.0
Commissioner's Office - Indirect Cost Assessment	2,034	0	0	0	2,034	0.0
Ag Services - Indirect Cost Assessment	17,555	0	16,792	0	763	0.0
Ag Markets - Indirect Cost Assessment	128	0	128	0	0	0.0
Special Purpose - Indirect Cost Assessment	<u>2,925</u>	<u>0</u>	<u>2,925</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Total Request - Decision Item #1	\$97,797	\$52,513	\$19,845	\$22,642	\$2,797	0.9

A geographic information system (GIS) integrates hardware, software, and data for capturing, managing, analyzing, and displaying all forms of geographically referenced information. The general use for a GIS is to view, understand, question, interpret, and visualize data in many ways that reveal relationships, patterns, and trends in the form of maps, globes, reports, and charts.

The Department indicated that there are several reasons for why this position is required. These reasons include: (1) collecting data related to noxious weeds; (2) groundwater sampling; (3) biocontrol and containment; (4) the Colorado Livestock Security System; (5) tracking the potential for chronic wasting disease in elk populations; (6) homeland security; (7) Agritourism; and (8) improve travel and time management of existing staff resources.

The Department's request indicates that the position will "work on a statewide enterprise basis with the Governor's Office of Information Technology" thus prompting staff to inquire if this position can be subsidized from appropriations made to other Departments. However, staff has learned that the Department is not anticipating this position to support other state agencies. The Department did indicate that they received direction from the Governor's Office of Information Technology to establish a collection of various experts that could be a statewide resource. It is unclear if this position would be available to accommodate other Departments.

Staff does not recommend the change request given the state's anticipated revenue shortfall in FY 2009-10. While the benefit of GIS support may in the future offer the Department better information for improved service delivery, due to the required need for General Fund and the

anticipated ramp-up time to put these resource in place and operations, staff does not believe this request is justified.

Budget Amendment #1 (Refinancing Inspection and Consumer Services Programs Funded with General Fund). The Department submitted a budget amendment that requests that 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. The request requires statutory changes to the Fertilizer, Feed, Large Scales, Measurement Standards, Farm Products, and Commodity Handlers programs, as the funding for these programs are dictated by statute. Recommendations made by staff in this figure setting document are in accordance with current law. Thus, staff does not recommend any refinancing related to this request at this time. Please see the Agricultural Services Division for more detail related to this request.

Budget Amendment #4 (Management and Administration of OIT). This line item reflects the Department's share of the costs incurred to support the functions of OIT. The Department is requesting a reduction of \$7,362 General Fund related to this function. This reduction is offset by an increase of \$11,657 General Fund to the Management and Administration of OIT line item discussed below.

Recommendation: Staff recommends appropriating \$1,715,866 and 18.7 FTE for this line item, which is consistent with policies established by the Committee. Of this amount, \$640,260 is General Fund and \$1,075,606 is from reappropriated funds. The recommendation includes The reappropriated funds are from indirect costs and transfers from within the Department. Staff's recommendation for personal services is detailed in the following table.

Personal Services - Commissioner's Office and Administrative Services						
	Total	GF	CF	RF	FF	FTE
FY 2008-09 Long Bill	\$1,629,112	\$759,777	\$0	\$869,335	\$0	19.7
S.B. 08-155 (IT Consolidation)	0	0	0	0	0	(1.0)
One-time Supplemental Reductions	(88,514)	(88,514)	0	0	0	0.0
Ongoing Supplemental Reductions	0	(150,971)	0	150,971	0	0.0
Subtotal: FY 2008-09 Appropriation	1,540,598	520,292	0	1,020,306	0	18.7
Add: One-time Supplemental Reductions	88,514	88,514	0	0	0	0.0
Salary survey awarded in FY 08-09	66,548	66,548	0	0	0	0.0
80% of Performance-based pay awarded in FY 08-09	27,568	27,568	0	0	0	0.0
BA-4: Management and Administration of OIT	(7,362)	(7,362)	0	0	0	0.0

Personal Services - Commissioner's Office and Administrative Services						
	Total	GF	CF	RF	FF	FTE
Indirect cost recovery adjustment	0	(55,300)	0	55,300	0	0.0
Recommendation for FY 2009-10	\$1,715,866	\$640,260	\$0	\$1,075,606	\$0	18.7

Policy Option to Reduce General Fund -- Indirect Cost Recovery Cap Removal. Four programs in the Department of Agriculture have statutory caps on the amount the Department can collect for department and statewide overhead costs. During the last economic downturn, legislation was passed making it possible for the Department to collect the fullest amount of indirect costs applicable to a given division (S.B. 03-169). It is estimated that this would reduce the Department's General Fund expenditures by \$580,000 per year. Requires a statutory change. If the legislation is enacted, then an increase in the Department's cash funds and reappropriated funds spending authority would be required and the General Fund appropriation would be reduced by a like amount.

Health, Life, and Dental

This line item provides funding for the employer's share of the cost of group benefit plans providing health, life, and dental insurance for state employees. **Staff recommends an appropriation of \$1,609,102 for this line item (including \$431,350 General Fund), which is consistent with policies established by the Committee.**

Budget Amendment #1 (Refinancing Inspection and Consumer Services Programs Funded with General Fund). The Department submitted a budget amendment that requests that 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. *The request requires statutory changes* to the Fertilizer, Feed, Large Scales, Measurement Standards, Farm Products, and Commodity Handlers programs, as the funding for these programs are dictated by statute. Recommendations made by staff in this figure setting document are in accordance with current law. Thus, staff does not recommend any refinancing related to this request at this time. Please see the Agricultural Services Division for more detail related to this request.

Short-term Disability

This line item provides funding for the employer's share of state employees' short-term disability insurance premiums. **Staff recommends an appropriation of \$20,847 (including \$5,988 General Fund), based on the Committee policy of applying a rate of 0.155 percent to base salaries (including salary increases for FY 2008-09).**

Budget Amendment #1 (Refinancing Inspection and Consumer Services Programs Funded with General Fund). The Department submitted a budget amendment that requests that 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. The request impacts this line item, however the *request requires statutory changes* to the Fertilizer, Feed, Large Scales, Measurement Standards,

Farm Products, and Commodity Handlers programs, as the funding for these programs are dictated by statute. Recommendations made by staff in this figure setting document are in accordance with current law. Thus, staff does not recommend any refinancing related to this request at this time. Please see the Agricultural Services Division for more detail related to this request.

S.B. 04-257 Amortization Equalization Disbursement

Pursuant to S.B. 04-257, this line item provides additional funding to increase the state contribution for Public Employees' Retirement Association (PERA). Pursuant to Committee policy, this is calculated by applying a rate of 1.8 percent of base salaries for CY 2009 and 2.2 percent of base salaries for CY 2010, including salary increases for FY 2009-10. **Staff recommends an appropriation of \$267,705 (including \$75,973 General Fund).**

Budget Amendment #1 (Refinancing Inspection and Consumer Services Programs Funded with General Fund). The Department submitted a budget amendment that requests that 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. The request impacts this line item, however the *request requires statutory changes* to the Fertilizer, Feed, Large Scales, Measurement Standards, Farm Products, and Commodity Handlers programs, as the funding for these programs are dictated by statute. Recommendations made by staff in this figure setting document are in accordance with current law. Thus, staff does not recommend any refinancing related to this request at this time. Please see the Agricultural Services Division for more detail related to this request.

S.B. 06-235 Supplemental Amortization Equalization Disbursement

Pursuant to S.B. 06-235, this line item provides additional funding to increase the state contribution for PERA. Pursuant to Committee policy, this is calculated by applying a rate of 1.0 percent of base salaries for CY 2009 and 1.5 percent of base salaries for CY 2010, including salary increases for FY 2009-10. **Staff recommends an appropriation of \$166,511 (including \$46,679 General Fund).**

Salary Survey and Senior Executive Service

The Department uses this line item to pay for annual increases for salary survey and senior executive service positions.

Budget Amendment #2 (Eliminate Salary Survey). The Department has requested no annual increases for salary survey and senior executive service positions for FY 2009-10. **Staff recommends the Department's request.**

Performance-based Pay Awards

This line item funds pay increases relating to employee performance evaluations. The Department has requested no increases relating to employee performance evaluations for FY 2009-10. **Staff recommends the Department's request.**

Workers' Compensation

This line item is used to pay the Department's estimated share for inclusion in the State's workers'

compensation program for state employees. This program is administered by the Department of Personnel and Administration. **Staff's recommendation for workers' compensation is pending a Committee common policy for workers' compensation.** Staff will ultimately reflect Committee policy in the appropriation for this line item.

Budget Amendment #1 (Refinancing Inspection and Consumer Services Programs Funded with General Fund). The Department submitted a budget amendment that requests that 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. The request impacts this line item, however the *request requires statutory changes* to the Fertilizer, Feed, Large Scales, Measurement Standards, Farm Products, and Commodity Handlers programs, as the funding for these programs are dictated by statute. Recommendations made by staff in this figure setting document are in accordance with current law. Thus, staff does not recommend any refinancing related to this request at this time. Please see the Agricultural Services Division for more detail related to this request.

Non-prioritized request #3 (Ombudsman Program). The Department is requesting an increase of \$348 to its Workers' Compensation line item to accommodate increases in statewide expenses related to the Department of Personnel's Ombudsman Program to mitigate certain state business risks related to employee concerns about issues in the workplace. Of this amount, \$101 is General Fund, \$244 is from various cash sources, and \$3 is from federal funds. **Staff's recommendation for this change request is pending the Committee's action made during the figure setting presentation for the Department of Personnel and Administration.**

Operating Expenses

Description: This line item includes funding for operating expenses for the Executive Director's Office as well as funding for capital outlay, motor-pool, and data-processing services for the entire Department.

Request: The Department requests \$125,218 General Fund for this line item. This request includes increases of \$7,870 related to Decision Item #1 (GIS Support), and \$211 related to non-prioritized request #4 (Postage Rate Increase), for a total increase of \$8,081 General Fund. a continuation level of funding (\$144,175).

Decision Item #1 (Geographic Information Systems Support). The Department has requested an increase of \$7,870 General Fund related to providing GIS support to various Department programs. Staff does not recommend the Department's request. More information related to this change request can be provided in the Personal Services line item in the Commissioner's Office and Administrative Services division.

Non-prioritized request #4 (Postage Rate Increase). The Department is requesting an increase of \$15,123, including \$6,639 General Fund to various operating lines in several divisions. Of this increase \$211 General Fund is requested for this operating line item. Statewide postage rates are expected to increase by \$252,571 in the next fiscal year. It should be noted that the Department

requested and received an increase of \$20,469 for postage and other operating increase in FY 2008-09 (including \$7,413 General Fund).

Recommendation: Staff recommends continuation funding for this line item, \$117,137 General Fund.

Legal Services

Description: This line item provides funding for the Department to purchase legal services from the Department of Law. The balance of the legal services hours provides staffing for rule and regulation review, contract processing, and other miscellaneous legal needs.

*Request: **Budget Amendment #1 (Refinancing Inspection and Consumer Services Programs Funded with General Fund).*** The Department submitted a budget amendment that requests that 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. The request impacts this line item, however the *request requires statutory changes* to the Fertilizer, Feed, Large Scales, Measurement Standards, Farm Products, and Commodity Handlers programs, as the funding for these programs are dictated by statute. Recommendations made by staff in this figure setting document are in accordance with current law. Thus, staff does not recommend any refinancing related to this request at this time. Please see the Agricultural Services Division for more detail related to this request.

*Recommendation: **For the Department's Legal Services appropriation, Staff recommends continuation funding sufficient to purchase 4,648 hours of services.*** The dollar amount of staff's recommendation is pending the determination of the hourly rate for legal services.

Purchase of Services from Computer Center (GGCC)

Description: Funds for General Government Computer Center (GGCC) services are included for all departments that use such services. The appropriated billing is calculated by applying each department's percentage of actual GGCC use to the Computer Services programs' overhead (personal services, centrally appropriated line items such as salary survey and short-term disability insurance, operating expenses, and indirect costs).

Request: The Department requests continuation funding.

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

Multiuse Network Payments (MNT)

Description: The multiuse network aggregates the State's telecommunications infrastructure onto one medium of transport. The network carries the State's voice, video, text, and graphics communications needs, and it also serves as the Internet service provider for the State.

Request: The Department requests continuation funding.

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

Management and Administration of OIT

Description: Senate Bill 08-155 consolidated the responsibility for information technology (IT) oversight for most of the state's executive branch in the Governor's Office of Information Technology (OIT). This line item reflects the Department's share of the costs incurred to support the centralized functions of OIT.

*Request: **Budget Amendment #4 (Management and Administration of OIT).*** The Department is requesting an increase of \$11,657 General Fund related to this function. This increase is offset by a reduction of \$7,362 General Fund to the Personal Services line item in the Commissioner's Office and Administrative Services Division.

Recommendation: Staff recommendation is **pending** the approval of a common policy by the Committee. Staff requests permission to make any other necessary adjustments based on JBC action.

Risk Management and Property Funds

Description: The appropriation represents each department's share of the statewide cost of property and liability insurance coverage, based on a three-year average loss history as verified by an independent actuarial firm. A matching amount of spending authority is provided to the Department of Personnel and Administration to pay administrative, legal, and claims costs.

*Request: **Budget Amendment #1 (Refinancing Inspection and Consumer Services Programs Funded with General Fund).*** The Department submitted a budget amendment that requests that 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. The request impacts this line item, however the *request requires statutory changes* to the Fertilizer, Feed, Large Scales, Measurement Standards, Farm Products, and Commodity Handlers programs, as the funding for these programs are dictated by statute. Recommendations made by staff in this figure setting document are in accordance with current law. Thus, staff does not recommend any refinancing related to this request at this time. Please see the Agricultural Services Division for more detail related to this request. .

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

Vehicle Lease

Description: Motor vehicles can only be purchased through the Fleet Management Program in the Department of Personnel and Administration pursuant to Section 24-30-1117, C.R.S. The appropriation is based on the amount necessary for each department to make vehicle lease payments to the Fleet Management Program, which charges lease rates that vary by vehicle model and type.

*Request: **Budget Amendment #1 (Refinancing Inspection and Consumer Services Programs***

Funded with General Fund). The Department submitted a budget amendment that requests that 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. The request impacts this line item, however the *request requires statutory changes* to the Fertilizer, Feed, Large Scales, Measurement Standards, Farm Products, and Commodity Handlers programs, as the funding for these programs are dictated by statute. Recommendations made by staff in this figure setting document are in accordance with current law. Thus, staff does not recommend any refinancing related to this request at this time. Please see the Agricultural Services Division for more detail related to this request. .

Non-prioritized request #5 (State Fleet Reconciliation). The Department is requesting an increase of \$31,764 (including \$13,219 General Fund) to its Vehicle Lease Payment line item to accommodate the replacement of fleet vehicles within the State Fleet Management Program. The Department is requesting the replacement of nine vehicles with: 3 hybrid sedans (pet care inspector vehicle, Department pool vehicle, fruit and vegetable inspector vehicle), 1 cargo van (ICS multiple inspector vehicle), 2 4x2 half-ton trucks (maintenance vehicles at the State Fair), 1 4x4 small truck (measurement standards inspector vehicle), and 2 hybrid sport utility vehicle (maintenance vehicle at State Fair and for noxious weeds program).

Recommendation: Staff recommendation is **pending** the approval of a common policy by the Committee. Staff requests permission to make any other necessary adjustments based on JBC action.

Decision Item #3 (Part-time Emergency Response FTE). The department is requesting \$276 General Fund related to the proposed new position to assist with disease testing and control efforts, as well as in developing emergency response plans. The position will be situated in Denver however, will serve in a statewide capacity related to disease testing and control as well as statewide emergency response plan development.

Leased Space

Request: The Department requests continuation funding which includes contracted rate adjustments for leased space. The request includes a decrease of \$10,575 (including \$8855 General Fund). **Staff recommends the Department's request of \$116,689 (including \$48,440 General Fund).**

Capitol Complex Leased Space

The dollar amount of staff recommendation is **pending** the Committee's approval of a Capitol Complex Leased Space rate. The Department's space within Capitol Complex Facilities is comprised of 13,554 square feet at its main offices on Kipling Avenue.

Communications Services Payments

Description: This line item represents each department's share of the overhead related to the State's public safety communications infrastructure.

Request: The Department requests continuation funding.

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

Utilities

Description: In general, departments pay for utility costs from either the base operating expenses appropriation or a separate utilities line item, which typically supports the cost of maintaining a state-owned facility. The appropriation is dependant on specific circumstances regarding utilities in each department.

*Request: **Budget Amendment #1 (Refinancing Inspection and Consumer Services Programs Funded with General Fund)**.* The Department submitted a budget amendment that requests that 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. The request impacts this line item, however the *request requires statutory changes* to the Fertilizer, Feed, Large Scales, Measurement Standards, Farm Products, and Commodity Handlers programs, as the funding for these programs are dictated by statute. Recommendations made by staff in this figure setting document are in accordance with current law. Thus, staff does not recommend any refinancing related to this request at this time. Please see the Agricultural Services Division for more detail related to this request.

Recommendation: **Staff recommends a continuation appropriation of \$146,318 (including \$91,051 General Fund).**

Information Technology Asset Maintenance

Description: This line item permits the Department to replace its obsolescent technology in an effort to mitigate lost productivity due to aging equipment.

*Request: **Budget Amendment #1 (Refinancing Inspection and Consumer Services Programs Funded with General Fund)**.* The Department submitted a budget amendment that requests that 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. The request impacts this line item, however the *request requires statutory changes* to the Fertilizer, Feed, Large Scales, Measurement Standards, Farm Products, and Commodity Handlers programs, as the funding for these programs are dictated by statute. Recommendations made by staff in this figure setting document are in accordance with current law. Thus, staff does not recommend any refinancing related to this request at this time. Please see the Agricultural Services Division for more detail related to this request.

Recommendation: **Staff recommends a continuation appropriation of \$153,031 (including \$42,041 General Fund).**

Agricultural Statistics Bulletin

Description: The Department contracts with the Colorado Statistical Service to publish an annual bulletin entitled 'Colorado Agricultural Statistics.' This report is used by agricultural trade associations and county assessors as well as lending institutions.

Request: The Department requests continuation funding.

Recommendation: **Staff recommends a continuation appropriation of \$75,000 (including \$60,000 General Fund).**

Grants

Description: In FY 2009-10, the Department will receive funding from the USDA's Natural Resources Conservation Service to implement provisions of the most recent Farm Bill. Additional federal moneys are to support the following: (1) the Cooperative Agricultural Pest Survey Program (CAPS) which supports one FTE with the balance of the moneys going to Colorado State University to survey various insects; (2) the Pesticide Data Program (PDP), which samples and analyzes drinking water; (3) the National Animal ID System (NAIS) which explores different educational and outreach efforts to increase the number of registered livestock; (4) Homeland Security which supports in planning and operations of homeland security and emergency management programs; and other programs such as the Grazing Land Conservation Initiative, the Microbiological Data Program (MDP), and the Specialty Crops program.

Request: The Department requests \$2,707,674 federal funds spending authority and 13.0 FTE related to the various federal programs the Department administers. This request includes \$585 federal funds related to *Non-prioritized request #4 (Postage Rate Increase)*.

Recommendation: **Staff recommends the Department's requested appropriation.**

Indirect Cost Assessment

Description: Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded programs.

Request: **Decision Item #1 (Geographic Information Systems Support).** The Department has requested an increase of \$2,034 federal funds related to providing GIS support to various Department programs. Staff does not recommend the Department's request. More information related to this change request can be provided in the Personal Services line item in the Commissioner's Office and Administrative Services division.

Recommendation: **Staff recommends \$100,386 federal funds** to cover indirect department and statewide costs incurred by these programs and the associated personnel. The dollar amount may change depending on JBC action. Staff requests permission to make any necessary changes to the indirect costs in the Department to reflect the changes made by the Committee.

AGRICULTURAL SERVICES DIVISION

This division administers most of the Department's major programs and various statutory responsibilities. The division is divided among three distinct programs: (1) Inspection and Consumer Services; (2) Animal Industry; and (3) Plant Industry.

Inspection and Consumer Services. This section ensures compliance with product quality standards through licensing and inspection; certifies commercial weights and measurement devices; and analyzes fertilizer and animal feed for chemical contaminants.

Staffing Summary	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation
Administration	3.0	3.0	3.0	3.0
Facilities	1.0	1.0	1.0	1.0
Technical Services	8.5	9.0	9.0	9.0
Field Program Inspector	10.5	12.0	12.0	12.0
Laboratory Services	7.0	8.0	8.0	8.0
Farm Products Inspection	1.2	2.0	2.0	2.0
Measurement Standards	11.0	12.0	12.0	12.0
Fruit/Vegetable Inspection	31.3	35.0	35.0	34.0
Subtotal	73.5	82.0	82.0	81.0

Animal Industry. This section is responsible for monitoring the health of livestock and other animals used in various fields of agriculture, and for the implementation of pest control.

Staffing Summary	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation
Administration	3.6	4.0	4.0	4.0
Animal Protection	1.0	1.0	1.0	1.0
Rodent/Predator Control	0.5	1.0	1.0	1.0
Veterinary/Animal Care	15.8	17.0	17.5	17.0
Subtotal	20.9	23.0	23.5	23.0

Plant Industry. This section manages statewide pest control programs, registers pesticides and pesticide applicators, and inspects both plants and plant byproducts intended for domestic and international export.

Staffing Summary	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation
Administration	2.4	2.0	2.0	2.0
Field Inspectors	6.0	6.0	6.0	6.0
Professional Grades	15.0	15.0	15.0	15.0

Staffing Summary	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation
Insectary	2.1	2.0	2.0	2.0
Lab	11.3	11.3	11.3	11.3
Noxious Weed	12.0	11.1	11.1	11.1
Subtotal	48.8	47.4	47.4	47.4
Transfers from Agricultural Markets Division	n/a	n/a	5.2	0.0
Transfers from Conservation Board Division	n/a	n/a	5.5	0.0
Grand Total - All Sections	143.2	152.3	163.1	151.3

Budget Amendment #1 (Refinancing Inspection and Consumer Services Programs Funded with General Fund). On January 27, 2009, as a part of the Governor's FY 2009-10 budget reduction package, the Department submitted a budget amendment that recommends that 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. *The request requires statutory changes to the Fertilizer, Feed, Large Scales, Measurement Standards, Farm Products, and Commodity Handlers programs, as the funding for these programs are dictated by statute.* The Department estimates that if this proposed legislation is enacted, the Department's General Fund appropriation would be reduced by \$1,314,136 and would increase the cash funds appropriation by \$1,314,136 and the reappropriated funds appropriation by \$96,035 for indirect cost recoveries in FY 2009-10.

Prior to 2004, Inspection and Consumer Services (ICS) programs received 100 percent General Funding. However in response to the state's last budget crisis, legislation in 2003 refinanced these programs away from General Fund to 100 percent cash funding. In 2007, the JBC sponsored H.B. 07-1198 which partially subsidized ICS programs with General Fund in relation to how much the services provided by each program benefits the common good. In order to offset General Fund expenditures as a result of the budgetary shortfall in the current fiscal year, increasing the ICS program fees for programs receiving a General Fund appropriation may be explored.

Staff recommends that the JBC sponsor legislation that would refinance these programs fully with cash funds from certificate fees. The table below characterizes the impact of the legislation in FY 2009-10. Because there are numerous line items impacted by this proposed legislation, the impact is provided by division.

Budget Amendment #1: Refinance ICS Programs Currently Funded with General Fund						
Division	Total Funds	GF	CF	RF	FF	FTE
Commissioner's Office	\$0	(\$214,496)	\$118,461	\$96,035	\$0	0.0
Agricultural Services	<u>96,035</u>	<u>(1,093,634)</u>	<u>1,189,669</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Total Request - Budget Amendment #1	\$96,035	(\$1,308,130)	\$1,308,130	\$96,035	\$0	0.0

The following table provides the necessary increase to fees as a result of the legislation.

Budget Amendment #1: Refinance ICS Programs Currently Funded with General Fund Fee Impact	
Program	Estimated Percent Increase in Fees to Fully Cash Fund
Commercial Feed	100.0%
Commercial Fertilizer	100.0%
Measurement Standards / Large Device	33.3%
Commodity Handlers	33.3%
Measurement Standards / Metrology Lab	300.0%
Farm Products	33.3%

Decision Item #6 (Reorganization). The Department has requested as its priority decision item #6 the merger of three divisions. Specifically, the Department is requesting that the Agricultural Markets Division and the Conservation Services Division be transferred and integrated into the Agricultural Services Division. The Department anticipates that this reorganization will enable the Department to better manage periodic fluctuations in program and budget needs by having these activities budgeted within one division. The Department has indicated that it is not anticipating any duplication of expenses, thus will not be able to achieve any savings of any substance other than improved administrative flexibility. The Department indicates that the Conservation Board and the Agricultural Markets activities have similar expense needs relating to typical office expenditures such as office supplies, mileage variable rate on fleet vehicles, and postage. The Department's intent with this request is to house the personal services and operating expenses in a single line item for these three entities. Another key driver for the Department's request is that by merging these three divisions' personal services and operating line items, the Department can better manage periodic fluctuations in workload for a particular program within existing resources, thereby minimizing future one-time request needs either through decision items or supplemental requests.

Staff does not recommend the Department's request to integrate these three divisions. While staff recognizes that the Department will be provided additional latitude with which it can administer its appropriation, Staff believes that by integrating these three divisions, the General Assembly will be delegating its legislative fiscal oversight to the Department. By maintaining the break-out of these three divisions, it serves to benefit 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. Further, because the reorganization of the Department will not provide any material benefit other than increased Departmental latitude with its appropriation and the change does not achieve any savings or cost-avoidance potential, staff does not believe that this change is warranted. Finally, any periodic fluctuations in workload that requires the Department's appropriation to be adjusted can be addressed through the regular supplemental process.

Personal Services

Decision Item #3 (Part-time Emergency Response FTE). The Department is requesting \$40,013 General Fund and 0.5 FTE to assist with disease testing and control efforts, as well as in developing emergency response plans. Of this amount, \$29,051 and 0.5 FTE is for personal services costs in the Agricultural Services Division. The position will be situated in Denver however, will serve in a statewide capacity related to disease testing and control as well as statewide emergency response plan development. This individual will support the State Veterinarian to develop emergency response plans for the various livestock species within the state. The Department is anticipating these plans to include: communications and call lists, disease investigation protocol, facility and zone definitions, disease control actions, hold and quarantine orders, vaccination protocols, personnel/vehicle/premises cleaning and disinfection, farm and ranch product transport and biosecurity, appraisal and indemnity, euthanasia and depopulation, carcass disposal, and facility recovery and repopulation. The position will write these plans and work collaboratively with livestock industry persons to review and provide the plans to local county emergency managers to incorporate into their emergency management structure. While many of these duties are currently required functions the State Veterinarian, these responsibilities have been and are currently fulfilled by existing personnel. Staff is unaware of the State Veterinarian's inability to perform these duties thus, the necessity for the additional staff is not necessarily warranted.

Staff had inquired whether the functions this position would perform could be outsourced. The Department indicated that it had looked at outsourcing these duties to Colorado State University (CSU), but did not consider other professional consulting firms. The Department determined that it could resource CSU to develop the aforementioned plans, but had some reservations about its assistance out in the field. Staff believes that if the Department requires further assistance with the duties mentioned above, it could seek assistance from CSU.

Staff does not recommend the change request given the state's anticipated revenue shortfall in FY 2009-10. Also, given that these current duties are performed within existing resources and that these services could potentially be outsourced if required, thus staff does not believe this request is justified at this time.

Budget Amendment #1 (Refinancing Inspection and Consumer Services Programs Funded with General Fund). The Department submitted a budget amendment that requests that 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. The request impacts this line item, however the *request requires statutory changes* to the Fertilizer, Feed, Large Scales, Measurement Standards, Farm Products, and Commodity Handlers programs, as the funding for these programs are dictated by statute. Recommendations made by staff in this figure setting document are in accordance with

current law. Thus, staff does not recommend any refinancing related to this request at this time. Please see the Agricultural Services Division for more detail related to this request.

Decision Item #6 (Reorganization). The Department is requesting that the Agricultural Markets Division and the Conservation Services Division be transferred and integrated into the Agricultural Services Division. The Department anticipates that this reorganization will enable the Department to better manage periodic fluctuations in program and budget needs by having these activities budgeted within one division. This line item is impacted by this request. For more information related to this change request and staff recommendation, please refer to the introductory section of the Agricultural Services Division within this document.

Staff-initiated recommendation to make one-time FY 2008-09 supplemental reductions ongoing

- The Committee approved a one-time regular supplemental request for FY 2008-09 to refinance \$14,366 and 0.3 FTE related to personal services expenditures funded with General Fund in the Agricultural Services Division with moneys from the Seed Cash fund, created in Section 35-27-124, C.R.S. The Department has reported that the fee level set by the Department for retail seed dealer licenses is set at \$25, however the fee cap is \$75, therefore if the fee cap is increased, the Department could generate an additional \$45,650 in cash revenue to amply cover the costs of making this supplemental reduction permanent. **Staff recommends that this supplemental reduction remain permanent.**
- The Committee approved a one-time regular supplemental request for FY 2008-09 to refinance \$20,000 and 0.3 FTE related to personal services expenditures funded with General Fund in the Agricultural Services Division with moneys from the Seed Cash Fund. As was explained in the previous bullet point, the fee cap for retail seed dealer licenses has not been maximized, thus if increased to this level could provide enough additional revenue to fund the previous refinancing as well as this one for FY 2009-10 and ongoing. **Staff recommends that this supplemental reduction remain permanent.**
- The Committee approved a one-time regular supplemental request for FY 2008-09 to reduce the personal services line item in the Agricultural Services Division by \$10,000 and 0.1 FTE. The reduction is accommodated by supplanted with operational cost avoidance measures and where applicable, moneys from its federal grant from the U.S. Food and Drug Administration (FDA) related to the safety of animal feed. **Staff recommends that this supplemental reduction remain permanent.**
- The Department implemented the hiring freeze in October 2008 as directed by the Governor and has identified positions affected by this action. One position, a Fruit and Vegetable Program Supervisor, has been vacant since April 30, 2008 (FY 2007-08). Given the long duration since this position was last filled, staff questions the necessity for this position. **Staff recommends reducing the personal services appropriation in the Agricultural Services Division by \$50,890 cash funds and 1.0 FTE.**

Recommendation: For the Agricultural Services, Personal Services line item, Staff recommends \$10,438,914 and 151.3 FTE, which includes \$3,5,11,305 General Fund, \$6,406,668 cash funds,

and \$521,414 federal funds. The following table summarizes the staff recommendation for this line item.

Personal Services - Agricultural Services Division						
	Total	GF	CF	RF	FF	FTE
FY 2008-09 Long Bill	\$10,105,072	\$3,413,075	\$6,202,408	\$0	\$489,589	152.4
One-time Supplemental Reductions	(70,888)	0	(70,888)	0	0	0.0
Ongoing Supplemental Reductions	<u>(10,000)</u>	<u>(44,366)</u>	<u>34,366</u>	<u>0</u>	<u>0</u>	<u>(0.1)</u>
Subtotal: FY 2008-09 Appropriation	10,024,184	3,368,709	6,165,886	0	489,589	152.3
Add: One-time Supplemental Reductions	70,888	0	70,888	0	0	0.0
Salary survey awarded in FY 08-09	392,521	125,764	238,183	0	28,574	0.0
80% of Performance-based pay awarded in FY 08-09	108,169	52,098	47,829	0	8,242	0.0
1.0 Percent Base Reduction	(105,958)	(35,466)	(65,228)	0	(5,264)	0.0
Long duration vacancy	<u>(50,890)</u>	<u>0</u>	<u>(50,890)</u>	<u>0</u>	<u>0</u>	<u>(1.0)</u>
Recommendation for FY 2009-10	\$10,438,914	\$3,511,105	\$6,406,668	\$0	\$521,141	151.3

Policy Option to Reduce General Fund -- Eliminate Potato Subsidy. The state presently pays \$200,000 of the Mandatory Fruit & Vegetable Inspection program's operational costs, with the remainder paid with fund balance and through certificate fees assessed by the Department, pursuant to Section 35-23-114 (3) (a), C.R.S. Inspectors check the condition and storage of potatoes prior to shipment and will grade the potatoes accordingly. This option would require a *statutory change*. If the legislation is enacted, then an increase in the Department's cash funds and reappropriated funds spending authority would be required and the General Fund appropriation would be reduced by a like amount.

Operating Expenses

Request: Budget Amendment #1 (Refinancing Inspection and Consumer Services Programs Funded with General Fund). The Department submitted a budget amendment that requests that 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. The *request requires statutory changes* to the Fertilizer, Feed, Large Scales, Measurement Standards, Farm Products, and Commodity Handlers programs, as the funding for these programs are dictated by statute. Recommendations made by staff in this figure setting document are in accordance with current law. Thus, staff does not recommend any refinancing related to this request at this time. Please see the Agricultural Services Division for more detail related to this request.

Decision Item #3 (Part-time Emergency Response FTE). The Department is requesting \$40,013 General Fund and 0.5 FTE to assist with disease testing and control efforts, as well as in developing

emergency response plans. Of this amount, \$10,686 is for operating costs in the Agricultural Services Division. **Staff does not recommend the change request given the state's anticipated revenue shortfall in FY 2009-10.** For more information related to this decision item, see the personal services line item in the Agricultural Services Division.

Decision Item #4 (Measurement Standards Truck). The Department is requesting \$100,069 cash funds spending authority to replace the following: (1) one of its six measurement standards trucks; (2) a complete set of test weights; and (3) a hoist. The truck is currently used to test and inspect large capacity (2,000 pound) commercial and law enforcement scales. Scales are inspected at ranches, feed lots, grain elevators, public scale locations, ports of entry, shipping docks, meat packing plants, mines, railroads, sand and gravel companies, and other various industrial locations.

The vehicle to be replaced is a medium duty truck that has been driven 62,000 miles and is six years old. Pursuant to Colorado Department of Transportation (CDOT) Procedural Directive 9.2, medium duty trucks should be replaced every 150,000 miles, or six years. In addition to using age and vehicle mileage to calculate the usable lifespan of a medium duty truck, the increase in engine wear is also considered since the truck/test unit must remain running to operate the crane. The truck is a gasoline-powered 2002 Ford F-550, that currently has over 62,000 miles on it. By 2010, this unit will have been in service for eight years and the mileage is projected to be 75,000. The territory covered by this test unit includes is metro Denver and the I-25 corridor from Castle Rock to Loveland. This test unit does not log many miles due to the density of inspection sites within this territory. However, the mileage logged by this unit is much more wearing because it is primarily incurred in heavy city traffic and involves more turning, stopping, and starting. Also, this test unit continually operates under a full load. It carries the test weights and crane, and the engine is under constant use since it provides the power for the hydraulic system that operates the crane during scale testing. Because of these factors, replacement of this test unit is based upon years of use, not mileage. Maintenance expenditures for this truck/test unit have steadily increased over the last four fiscal years. Average maintenance costs were approximately \$700 per year from FY 2002-03 to FY 2004-05 however has increased to \$3,400 per year the last two fiscal years of service.

The truck should ordinarily be purchased through Fleet Management, however can receive a waiver for out-of-cycle vehicle replacement if Fleet Management deems it necessary. In discussions with the Department of Personnel, staff learned that Fleet Management believes that the truck does qualify for replacement. **Staff recommends that the Committee approve the Department's request to increase the Department's cash funds spending authority by \$100,069 to replace (1) its medium duty measurement standards truck; (2) a complete set of test weights; and (3) a hoist.**

Decision Item #6 (Reorganization). The Department is requesting that the Agricultural Markets Division and the Conservation Services Division be transferred and integrated into the Agricultural Services Division. The Department anticipates that this reorganization will enable the Department to better manage periodic fluctuations in program and budget needs by having these activities budgeted within one division. This line item is impacted by this request. For more information related to this change request and staff recommendation, please refer to the introductory section of the Agricultural Services Division within this document.

Non-prioritized request #4 (Postage Rate Increase). The Department is requesting an increase of

\$15,123, including \$6,639 General Fund to various operating lines in several divisions. Of this increase \$14,175, consisting of \$6,428 General Fund and \$7,747 is requested for this operating line item. Staff's recommendation is **pending** Committee action related to this common policy.

Budget Reduction #1 (Email Usage). The Department is requesting a reduction of \$3,525 (including \$570 General Fund) to its operating line item related to the adoption of email as a means of communication, eliminating a portion of costs related to mailing applications for various programs within the division. **Staff recommends approving the Department's request.**

Recommendation: For the Agricultural Services, Operating Expenses line item, Staff recommends \$1,502,096, which is comprised of \$346,402 General Fund, \$1,096,393 cash funds, and \$59,301 federal funds.

Noxious Weed Management Grant Program

Description: Pursuant to Section 35-5.5-116 (1), C.R.S., the Noxious Weed Management Fund consists of civil penalties collected, gifts, grants, donations, and appropriations from the General Assembly. These moneys are being used to help manage a cooperative effort with local governments and private landowners to eradicate newly emerging species.

Request: The Department requests continuation funding.

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

Diseased Livestock Indemnity Fund

Description: As designated under Section 35-50-114 (3), C.R.S., these moneys are continuously appropriated and represent an indemnity fund for livestock owners whose animals are destroyed to prevent the spread of infectious disease.

Request: The Department requests continuation funding.

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

Cervidae Disease Revolving Fund

Description: Pursuant to Section 35-50-115, C.R.S., these moneys are continuously appropriated and 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.

Request: The Department requests continuation funding.

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 Committee approved the move of the Aquaculture Cash Fund 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.

Request: The Department requests continuation funding.

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 a number of programs within three Divisions: Inspection and Consumer Services (ICS), Plant Industry, and Conservation Services. 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 Services Division groundwater protection program.

*Request: **Budget Amendment #1 (Refinancing Inspection and Consumer Services Programs Funded with General Fund).*** The Department submitted a budget amendment that requests that 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. The request impacts this line item, however the *request requires statutory changes* to the Fertilizer, Feed, Large Scales, Measurement Standards, Farm Products, and Commodity Handlers programs, as the funding for these programs are dictated by statute. Recommendations made by staff in this figure setting document are in accordance with current law. Thus, staff does not recommend any refinancing related to this request at this time. Please see the Agricultural Services Division for more detail related to this request.

Recommendation: **Staff recommends a continuation appropriation of \$85,992** for this line item, which includes \$39,672 General Fund and \$46,320 cash funds.

Indirect Cost Assessment

Description: Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded programs.

*Request: **Budget Amendment #1 (Refinancing Inspection and Consumer Services Programs Funded with General Fund).*** The Department submitted a budget amendment that requests that

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. The request impacts this line item, however the *request requires statutory changes* to the Fertilizer, Feed, Large Scales, Measurement Standards, Farm Products, and Commodity Handlers programs, as the funding for these programs are dictated by statute. Recommendations made by staff in this figure setting document are in accordance with current law. Thus, staff does not recommend any refinancing related to this request at this time. Please see the Agricultural Services Division for more detail related to this request.

Decision Item #1 (Geographic Information Systems Support). The Department has requested in increase of \$17,555 related to providing GIS support to various Department programs. Of this amount, \$16,792 is from cash funds and \$763 is from federal funds. The recommendation for this request is provided in the Personal Services line item in the Commissioner's Office and Administrative Services division.

Recommendation: Staff recommends an appropriation of \$662,428, to cover indirect department and statewide costs incurred by these programs and the associated personnel. Of this amount, \$639,262 is from cash fund sources and \$23,166 is from federal funds. The dollar amount may change depending on JBC action. Staff requests permission to make any necessary changes to the indirect costs in the Department to reflect the changes made by the Committee.

AGRICULTURAL MARKETS DIVISION

The Agricultural Markets Division strives to increase export sales of Colorado agricultural products within domestic and international markets as well as the Aquaculture program.

Decision Item #6 (Reorganization). The Department is requesting that the Agricultural Markets Division and the Conservation Services Division be transferred and integrated into the Agricultural Services Division. The Department anticipates that this reorganization will enable the Department to better manage periodic fluctuations in program and budget needs by having these activities budgeted within one division. **Staff does not recommend this change request.** For more information related to this change request and staff recommendation, please refer to the introductory section of the Agricultural Services Division within this document.

Staffing Summary	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation
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	0.7	1.0	1.0	1.0
Division Subtotal	<u>4.4</u>	<u>4.7</u>	<u>4.7</u>	<u>4.7</u>
Agricultural Development Board	0.5	0.5	0.5	0.5

Staffing Summary	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation
Total	4.9	5.2	5.2	5.2

Personal Services

Staff recommends an appropriation of \$414,804 General Fund and 4.7 FTE for this line item. This calculation is made pursuant to Committee common policy. The following table summarizes the staff recommendation.

Personal Services - Agricultural Markets Division						
	Total	GF	CF	RF	FF	FTE
FY 2008-09 Long Bill	\$393,351	\$393,351	\$0	\$0	\$0	4.7
Salary survey awarded in FY 08-09	15,169	15,169	0	0	0	0.0
80% of Performance-based pay awarded in FY 08-09	<u>6,284</u>	<u>6,284</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Recommendation for FY 2009-10	\$414,804	\$414,804	\$0	\$0	\$0	4.7

Operating Expenses

Staff recommends a continuation appropriation of \$82,577 for this line item, which is comprised of \$32,123 General Fund and \$50,454 cash funds.

Operating Expenses for Aquaculture

In FY 2007-08, the Committee approved the move of the Aquaculture Cash Fund 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. For more information, please resource the Operating Expenses for Aquaculture line item in the Agricultural Services Division.

Economic Development Grants

Description: Economic Development Grants are General Fund dollars the Division may receive from the Economic Development Commission within the Office of the Governor from the Colorado Economic Development Fund, pursuant to 24-46-105, C.R.S.

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

Recommendation: **Staff recommend continuation spending authority be provided to this line item.**

Colorado Agricultural Value-Added Development Board

Description: The purpose of these funds is to encourage and promote agricultural business projects that add value to agricultural products and aid the economies of rural communities, pursuant to Section 35-75-205 (1), C.R.S. The Advancing Colorado's Renewable Energy (ACRE) program was

created to administer this funding. House Bill 01-1086 created the Agriculture Value-Added Development Fund Program and the corresponding Colorado Agricultural Value-Added Development Board. 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 any tax credits prior to FY 2010-11. As a result of this mechanism, H.B. 06-1322 was passed and transfers \$500,000 from the Operational Account of the Severance Tax Trust Fund into the Value-added Cash Fund for three fiscal years 2006-07, 2007-08, and 2008-09 to promote agricultural energy-related projects and research, pursuant to Section 35-75-205 (1.5) (a).

Request: The Department requests continuation funding.

Recommendation: **Staff recommends a continuing appropriation of \$574,837 cash funds and 0.5 FTE** for this line item.

Indirect Cost Assessment

Description: Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded programs.

Request: **Decision Item #1 (Geographic Information Systems Support).** The Department has requested an increase of \$128 cash funds related to providing GIS support to various Department programs. The recommendation for this request is provided in the Personal Services line item in the Commissioner's Office and Administrative Services division.

Recommendation: **Staff recommends an appropriation of \$3,861 cash funds** to cover indirect department and statewide costs incurred by these programs and the associated personnel. The dollar amount may change depending on JBC action. Staff requests permission to make any necessary changes to the indirect costs in the Department to reflect the changes made by the Committee.

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. Under 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).

Staffing Summary	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation
Program Director	1.0	1.0	1.0	1.0
Administrative Staff	8.0	8.0	8.0	8.0
Inspection Agents	48.4	57.3	57.3	57.3
Total	57.4	66.3	66.3	66.3

Brand Inspection

Description: This program line includes all personal services and operating costs related to the services provided by the Brand Board.

*Request: **Decision Item #2 (Brand Board Fuel Increase).*** The department is requesting an increase in cash funds spending authority to cover estimated additional costs associated with fuel increases for the Brand Board. According to Section 24-30-1102 (5), C.R.S., the State Board of Stock Commissioners is exempt from the State's Fleet Program because the Brand Board demonstrated an ability to manage its vehicles at a lower cost. The Department is requesting \$55,797 cash funds to spending authority to accommodate fuel price increases.

Recommendation: **Staff recommends approving the Department's request for additional spending authority.** It is important to note that when this request was furnished to the Joint Budget Committee fuel prices had dropped significantly and negated the need for additional spending authority, however in recent weeks, the price of gasoline has increased and trends indicate that the increases in fuel prices may continue to go upward.

For the Brand Inspection line item, staff recommends \$3,825,763 cash funds and 66.3 FTE pursuant to Committee common policy.

Brand Board - Brand Inspections Line Item						
	Total	GF	CF	RF	FF	FTE
FY 2008-09 Long Bill	\$3,688,929	\$0	\$3,688,929	\$0	\$0	66.3
Less: Operating	(448,810)	0	(448,810)	0	0	0.0
Salary survey awarded in FY 08-09	86,914	0	86,914	0	0	0.0
80% of Performance-based pay awarded in FY 08-09	27,670	0	27,670	0	0	0.0
FY 2008-09 Personal Services	<u>3,354,703</u>	<u>0</u>	<u>3,354,703</u>	<u>0</u>	<u>0</u>	<u>66.3</u>
1.0 Percent Base Reduction	(33,547)	0	(33,547)	0	0	0.0
Add: Decision Item #2 Fuel Increase	55,797	0	55,797	0	0	0.0
Add: Operating	<u>448,810</u>	<u>0</u>	<u>448,810</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

Brand Board - Brand Inspections Line Item						
Recommendation for FY 2009-10	\$3,825,763	\$0	\$3,825,763	\$0	\$0	66.3

Alternative Livestock

Description: Alternative livestock refers to the selling, trading, giving, bartering, or otherwise transferring of any domesticated elk or fallow deer in the State. Brand inspection and permit fees deposited into the Alternative Livestock Farm Cash Fund, pursuant to Section 35-41.5-116, C.R.S. The Alternative Livestock Cash Fund is subject to an annual appropriation from the General Assembly and is required to pay no more than 3.6 percent of its base appropriation for indirect cost recoveries.

Request: The Department requests continuation funding.

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

Indirect Cost Assessment

Description: Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded programs.

Request: The Department's request reflects the indirect cost assessment pending approval of all of the Department's change requests.

Recommendation: **Staff recommends \$142,379 cash funds** to cover indirect department and statewide costs incurred by these programs and the associated personnel. Both the Brand Inspection Program and the Alternative Livestock Program are required to pay no more than 3.6 percent of its base appropriation for indirect cost recoveries. If the Department were able to collect the full indirect cost impact it is estimated to be \$511,969. The dollar amount may change depending on JBC action. Staff requests permission to make any necessary changes to the indirect costs in the Department to reflect the changes made by the Committee.

SPECIAL PURPOSE

Agriculture Management Fund (NEW LINE ITEM)

Description: House Bill 08-1399 created the Agriculture Management Fund. 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. Specifically, in the first year, the Department anticipates that these moneys will be allocated to provide additional funding to the State Fair, noxious weed efforts, the ColoradoProud marketing program, conservation efforts, Agricultural Products Utilization and Marketing Program (Ag PUMP), other emerging agricultural issues, and to fund three positions.

Request: The Department anticipates the Fund will receive an estimated transfer that will enable the Department to incur expenditures of \$2,085,420 in FY 2009-10. 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.

***Recommendation:* Staff recommends the JBC approve the inclusion of this new line item in the Long Bill and appropriate from it \$2,098,450 cash funds and 3.0 FTE.**

Wine Promotion Board

Description: The Colorado Wine Promotion Board is responsible for promoting Colorado wines. The Board funds research, development, promotion and marketing. Board members receive travel and other expenses incurred in the performance of their official duties. The Board is continuously appropriated under Section 35-29.5-105, C.R.S., which states that at least one-third of the 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 continuation funding.

***Recommendation:* Staff recommends an appropriation of \$472,165 cash funds and 1.5 FTE for this line item.** The following table reflects how staff calculated the recommendation for this line item.

Special Purpose - Wine Promotion Board Line Item						
	Total	GF	CF	RF	FF	FTE
FY 2008-09 Long Bill	\$467,326	\$0	\$467,326	\$0	\$0	1.5
Salary survey awarded in FY 08-09	3,913	0	3,913	0	0	0.0
80% of Performance-based pay awarded in FY 08-09	<u>926</u>	<u>0</u>	<u>926</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Recommendation for FY 2009-10	\$472,165	\$0	\$472,165	\$0	\$0	1.5

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. These moneys are continuously appropriated for vaccine purchases and other laboratory expenses under Section 35-50-106, C.R.S.

Request: The Department requests continuation funding.

***Recommendation:* Staff recommends the continuation appropriation of \$162,713 cash funds.**

Brand Estray Fund

Description: Pursuant to Section 35-44-106, C.R.S., any cash proceeds received from the sale of estrays through the state board of stock inspection commissioners are placed in the Brand Estray Fund, created in Section 35-41-102, C.R.S. Estray animals are defined as livestock found on public or private lands within the state of Colorado whose owner is either unknown or are outside the limits of their usual range or pasture. Moneys from this fund are spent on the upkeep of these animals and are exempt from the TABOR spending limit as they are managed by the Section 35-41-101 (5) (a), C.R.S., the Brand Board, which is an enterprise pursuant to Section 20 of Article X of the state constitution. This amount represents a continuation level of funding, consistent with Committee policy. Funds were reclassified as cash funds rather than cash funds exempt as these funds are spent from reserves.

Request: The Department requests continuation funding.

Recommendation: **Staff recommends the continuation appropriation of \$94,050 cash funds.**

Indirect Cost Assessment

Description: Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded programs.

Request: Decision Item #1 (Geographic Information Systems Support). The Department has requested in increase of \$2,925 cash funds related to providing GIS support to various Department programs. The recommendation for this request is provided in the Personal Services line item in the Commissioner's Office and Administrative Services division.

Recommendation: Staff recommends an appropriation of \$34,749 cash funds to cover indirect department and statewide costs incurred by these programs and the associated personnel. The dollar amount may change depending on JBC action. Staff requests permission to make any necessary changes to the indirect costs in the Department to reflect the changes made by the Committee.

COLORADO STATE FAIR

This program includes personal services and operating expenses associated with the Colorado State Fair, which is administered by the 11 member State Fair Authority. The source of funding is fees collected by the Colorado State Fair during its 11-day run each August and from non-fair events held at the State Fairgrounds in Pueblo, Colorado, throughout the remainder of the year. The State Fair is designated as a Type 1 agency under the provisions of Section 24-1-105, C.R.S.

Staffing Summary	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation
Fair Manager	1.0	1.0	1.0	1.0

Staffing Summary	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation
Professional Grades	8.3	8.3	8.3	8.3
Program Administration	6.0	6.0	6.0	6.0
Maintenance	6.5	11.6	11.6	11.6
Total	21.8	26.9	26.9	26.9

Program Costs

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

Request: The Department requests continuation funding.

Recommendation: The full repayment of debt incurred to build the Events Center in Pueblo, Colorado is scheduled to be finalized in February 2009. Thus, the necessity to maintain cash funds spending authority related to "funds held in reserve to pay off bonds" is no longer required. Thus, **Staff recommends an appropriation of \$7,092,024 cash funds and 26.9 FTE for this line item.** The following table reflects how staff calculated the recommendation for this line item.

State Fair - Program Costs Line Item						
	Total	GF	CF	RF	FF	FTE
FY 2008-09 Long Bill	\$9,009,242	\$0	\$9,009,242	\$0	\$0	26.9
Less: Operating	(3,228,388)	0	(3,228,388)	0	0	0.0
Less: Funds Held in Reserve/Payoff Bonds	(1,915,539)		(1,915,539)			
Salary survey awarded in FY 08-09	29,036	0	29,036	0	0	0.0
80% of Performance-based pay awarded in FY 08-09	8,312	0	8,312	0	0	0.0
FY 2008-09 Personal Services	<u>3,902,663</u>	<u>0</u>	<u>3,902,663</u>	<u>0</u>	<u>0</u>	<u>26.9</u>
1.0 Percent Base Reduction	(39,027)	0	(39,027)	0	0	0.0
Add: Operating	<u>3,228,388</u>	<u>0</u>	<u>3,228,388</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Recommendation for FY 2009-10	\$7,092,024	\$0	\$7,092,024	\$0	\$0	26.9

Indirect Cost Assessment (NEW LINE ITEM)

Description: Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded programs.

Request: The Department's request reflects the indirect cost assessment pending approval of all of the Department's change requests.

Recommendation: **Staff recommends the JBC approve the inclusion of this new line item in the Long Bill and appropriate from it \$131,803 cash funds** to cover indirect department and statewide costs incurred by these programs and the associated personnel. The State Fair currently provides its own accounting services, as well as assists with one-third of the personal services associated with the Department's Public Information Officer, as well as funds all of the Department's controlled maintenance services. As a result of this, 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. The dollar amount may change depending on JBC action. Staff requests permission to make any necessary changes to the indirect costs in the Department to reflect the changes made by the Committee.

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.

Decision Item #6 (Reorganization). The Department is requesting that the Agricultural Markets Division and the Conservation Services Division be transferred and integrated into the Agricultural Services Division. The Department anticipates that this reorganization will enable the Department to better manage periodic fluctuations in program and budget needs by having these activities budgeted within one division. **Staff does not recommend this change request.** For more information related to this change request and staff recommendation, please refer to the introductory section of the Agricultural Services Division within this document.

Staffing Summary	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
Program Administrator	1.0	1.0	1.0	1.0
Administrative Staff	1.5	1.5	1.5	1.5
Conservation Specialist	1.0	3.0	3.0	3.0
Total	3.5	5.5	5.5	5.5

Personal Services

Staff recommends a continuation appropriation of \$388,039 General Fund and 5.5 FTE, which was calculated pursuant to Committee common policy. The following table summarizes the staff recommendation.

Personal Services - Conservation Board						
	Total	GF	CF	RF/CFE	FF	FTE
FY 2008-09 Long Bill	\$367,699	\$367,699	\$0	\$0	\$0	5.5
Salary Survey for FY 2007-08	14,382	14,382	0	0	0	0.0
Performance-based Pay Awards	<u>5,958</u>	<u>5,958</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Recommendation for FY 2009-10	\$388,039	\$388,039	\$0	\$0	\$0	5.5

Operating Expenses

Staff recommends a continuation appropriation of \$64,109 General Fund for this line item. These moneys are used to pay for the expenses of elected Board members, for phone and mail correspondence with local districts, and for the production of various educational and informational materials.

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.

Request: The Department request continuation funding.

Recommendation: **Staff recommends a continuation appropriation of \$391,714 General Fund.** Staff 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 was added to the Conservation Board through a Long Bill caucus in FY 1997-98. The original appropriation was comprised of \$250,000 General Fund and \$750,000 federal funds, which never materialized under the amended terms of a Farm Relief Bill. Moneys from this line item fund cost-share programs with private landowners to initiate or maintain various conservation practices that protect natural resources.

This line is also allocated \$450,000 cash funds from the Operational Account of the Severance Tax Trust Fund to fund conservation projects. Local conservation districts apply for grant awards through the Colorado State Conservation Board to fund conservation projects or programs in their communities. Severance tax revenues transferred to the Conservation District Grant Fund are continuously appropriated from the Conservation District Grant Fund, pursuant to H.B. 06-1393 and are for informational purposes only.

Request: The Department requests continuation funding.

Recommendation: **Staff recommends no funding for this line item in FY 2009-10.** While the Conservation Board likely does not endorse this recommendation, the fact that other moneys are available for these projects offers this program other funding options.

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. This amount represents a continuation level of funding, consistent with Committee policy.

Request: The Department requests continuation funding.

Recommendation: **Staff recommends a continuation appropriation of \$500,000 federal funds.**