

This Adobe Acrobat file contains the following three figure setting packets that were presented to the Joint Budget Committee for the Department of Agriculture:

<b>Figure Setting Packet</b>	<b>Adobe Acrobat Page Numbers</b>
1. March 13, 2008 – Figure Setting Staff Technical Comeback	Pages 2 through 3
2. February 6, 2008 – Regular Figure Setting Document	Pages 4 through 39

# M E M O R A N D U M

**TO:** Members of the Joint Budget Committee

**FROM:** Bernie Gallagher, JBC Staff (866-4957)

**SUBJECT:** Department of Agriculture – Figure Setting Staff Technical Comeback

**DATE:** March 13, 2008

Subsequent to figure setting recommendations for the Department of Agriculture on February 6, 2008, Staff has determined that technical errors are included in the Staff recommendation. Table A provides a summary of staff's recommended technical corrections.

<b>TABLE A. Recommended Corrections</b>			
<b>Division/Line Item/Fund Source</b>	<b>Previous Committee Action</b>	<b>REVISED Staff Recommendation</b>	<b>Difference</b>
<b>(1) COMMISSIONER'S OFFICE AND ADMINISTRATIVE SERVICES</b>			
<i>Description of Technical Correction:</i> For Short-term Disability, AED, SAED, and Salary Survey, Staff did not use the correct data set to figure set pursuant to Common Policy. This makes the proper adjustments to reflect the Committee's Common Policy for this line item.			
<i>Short-term Disability</i>			
Total	<u>\$18,990</u>	<u>\$19,891</u>	<u>\$901</u>
General Fund	5,429	5,738	309
Cash Funds	13,037	13,585	548
Federal Funds	524	568	44
<i>S.B. 04-257 Amortization Equalization Disbursement</i>			
Total	<u>\$232,328</u>	<u>\$243,351</u>	<u>\$11,023</u>
General Fund	65,417	69,152	3,735
Cash Funds	160,457	167,205	6,748
Federal Funds	6,454	6,994	540
<i>S.B. 06-235 Supplemental Amortization Equalization Disbursement</i>			
Total	<u>\$107,816</u>	<u>\$112,921</u>	<u>\$5,105</u>
General Fund	29,577	31,266	1,689
Cash Funds	75,214	78,377	3,163
Federal Funds	3,025	3,278	253
<i>Salary Survey and Senior Executive Service</i>			
Total	<u>\$231,107</u>	<u>\$608,483</u>	<u>\$377,376</u>
General Fund	114,884	221,863	106,979

<b>TABLE A. Recommended Corrections</b>			
<b>Division/Line Item/Fund Source</b>	<b>Previous Committee Action</b>	<b>REVISED Staff Recommendation</b>	<b>Difference</b>
Cash Funds	105,921	358,046	252,125
Federal Funds	10,302	28,574	18,272
<b>(2) AGRICULTURAL SERVICES DIVISION</b>			
<u>Description of Technical Correction:</u> The Department had requested a supplemental decrease to its Personal Services line item in FY 2007-08 to fund additional legal services related to animal disease control efforts. Staff did not credit these moneys back to the Department's base appropriation during figure setting. The following corrects this omission:			
<i>Personal Services</i>			
General Fund	\$3,358,752	\$3,413,075	\$54,323

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2008-09 STAFF FIGURE SETTING:  
DEPARTMENT OF AGRICULTURE**

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

**Prepared By:**

**Bernie Gallagher, JBC Staff**

**February 6, 2008**

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**FY 2008-09 FIGURE SETTING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE:**

**DEPARTMENT OF AGRICULTURE**

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**FY 2008-09**

	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Appropriation</b>	<b>Request</b>	<b>Staff Rec. Old Format</b>	<b>Staff Rec. New Format</b>	<b>Change Requests</b>
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*For FY 2008-09 the JBC approved eliminating the cash funds exempt category of appropriations and replacing it with reappropriated funds. Reappropriated funds are those moneys that are appropriated for a second or more time in the same fiscal year. The JBC staff recommendation for FY 2008-09 is expressed in both the old format and the new format. Moneys that were previously categorized as cash funds exempt that are not reappropriated funds are characterized in the new budget format as cash funds, regardless of the TABOR status of the funds.*

**DEPARTMENT OF AGRICULTURE**  
**John Stulp, Commissioner**

**(1) COMMISSIONER'S OFFICE AND ADMINISTRATIVE SERVICES**

Primary Function: Working with agricultural leaders and the public to develop and promote agricultural policies and programs and manage state agricultural resources to achieve successful solutions. The source of cash funds is fees collected by cash funded programs within the Department. The sources of reappropriated funds/cash funds exempt (RF/CFE) are indirect cost recoveries.

Personal Services	1,438,500	1,594,635	1,572,970	1,629,112	1,629,112	1,629,112
FTE	<u>17.6</u>	<u>18.9</u>	<u>19.7</u>	<u>19.7</u>	<u>19.7</u>	<u>19.7</u>
General Fund	0	645,053	858,866	741,710	741,710	741,710
FTE	17.6	18.9	19.7	19.7	19.7	19.7
Cash Funds	437,672	126,480	134,521	133,790	133,790	0
RF/CFE	1,000,828	823,102	579,583	753,612	753,612	887,402
Health, Life, and Dental	<u>59,507</u> a/	<u>322,700</u> a/	<u>1,233,295</u>	<u>1,376,301</u>	<u>1,382,417</u>	<u>1,382,417</u>
General Fund	56,007	222,700	334,709	364,467	370,583 A	370,583
Cash Funds	0	0	539,782	606,918	606,918 A	969,845
RF/CFE	3,500	100,000	326,491	362,927	362,927 A	0
Federal Funds	0	0	32,313	41,989	41,989 A	41,989
Short-Term Disability	<u>0</u> b/	<u>0</u> b/	<u>18,244</u>	<u>19,505</u>	<u>18,990</u>	<u>18,990</u>
General Fund	0	0	4,498	7,090	5,429 A	5,429
Cash Funds	0	0	8,513	7,990	8,250 A	13,037
RF/CFE	0	0	4,725	3,556	4,787 A	0
Federal Funds	0	0	508	869	524 A	524

FY 2008-09

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Requests
SB 04-257 Amortization Equalization							
Disbursement	<u>0</u>	<u>8,000</u> c/	<u>166,650</u>	<u>240,948</u>	<u>232,328</u>	<u>232,328</u>	
General Fund	0	8,000	39,756	87,854	65,417 A	65,417	DI #4
Cash Funds	0	0	78,592	98,631	101,538 A	160,457	DI #5
RF/CFE	0	0	43,611	43,766	58,919 A	0	
Federal Funds	0	0	4,691	10,697	6,454 A	6,454	
SB 06-235 Supplemental Amortization							
Equalization Disbursement	<u>0</u>	<u>0</u>	<u>33,853</u>	<u>73,864</u>	<u>107,816</u>	<u>107,816</u>	
General Fund	0	0	6,162	24,825	29,577 A	29,577	DI #4
Cash Funds	0	0	17,628	31,579	47,596 A	75,214	DI #5
RF/CFE	0	0	9,086	14,033	27,618 A	0	
Federal Funds	0	0	977	3,427	3,025 A	3,025	
Salary Survey and Senior Executive							
Service	<u>48,007</u> d/	<u>198,451</u> d/	<u>537,244</u>	<u>608,076</u>	<u>478,117</u>	<u>478,117</u>	
General Fund	48,007	118,200	199,302	215,923	221,863 A	221,863	
Cash Funds	0	0	221,910	247,774	156,207 A	227,680	
RF/CFE	0	80,251	98,811	117,046	71,473 A	0	
Federal Funds	0	0	17,221	27,333	28,574 A	28,574	
Performance-based Pay Awards							
	<u>0</u>	<u>0</u>	<u>220,642</u>	<u>231,107</u>	<u>231,107</u>	<u>231,107</u>	
General Fund	0	0	106,272	114,884	114,884 A	114,884	
Cash Funds	0	0	65,589	63,775	63,775 A	105,921	
RF/CFE	0	0	42,213	42,146	42,146 A	0	
Federal Funds	0	0	6,568	10,302	10,302 A	10,302	
Workers' Compensation							
	<u>203,775</u>	<u>247,904</u>	<u>179,678</u>	<u>229,760</u>	<u>229,760</u>	<u>0</u>	
General Fund	75,989	88,247	52,174 S	66,716	66,716 A	Pending	
Cash Funds	62,986	103,521	86,817 S	111,016	111,016 A	Pending	
RF/CFE	62,984	53,941	39,096 S	49,993	49,993 A	Pending	
Federal Funds	1,816	2,195	1,591 S	2,035	2,035 A	Pending	

FY 2008-09

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation		Request	Staff Rec. Old Format	Staff Rec. New Format	Change Requests
Operating Expenses - GF	97,800	103,552	103,552		117,137	117,137	117,137	DI #1
Legal Services	183,584	228,917	360,450		334,779	Pending	Pending	
<i>Hours Equivalent</i>	<u>2,848</u>	<u>3,378</u>	<u>5,004</u>		<u>4,648</u>	<u>4,648</u>	<u>4,648</u>	
General Fund	45,888	63,421	112,107	S	86,436	Pending A	Pending	
Cash Funds	126,525	159,557	233,009		233,009	Pending	Pending	
RF/CFE	1,171	5,939	3,431		3,431	Pending	Pending	
Federal Funds	10,000	0	11,903		11,903	Pending	Pending	
Purchase of Services from Computer Center - GF	2,100	0	644	S	21,133	21,133 A	Pending	
Multiuse Network Payments - GF	19,547	14,580	0	S	0	0 A	Pending	
Payment to Risk Management and Property Funds	<u>102,035</u>	<u>257,628</u>	<u>130,460</u>		<u>206,190</u>	<u>206,190</u>	<u>0</u>	
General Fund	14,283	89,666	49,608	S	78,404	78,404 A	Pending	
Cash Funds	54,091	103,465	48,192	S	76,166	76,166 A	Pending	
RF/CFE	32,865	62,492	31,645	S	50,014	50,014 A	Pending	
Federal Funds	796	2,005	1,015	S	1,606	1,606 A	Pending	
Vehicle Lease Payments	<u>126,467</u>	<u>127,947</u>	<u>159,489</u>		<u>188,430</u>	<u>188,430</u>	<u>0</u>	
General Fund	32,344	36,774	66,052	S	78,415	78,415 A	Pending	DI #4
Cash Funds	74,758	75,129	90,133	S	106,125	106,125 A	Pending	
Federal Funds	19,365	16,044	3,304	S	3,890	3,890 A	Pending	



FY 2008-09

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Requests
Information Technology Asset							
Maintenance	<u>95,421</u>	<u>109,638</u>	<u>111,405</u>	<u>153,031</u>	<u>153,031</u>	<u>153,031</u>	
General Fund	31,038	31,038	35,881	42,041	42,041	42,041	DI #3
Cash Funds	64,383	78,600	69,898	81,898	81,898	110,990	DI #3
RF/CFE	0		5,626	29,092	29,092	0	DI #3
Leased Space	<u>104,032</u>	<u>103,880</u>	<u>122,183</u>	<u>127,264</u>	<u>127,264</u>	<u>127,264</u>	
General Fund	45,378	47,084	54,824	57,295	57,295	57,295	
Cash Funds	19,795	18,134	23,006	23,923	23,923	69,969	
RF/CFE	38,859	38,662	44,353	46,046	46,046	0	
Capital Complex Leased Space	<u>143,183</u>	<u>147,960</u>	<u>170,848</u>	<u>169,718</u>	<u>169,718</u>	<u>0</u>	
General Fund	111,682	120,695	139,366 S	138,444	138,444 A	Pending	
Cash Funds	31,501	27,265	31,482 S	31,274	31,274 A	Pending	
Communications Services Payments	<u>15,671</u>	<u>14,389</u>	<u>14,151</u>	<u>14,990</u>	<u>14,990</u>	<u>0</u>	
General Fund	6,183	5,678	9,069 S	9,607	9,607	Pending	
Cash Funds	9,488	0	0	0	0	Pending	
RF/CFE	0	8,711	5,082 S	5,383	5,383	Pending	
Utilities	<u>156,127</u>	<u>124,057</u>	<u>146,318</u>	<u>146,318</u>	<u>146,318</u>	<u>146,318</u>	
General Fund	41,479	48,192	91,051	91,051	91,051	91,051	
Cash Funds	89,810	71,445	52,954	52,954	52,954	55,267	
RF/CFE	2,043	1,779	2,313	2,313	2,313	0	
Federal Funds	22,795	2,641	0	0	0	0	

FY 2008-09

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Requests
Agriculture Statistics	<u>75,000</u>	<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	60,000	
Cash Funds	15,000	12,736	15,000	15,000	15,000	15,000	
Grants - FF	4,523,397	4,589,456	2,707,089	2,707,089	2,707,089	2,707,089	
FTE	10.2	11.2	8.0	13.0	13.0	13.0	
Indirect Cost Assessment	137,803	155,671	67,717	84,418	pending	pending	
							<b>Request vs. Appropriation</b>
<b>TOTAL - (1) COMMISSIONER'S OFFICE</b>	<b>7,531,956</b>	<b>8,422,101</b>	<b>8,131,882</b>	<b>8,754,170</b>	<b>8,235,947</b>	<b>7,405,726</b>	<b>7.7%</b>
<b>FTE</b>	<b><u>27.8</u></b>	<b><u>30.1</u></b>	<b><u>27.7</u></b>	<b><u>32.7</u></b>	<b><u>32.7</u></b>	<b><u>32.7</u></b>	<b><u>18.1%</u></b>
General Fund	687,725	1,702,880	2,323,893	2,403,432	2,309,706	1,916,987	3.4%
FTE	17.6	18.9	19.7	19.7	19.7	19.7	0.0%
Cash Funds	986,009	776,332	1,717,026	1,921,822	1,616,430	1,803,380	11.9%
RF/CFE	1,142,250	1,174,877	1,236,066	1,523,358	1,504,323	887,402	23.2%
Federal Funds	4,715,972	4,768,012	2,854,897	2,905,558	2,805,488	2,797,957	1.8%
FTE	10.2	11.2	8.0	13.0	13.0	13.0	62.5%

a/ Reverted \$767,518 in FY 2005-06 and \$684,604 in FY 2006-07.  
b/ Reverted \$19,173 in FY 2005-06 and \$14,969 in FY 2006-07.  
c/ Reverted \$90,755 in FY 2006-07.  
d/ Reverted \$387,146 in FY 2005-06 and \$210,056 in FY 2006-07.

FY 2008-09

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Requests
<b>(2) AGRICULTURAL SERVICES DIVISION</b>							
Primary Function: Ensure human, animal, and plant health and safety , consumer protection, and integrity in the marketplace through both the enforcement of laws and the implementation of inspection programs dealing with a variety of agricultural and consumer products and services. The cash funds source is from the Inspection and Consumer Services Cash Fund.							
Personal Services	8,591,621	9,238,592	9,661,254	10,186,078	10,050,749	10,050,749	
FTE	<u>135.3</u>	<u>137.1</u>	<u>151.4</u>	<u>152.4</u>	<u>152.4</u>	<u>152.4</u>	
General Fund	2,082,240	2,128,011	3,180,977	3,441,809	3,358,752	3,358,752	DI #4
FTE	26.9	27.5	44.6	45.6	45.6	45.6	DI #4
Cash Funds	6,167,526	6,561,810	6,008,218	6,250,724	6,202,408	6,202,408	
FTE	105.4	106.6	103.8	103.8	103.8	103.8	
RF/CFE	38,413	200,081	0	0	0	0	
Federal Funds	303,442	348,690	472,059	493,545	489,589	489,589	
FTE	3.0	3.0	3.0	3.0	3.0	3.0	
Operating Expenses	<u>976,153</u>	<u>1,186,753</u>	<u>1,384,132</u>	<u>1,406,249</u>	<u>1,405,552</u>	<u>1,405,552</u>	
General Fund	151,924	157,083	418,514	347,495	346,972	346,972	DI #1, #2, #4
Cash Funds	779,770	920,256	909,900	999,453	999,279	999,279	DI #1, #2
Federal Funds	44,459	109,414	55,718	59,301	59,301	59,301	DI #1
Noxious Weed Management Grants	<u>7,150</u>	<u>117</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	
Cash Funds	0	0	0	0	0	15,000	
RF/CFE	7,150	117	15,000	15,000	15,000	0	
Diseased Livestock Fund	<u>125</u>	<u>0</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	
Cash Funds	0	0	0	0	0	25,000	
RF/CFE	125	0	25,000	25,000	25,000	0	

FY 2008-09

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Requests
Cervidae Disease Revolving Fund - CF	1,400	188	25,000	25,000	25,000	25,000	
Operating Expenses for Aquaculture - CF	n/a	n/a b/	29,609 S	43,437	43,437 A	43,437	
Lease Purchase Lab Equipment	<u>0</u>	<u>0</u>	<u>85,992</u>	<u>85,992</u>	<u>85,992</u>	<u>85,992</u>	
General Fund	0	0	39,672	39,672	39,672	39,672	
Cash Funds	0	0	46,320	46,320	46,320	46,320	
Indirect Cost Assessments	<u>883,461</u>	<u>736,778</u>	<u>503,483</u>	<u>660,752</u>	<u>0</u>	<u>0</u>	
Cash Funds	824,787	703,873	478,166	635,427	pending	pending	
Federal Funds	58,674	32,905	25,317	25,325	pending	pending	
							<b>Request vs. Appropriation</b>
<b>TOTAL - (2) AGRICULTURAL SERVICES</b>	<b>10,459,910</b>	<b>11,162,428</b>	<b>11,729,470</b>	<b>12,447,508</b>	<b>11,650,730</b>	<b>11,650,730</b>	<b>6.1%</b>
<b>FTE</b>	<b><u>135.3</u></b>	<b><u>137.1</u></b>	<b><u>151.4</u></b>	<b><u>152.4</u></b>	<b><u>152.4</u></b>	<b><u>152.4</u></b>	<b><u>0.7%</u></b>
General Fund	2,234,164	2,285,094	3,639,163	3,828,976	3,745,396	3,745,396	5.2%
FTE	26.9	27.5	44.6	45.6	45.6	45.6	2.2%
Cash Funds	7,773,483	8,186,127	7,497,213	8,000,361	7,316,444	7,356,444	6.7%
FTE	105.4	106.6	103.8	103.8	103.8	103.8	(0.0%)
RF/CFE	45,688	200,198	40,000	40,000	40,000	0	0.0%
Federal Funds	406,575	491,009	553,094	578,171	548,890	548,890	4.5%
FTE	3.0	3.0	3.0	3.0	3.0	3.0	0.0%

a/ Reflects a \$23,011 increase from the Biological Pest Control Cash Fund, pursuant to S.B. 07-206.

b/ The Aquaculture program and its cash funds spending authority were transferred from the Markets Division in FY 2007-08 to align source funding with programmatic expenditures.

**FY 2008-09**

	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Appropriation</b>	<b>Request</b>	<b>Staff Rec. Old Format</b>	<b>Staff Rec. New Format</b>	<b>Change Requests</b>
<b>(3) AGRICULTURAL MARKETS DIVISION</b>							
Primary Function: Increasing domestic and international agricultural food marketing and processing options. The Cash Fund source is from aquaculture program fees. The RF/CFE sources are Economic Development transfers from the Governor's Office and the Agriculture Value-Added Cash Fund.							
Personal Services - GF	371,096	370,386	379,759	393,351	393,351	393,351	
FTE	4.7	4.5	4.7	4.7	4.7	4.7	
Operating Expenses	<u>65,552</u>	<u>61,836</u>	<u>80,198</u>	<u>82,577</u>	<u>82,577</u>	<u>82,577</u>	
General Fund	29,624	29,861	29,861	32,123	32,123	32,123	<b>DI #1</b>
Cash Funds	35,928	31,975	50,337	50,454	50,454	50,454	<b>DI #1</b>
Operating Expenses for Aquaculture - CF	22,867	24,492	0 a/	n/a	n/a	n/a	
Economic Development Grants - RF/CFE	39,400	119,075	45,000	45,000	45,000	45,000	
Colorado Agricultural Value-Added Development Board - RF/CFE	53,960	90,430	574,837 b/	574,837	574,837	574,837	
FTE	0.5	0.5	0.5	0.5	0.5	0.5	
							<b>Request vs. Appropriation</b>
<b>TOTAL - (3) AGRICULTURAL MARKETS</b>	<b>552,875</b>	<b>666,219</b>	<b>1,079,794</b>	<b>1,095,765</b>	<b>1,095,765</b>	<b>1,095,765</b>	<b>1.5%</b>
<b>FTE</b>	<b><u>5.2</u></b>	<b><u>5.0</u></b>	<b><u>5.2</u></b>	<b><u>5.2</u></b>	<b><u>5.2</u></b>	<b><u>5.2</u></b>	<b><u>0.0%</u></b>
General Fund	400,720	400,247	409,620	425,474	425,474	425,474	<b>3.9%</b>
FTE	4.7	4.5	4.7	4.7	4.7	4.7	<b>0.0%</b>
Cash Funds	112,755	146,897	50,337	50,454	50,454	625,291	<b>0.2%</b>
RF/CFE	39,400	119,075	619,837	619,837	619,837	45,000	<b>0.0%</b>
FTE	0.5	0.5	0.5	0.5	0.5	0.5	<b>0.0%</b>

a/ The Aquaculture program and its cash funds spending authority were transferred to the Agricultural Services Division in FY 2007-08 to align source funding with programmatic expenditures.

b/ Reflects a \$500,000 increase from the Operational Account of the Severance Tax Trust Fund for fiscal years 2006-07, 2007-08, and 2008-09, pursuant to Section 35-75-205 (1.5) (a).

**FY 2008-09**

	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Appropriation</b>	<b>Request</b>	<b>Staff Rec. Old Format</b>	<b>Staff Rec. New Format</b>	<b>Change Requests</b>
<b>(4) BRAND BOARD</b>							
Primary Function: Conducting livestock inspections and regulating the sale of livestock. The Cash Fund source is from fees for service.							
Brand Inspections	3,456,047	3,399,037	3,641,057	3,716,397	3,716,577	3,716,577	<b>DI #1, #6</b>
FTE	<u>58.5</u>	<u>57.7</u>	<u>66.3</u>	<u>66.3</u>	<u>66.3</u>	<u>66.3</u>	
Cash Funds	0	0	0	0	3,716,577	3,716,577	
FTE	0.0	0.0	0.0	0.0	66.3	66.3	
RF/CFE	3,456,047	3,399,037	3,641,057	3,716,397	0	0	
FTE	58.5	57.7	66.3	66.3	0.0	0.0	
Alternative Livestock	<u>25,535</u>	<u>13,886</u>	<u>95,662</u>	<u>95,662</u>	<u>95,662</u>	<u>95,662</u>	
Cash Funds	0	0	0	0	0	95,662	
RF/CFE	25,535	13,886	95,662	95,662	95,662	0	
Indirect Cost Assessments	<u>437,672</u>	<u>126,480</u>	<u>134,522</u>	<u>133,790</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	0	0	0	0	pending	
RF/CFE	437,672	126,480	134,522	133,790	pending	0	
							<b>Request vs. Appropriation</b>
<b>TOTAL - (4) BRAND BOARD</b>	<b>3,919,254</b>	<b>3,539,403</b>	<b>3,871,241</b>	<b>3,945,849</b>	<b>3,812,239</b>	<b>3,812,239</b>	<b>1.9%</b>
<b>FTE</b>	<b><u>58.5</u></b>	<b><u>57.7</u></b>	<b><u>66.3</u></b>	<b><u>66.3</u></b>	<b><u>66.3</u></b>	<b><u>66.3</u></b>	<b><u>0.0%</u></b>
Cash Funds	0	0	0	0	3,716,577	3,812,239	N/A
FTE	0.0	0.0	0.0	0.0	66.3	66.3	N/A
RF/CFE	3,919,254	3,539,403	3,871,241	3,945,849	95,662	0	<b>1.9%</b>
FTE	58.5	57.7	66.3	66.3	0.0	0.0	<b>0.0%</b>

**(5) SPECIAL PURPOSE**

Primary Function: Promoting of wines produced in Colorado and other specialized programs. Cash Funds are from the Colorado Wine Industry Development Fund, the Brand Estray Fund, and the Veterinary Vaccine and Service Fund.

Wine Promotion Board - CF	699,899 a/	526,679 a/	447,345 a/	472,482	472,647	472,647	<b>DI #1, #5 DI #5</b>
FTE	1.0	1.0	1.0	1.5	1.5	1.5	

**FY 2008-09**

	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Appropriation</b>	<b>Request</b>	<b>Staff Rec. Old Format</b>	<b>Staff Rec. New Format</b>	<b>Change Requests</b>
Vaccine and Service Fund - CF	232,184	268,583	162,631	162,713	162,713	162,713	<b>DI #1</b>
Brand Estray Fund	<u>27,834</u>	<u>45,752</u>	<u>94,050</u>	<u>94,050</u>	<u>94,050</u>	<u>94,050</u>	
Cash Funds	0	0	0	0	0	94,050	
RF/CFE	27,834	45,752	94,050	94,050	94,050	0	
Indirect Cost Assessment - CF	0	0	8,588	8,442	pending	pending	
							<b>Request vs. Appropriation</b>
<b>TOTAL - (5) SPECIAL PURPOSE</b>	<b>959,917</b>	<b>841,014</b>	<b>712,614</b>	<b>737,687</b>	<b>729,410</b>	<b>729,410</b>	<b>3.5%</b>
<b>FTE</b>	<b><u>1.0</u></b>	<b><u>1.0</u></b>	<b><u>1.0</u></b>	<b><u>1.5</u></b>	<b><u>1.5</u></b>	<b><u>1.5</u></b>	<b>50.0%</b>
Cash Funds	932,083	795,262	618,564	643,637	635,360	729,410	<b>4.1%</b>
FTE	1.0	1.0	1.0	1.5	1.5	1.5	<b>50.0%</b>
RF/CFE	27,834	45,752	94,050	94,050	94,050	0	<b>0.0%</b>

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

**(6) COLORADO STATE FAIR**

Primary Function: Administrating the Colorado State Fair. Cash funds are from fees collected by the Colorado State Fair.

Program Costs	7,365,518	7,976,409	9,365,516	9,374,941	9,009,242	9,009,242	
FTE	<u>19.4</u>	<u>20.3</u>	<u>26.9</u>	<u>26.9</u>	<u>26.9</u>	<u>26.9</u>	
Cash Funds	0	7,976,409 b/	9,365,516 c/	9,374,941 d/	9,009,242 A	9,009,242	
FTE	0.0	20.3	26.9	26.9	26.9	26.9	
RF/CFE	7,365,518 a/	0	0	0	0	0	
FTE	19.4	0.0	0.0	0.0	0.0	0.0	
							<b>Request vs. Appropriation</b>
<b>TOTAL - (6) COLORADO STATE FAIR</b>	<b>7,365,518</b>	<b>7,976,409</b>	<b>9,365,516</b>	<b>9,374,941</b>	<b>9,009,242</b>	<b>9,009,242</b>	<b>0.1%</b>
<b>FTE</b>	<b><u>19.4</u></b>	<b><u>20.3</u></b>	<b><u>26.9</u></b>	<b><u>26.9</u></b>	<b><u>26.9</u></b>	<b><u>26.9</u></b>	<b>0.0%</b>
Cash Funds	0	7,976,409	9,365,516	9,374,941	9,009,242	9,009,242	<b>0.1%</b>
FTE	0.0	20.3	26.9	26.9	26.9	26.9	<b>0.0%</b>
RF/CFE	7,365,518	0	0	0	0	0	<b>n/a</b>
FTE	19.4	0.0	0.0	0.0	0.0	0.0	<b>n/a</b>

FY 2008-09

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Requests
<p>a/ Reflects a reversion of \$733,080.                      b/ Reflects a \$3,163,978 increase pursuant to H.B. 06-1384 and a reversion of \$3,317,761 for bond reserves.                      c/ Includes \$1,844,524 in cash reserves for bonding requirements                      d/ Includes \$1,915,539 in cash reserves for bonding requirements</p>							
<b>(7) CONSERVATION BOARD</b>							
Primary Function: Preserving Colorado's natural resources including reducing soil erosion and flood damage, as well as protecting underground water reserves.							
Personal Services - GF	242,111	270,781	351,896	367,699	367,699	367,699	
FTE	3.4	3.5	5.5	5.5	5.5	5.5	
Operating Expenses - GF	33,200	33,673	59,223	64,109	64,109	64,109	
Distributions to Soil Conservation Districts - GF	391,714	391,714	391,714	391,714	391,714	391,714	
Matching Grants to Districts	<u>0</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	
General Fund	0	150,000	150,000	150,000	150,000	150,000	
Cash Funds	0	0	0	0	0	450,000	b/
RF/CFE	0	450,000 a/	450,000 b/	450,000 b/	450,000 b/	0	



**FY 2008-09**

	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Appropriation</b>	<b>Request</b>	<b>Staff Rec. Old Format</b>	<b>Staff Rec. New Format</b>	<b>Change Requests</b>
Salinity Control Grants - FF	1,484,669	2,167,517	500,000	500,000	500,000	500,000	
<b>TOTAL - (7) CONSERVATION BOARD</b>	<b>2,151,694</b>	<b>3,463,685</b>	<b>1,902,833</b>	<b>1,923,522</b>	<b>1,923,522</b>	<b>1,923,522</b>	<b>Request vs. Appropriation</b>
<b>FTE</b>	<b><u>3.4</u></b>	<b><u>3.5</u></b>	<b><u>5.5</u></b>	<b><u>5.5</u></b>	<b><u>5.5</u></b>	<b><u>5.5</u></b>	<b>1.1%</b>
General Fund	667,025	846,168	952,833	973,522	973,522	973,522	2.2%
FTE	3.4	3.5	5.5	5.5	5.5	5.5	0.0%
Cash Funds	0	0	0	0	0	450,000	n/a
FTE	0.0	0.0	0.0	0.0	0.0	0.0	n/a
RF/CFE	0	450,000	450,000	450,000	450,000	0	
Federal Funds	1,484,669	2,167,517	500,000	500,000	500,000	500,000	0.0%

a/ This does not include \$423,396 of moneys transferred from the Operational Account of the Severance Tax Trust Fund. These moneys are continuously appropriated and are provided for informational purposes only.

b/ This does not include \$450,000 continuously appropriated to the Department from the Conservation District Grant Fund from the Operational Account of the Severance Tax Trust Fund, pursuant to section 35-1-106.7 (1) (a), C.R.S.

							<b>Request vs. Appropriation</b>
<b>DEPARTMENT OF AGRICULTURE</b>							
<b>TOTALS</b>	<b>32,941,124</b>	<b>36,071,259</b>	<b>36,793,350</b>	<b>38,279,442</b>	<b>36,456,855</b>	<b>35,626,634</b>	<b>4.0%</b>
<b>FTE</b>	<b><u>250.6</u></b>	<b><u>254.7</u></b>	<b><u>284.0</u></b>	<b><u>290.5</u></b>	<b><u>290.5</u></b>	<b><u>290.5</u></b>	<b>2.3%</b>
General Fund	3,989,634	5,234,389	7,325,509	7,631,404	7,454,098	7,061,379	4.2%
FTE	52.6	54.4	74.5	75.5	75.5	75.5	1.3%
Cash Funds	9,804,330	17,881,027	19,248,656	19,991,215	22,344,507	23,786,006	3.9%
FTE	106.4	127.9	131.7	132.2	198.5	198.5	0.4%
RF/CFE	12,539,944	5,529,305	6,311,194	6,673,094	2,803,872	932,402	5.7%
FTE	78.4	58.2	66.8	66.8	0.5	0.5	0.0%
Federal Funds	6,607,216	7,426,538	3,907,991	3,983,729	3,854,378	3,846,847	1.9%
FTE	13.2	14.2	11.0	16.0	16.0	16.0	45.5%

## DEPARTMENT OF AGRICULTURE FIGURE SETTING FOR FY 2008-09

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

### COMMISSIONER'S OFFICE AND ADMINISTRATIVE SERVICES

In conjunction with the Colorado Agricultural Commission, the Commissioner's Office manages the Department of Agriculture and is responsible for developing and disseminating agricultural policies for the State. Pursuant to Section 35-1-105, C.R.S., the Colorado Agricultural Commission is a nine-member body appointed by the Governor and approved by the Senate. The Administrative Services section fulfills various functions for the entire Department including budgeting, accounting, purchasing, data processing, and records management.

Staffing Summary	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
Commissioner's Office	11.9	12.7	12.7	12.7
Administrative Services	7.0	7.0	7.0	7.0
<b>Total</b>	<b>18.9</b>	<b>19.7</b>	<b>19.7</b>	<b>19.7</b>

#### Personal Services

**Staff recommends \$1,629,112 and 19.7 FTE**, which is comprised of \$741,710 General Fund and \$887,402 reappropriated/cash funds exempt. The calculation is made pursuant to Committee common policy and is summarized below. The new "reappropriated funds" classification affects this line item. The reappropriated funds/cash funds exempt portion represents indirect cost recoveries from the Brand Inspection Fund and various cash funds within the Department. The following table summarizes the staff recommendation for this line item.

Personal Services - Commissioner's Office and Administrative Services						
	Total	GF	CF	RF/CFE	FF	FTE
<b>FY 2007-08 Long Bill</b>	\$1,572,970	\$978,218	\$134,521	\$460,231	\$0	19.7
H.B. 07-1198 ICS Cash Fund	0	(119,352)	0	119,352	0	0.0
Salary Survey for FY 2007-08	41,808	41,808	0	0	0	0.0
Performance-based Pay Awards	14,334	14,334	0	0	0	0.0
FY 2007-08 SUBTOTAL	<u>1,629,112</u>	<u>915,008</u>	<u>134,521</u>	<u>579,583</u>	<u>0</u>	<u>19.7</u>
Funding Mix Adjustment to Utilize Fund Balance	0	(173,298)	(731)	174,029	0	0.0

Personal Services - Commissioner's Office and Administrative Services						
Exchange CF for RF	0	0	(133,790)	133,790	0	0.0
<b>TOTAL for FY 2008-09</b>	<b>\$1,629,112</b>	<b>\$741,710</b>	<b>\$0</b>	<b>\$887,402</b>	<b>\$0</b>	<b>19.7</b>

**Health, Life, and Dental (Decision Items #4 and #5)**

**Staff recommends total funding of \$1,382,417** based on Committee policy, which is comprised of \$370,583 General Fund, \$969,845 cash funds, and \$41,989 federal funds. This recommendation includes an increase of \$6,116 General Fund for Decision Item #4 (Animal Field Technician) and an increase of \$3,139 Cash Funds for Decision Item #5 (Wine Board FTE). Cash funds are derived from fee-based programs within the Department.

**Short-term Disability**

**Staff recommends total funding of \$18,990**, based on the Committee policy of applying a rate of 0.13 percent to base salaries. This appropriation is comprised of \$5,429 General Fund, \$13,037 cash funds, and \$524 federal funds. The cash funds are derived from fee-based programs within the Department.

**S.B. 04-257 Amortization Equalization Disbursement (Decision Items #4 and #5)**

**Staff recommends total funding of \$232,328** pursuant to Committee policy for this line item related to implementation of S.B. 04-257, which is comprised of \$65,417 General Fund, \$160,457 cash funds, and \$6,454 federal funds. This includes increases of \$594 cash funds for **Decision Item #4** (Animal Field Technician FTE) and \$287 cash funds for **Decision Item #5** (Wine Board Part-time FTE). The cash funds are derived from fee-based programs within the Department.

**S.B. 06-235 Supplemental Amortization Equalization Disbursement (Decision Items #4 and #5)**

**Staff recommends total funding of \$107,816** pursuant to Committee policy for this line item related to implementation of S.B. 06-235, which is comprised of \$29,577 General Fund, \$75,214 cash funds, and \$3,025 federal funds. This includes increases of \$279 cash funds for **Decision Item #4** (Animal Field Technician FTE) and \$135 cash funds for **Decision Item #5** (Wine Board Part-time FTE). The cash funds are derived from fee-based programs within the Department.

**Salary Survey and Senior Executive Service**

**Staff recommends total funding of \$478,117** pursuant to Committee policy, which is comprised of \$221,863 General Fund, \$227,680 cash funds and \$28,574 federal funds. The cash funds are derived from fee-based programs within the Department.

**Performance-based Pay Awards**

**Staff recommends total funding of \$231,107** pursuant to Committee policy, which is comprised of \$114,884 General Fund, \$105,921 cash funds, and \$10,302 federal funds. Cash funds are derived from fee-based programs within the Department.

**Workers' Compensation (Statewide Decision Item)**

Staff recommendation is **pending** the approval of a common policy by the Committee. Cash funds are derived from fee-based programs within the Department.

**Operating Expenses (Decision Item #1)**

The Department is requesting as **Decision Item #1**, that its various operating lines within selected divisions be increased to accommodate on-going increases in postage rates, State Fleet per mile rates, DPA cost increases, and provide additional funding to enhance the Department's exposure and develop skills by means of participating in conferences, training, and federal policy making. The total request is for \$138,550, which is comprised of \$54,456 General Fund, \$79,903 Cash Funds, \$608 reappropriated/cash funds exempt, and \$3,583 federal funds.

The following table outlines the requested increases, by division:

<b>Requested Operating Increases by Division</b>					
<b>Division</b>	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF/CFE</b>	<b>FF</b>
Commissioner's Office	\$13,585	\$13,585	\$0	\$0	\$0
Agricultural Services	115,610	33,723	78,304	0	3,583
Agricultural Markets	2,379	2,262	117	0	0
Brand Board	608	0	0	608	0
Wine Promotion Board	1,400	0	1,400	0	0
Vet Vaccine	82	0	82	0	0
Conservation Board	4,886	4,886	0	0	0
<b>Total</b>	<b>\$138,550</b>	<b>\$54,456</b>	<b>\$79,903</b>	<b>\$608</b>	<b>\$3,583</b>

The request, per division is for the following:

<b>Requested Operating Increases by Cost Center</b>					
<b>Requested Item</b>	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF/CFE</b>	<b>FF</b>
State Fleet per Mile	\$88,204	\$31,950	\$56,254	\$0	\$0
Postage	20,469	7,413	13,056	0	0
Central Services Printing	18,190	3,406	10,593	608	3,583
Conferences/Trips/Training	11,687	11,687	0	0	0
<b>Total</b>	<b>\$138,550</b>	<b>\$54,456</b>	<b>\$79,903</b>	<b>\$608</b>	<b>\$3,583</b>

The Department has witnessed an increase in its operating costs due to the reasons listed above. The following provides a high-level rationale for the request provided by the Department:

- *State Fleet per Mile:* Between FY 2003-04 and FY 2006-07 (3 years), the Department observed a 58.8 percent increase in the average per mile charge applied to the Department's vehicle inventory. This change equates to approximately \$88,000 the Department had to absorb.
- *Postage:* Between 2001 and FY 2007 (6 years), the Department has observed a 20.6 percent increase in the cost of postage, which is approximately \$19,000 in additional costs that the Department had to absorb.
- *Central Services Printing:* Between FY 2006-07 and FY 2007-08 the cost per copy for jobs with less than 25,000 copies in the project increased from 2.8 cents per copy to 3.3 cents per copy, a 17.9 percent annual increase. This equates to approximately \$18,000 that the Department will have to absorb based the amount that was expended in FY 2006-07.
- *Conferences/Trips/Training:* The Department anticipates participating in five significant agriculture-related meetings or conferences, with a summed estimated cost of \$12,000. Prior to the voter approval of Amendment 41, which put broad restrictions of gifts to Colorado public officials and employees, the Department would often receive free admission to these events, however now must pay full entry.

Staff analyzed the actual annual utilization of divisional operating moneys compared to the amount appropriated and validated the need for increased funding for operations. In particular, most divisions utilized over 95.0 percent of their appropriations over the last five fiscal years and in some instances more than that. Staff will recommend the approval of the amounts requested by the Department in each of the Division's operating lines or program lines. Also, it is important to note that new "reappropriated funds" classification affects this line item and as such, \$608 reappropriated/cash funds exempt reflects the amount increase that the Department is requesting for the Brand Board's needed increase for Central Services printing services. Staff will now classify these funds as cash funds in the recommendation.

**Staff recommends the Department's request of \$117,137 General Fund** for this line item. This includes an increase of \$13,585 for Decision Item #1 (Increase Operating), per Staff's recommendation.

#### **Legal Services (Budget Amendment)**

The Department requests through a **budget amendment** an increase of \$28,652 General Fund for legal services and a like decrease in the Agricultural Services Division Personal Services General Fund appropriation. The department has witnessed an increasing need for legal counsel due to disease control efforts which are financed with General Fund, as there is an increased need for legal counsel related to various contagious diseases that the Department is charged with controlling. The Veterinary and Animal Health Lab Section within the Animal Industry sub-division of the Agricultural Services Division, is responsible for monitoring and controlling contagious diseases in livestock and captive alternative livestock. The staff of this division concentrates on diseases that are (1) a threat to public health; (2) are not easily controlled by individual livestock owners; and (3)

would significantly impact the livestock economy. Control of these diseases are through education, testing, inspection, vaccinations, treatments, and other activities. Specific diseases targeted include bovine tuberculosis, brucellosis, pseudorabies, equine infectious enemia, Johnes, scrapie, and trichomoniasis.

In January 2006, a Colorado bull tested positive for bovine tuberculosis (BTB). Further inspections of 2,000 Colorado animals gave rise to two animals testing positive for BTB. These two cases were on the same premises and thus did not affect Colorado's Accredited BTB Free Status, as granted by the U.S. Department of Agriculture (USDA). However, the discovery of BTB has resulted in extensive legal work regarding the condemnation, slaughter, and indemnity payment to the owner of these animals. To date this case has not yet been resolved.

Further, the Department is in legal discussions, court proceedings, and potential settlement negotiations resulting from a Chronic Wasting Disease (CWD) control effort from FY 2001-02. The basis of the legal action is an unconstitutional taking of legal property without just compensation. Additional legal resources are required to provide legal guidance associated with disease test results, need for future tests, and potential for implementing quarantines associated with the taking of livestock for the protection of Colorado's livestock industry, as the Department's Commissioner is charged with in Section 35-50-105, C.R.S.

The Department's request is for 398 additional hours of legal services to provide legal guidance for issues associated with BTB, CWD, and other contagious diseases. This request establishes a significant increase in legal services funded with General Fund over the last five years. For comparison and due to the fact that each year the blended hourly rate for legal services provided by the Department of Law is recalculated, Staff has prepared the following table, showing the calculated number of hours the Department of Agriculture required in previous years as compared to the present supplemental request, as hours is a better unit of comparison than using dollars.

For FY 2004-05 the Department utilized 712 legal services hours. The request seeks an appropriation of 1,200<sup>1</sup> hours of legal services, a 68.5 percent increase over five years, however is reflects a 22.9 percent decrease from the current fiscal year.

<b>General Fund Legal Services Expenditures and Appropriations</b>	
<b>Fiscal Year</b>	<b>Number of Legal Services Hours Expended / Appropriated</b>
2004-05 Actual	712
2005-06 Actual	712
2006-07 Actual	936

<sup>1</sup> The calculated number of legal services hours is based on the FY 2007-08 blended hourly billing rate of \$72.03.

General Fund Legal Services Expenditures and Appropriations	
Fiscal Year	Number of Legal Services Hours Expended / Appropriated
2007-08 Appropriation <sup>1</sup>	1,556
2008-09 Request	1,200
5-Yr Variance <sup>2</sup>	488
5-Yr Variance % <sup>2</sup>	68.5%

<sup>1</sup> Includes a supplemental increase of 754 hours.

<sup>2</sup> Reflects the variance between the FY 2008-09 Request and FY 2004-05 Actual.

Staff recommends that the committee approve the Department's budget amendment request of to decrease \$28,652 General Fund from the Agricultural Services Personal Services appropriation and increase Department's Legal Services General Fund appropriation by a like amount, due to the unforeseen need for the Department to retain additional legal services expertise related to the control of contagious diseases.

**For the Department's Legal Services appropriation, Staff recommends approving the request for 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)**

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

**Multiuse Network Payments (MNT) (Statewide Decision Item)**

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

**Risk Management and Property Funds**

Staff recommendation is **pending** the approval of a common policy by the Committee. The new "reappropriated funds" classification affects this line item. Cash funds are derived from fee-based programs within the Department.

**Vehicle Lease (Decision Item #4 and Statewide Decision Item)**

Staff recommendation is **pending** the approval of a common policy by the Committee. Cash funds are derived from fee-based programs within the Department, while reappropriated cash funds are provided by the Brand Inspection Fund.

**Information Technology Asset Maintenance (Decision Item #3)**

The Department's **Decision Item #3** requests an increase of \$41,626 (\$6,160 General Fund, \$12,000 cash funds, and \$23,466 reappropriated/cash funds exempt) to allow the Department to replace its obsolescent technology in an effort to mitigate lost productivity due to aging equipment.

In FY 2002-03, the Department was appropriated \$156,335 for IT Asset Maintenance, however due to budget reductions, this appropriation was reduced to \$111,405, a 28.7 percent reduction over six fiscal years. The Department is seeking to re-engage a 4-year IT infrastructure replacement plan that was initiated before the budgetary reductions, but was unable to sustain at the reduced appropriation.

The Department is seeking to re-engage the IT infrastructure plan by replacing 25 percent of the laptop and desktop inventory annually, as well as increase the Brand Board technology and field capability by adding 15 laptops to the laptop inventory for Brand Board inspections.

The Brand Board was chosen by the Department to be the first beneficiary of this increased General Fund and increased level of spending authority because of the paper-intensive processes the Brand Board currently employs. The Brand Board Inspectors fill out paper inspection forms at the site of the inspection. They move from site to site during the course of their day. Once the paper forms are delivered to the Brand Board Office, they are scanned and entered into a database by the office staff using desktop computers. On average the Brand Board processes 62,000 inspections a year. At 3 minutes per inspection, this equates to approximately 3,100 man-hours per year to perform this task. The Department expects that by implementing an electronic brand filing processes, the Brand Board will be able to greatly reduce the time and the cost involved with scanning and data entry. This will in turn assist in mitigating the cost the equipment being requested.

Given the lack of any increases to this line item over the last six fiscal years, the enhanced efficiencies that the Brand Board can achieve with laptops, and the Department's observed need to replace obsolescent IT infrastructure, Staff recommends the Department's request.

**For the Information Technology Asset Maintenance line item, Staff recommends the Department's request of \$153,031**, which is comprised of \$42,041 General Fund and \$110,990 cash funds. Cash funds are derived from fee-based programs within the Department. The recommendation includes \$6,160 General Fund and \$35,466 cash funds for **Decision Item #3** (IT Asset Maintenance Increase).

### **Leased Space**

**Staff recommends the Department's request of \$127,264**, which is comprised of \$57,295 General Fund and \$69,969 cash funds. Cash funds are derived from fee-based programs within the Department.

### **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**

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



**Utilities**

**Staff recommends the Department's total request of \$146,318** for this line item, which is comprised of \$91,051 General Fund and \$55,267 cash funds.

**Agricultural Statistics Bulletin**

**Staff recommends the Department's total request of \$75,000**, which is comprised of \$60,000 General Fund and \$15,000 cash funds. 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.

**Grants**

**Staff recommends the Department's request of \$2,707,089 in federal funds and 13.0 FTE** for this line item, which reflects spending authority related to estimated grant receipts.

In FY 2008-09, 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.

**Indirect Cost Assessment**

Staff recommendation is **pending** final Committee action regarding the Department's budget.

**AGRICULTURAL SERVICES DIVISION**

The Agricultural Services Division is divided among three distinct programs:

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.

<b>Staffing Summary</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Appropriation</b>	<b>FY 2008-09 Request</b>	<b>FY 2008-09 Recommendation</b>
Administration	2.9	3.0	3.0	3.0
Facilities	1.0	1.0	1.0	1.0
Technical Services	8.4	9.0	9.0	9.0
Field Program Inspector	10.3	12.0	12.0	12.0
Laboratory Services	7.4	8.0	8.0	8.0

<b>Staffing Summary</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Appropriation</b>	<b>FY 2008-09 Request</b>	<b>FY 2008-09 Recommendation</b>
Farm Products Inspection	1.9	2.0	2.0	2.0
Measurement Standards	10.2	12.0	12.0	12.0
Fruit/Vegetable Inspection	31.4	35.5	35.5	35.5
<b>Subtotal</b>	<b>73.5</b>	<b>82.5</b>	<b>82.5</b>	<b>82.5</b>

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.

<b>Staffing Summary</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Appropriation</b>	<b>FY 2008-09 Request</b>	<b>FY 2008-09 Recommendation</b>
Administration	2.8	3.5	3.5	3.5
Animal Protection	1.0	1.0	1.0	1.0
Rodent/Predator Control	0.6	1.0	1.0	1.0
Veterinary/Animal Care	15.1	16.0	17.0	17.0
<b>Subtotal</b>	<b>19.5</b>	<b>21.5</b>	<b>22.5</b>	<b>22.5</b>

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.

<b>Staffing Summary</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Appropriation</b>	<b>FY 2008-09 Request</b>	<b>FY 2008-09 Recommendation</b>
Administration	11.2	11.1	11.1	11.1
Field Inspectors	14.1	15.0	15.0	15.0
Professional Grades	9.7	11.3	11.3	11.3
Insectary	6.0	6.0	6.0	6.0
Lab	1.7	2.0	2.0	2.0
Noxious Weed	1.3	2.0	2.0	2.0
<b>Subtotal</b>	<b>44.0</b>	<b>47.4</b>	<b>47.4</b>	<b>47.4</b>
<b>Grand Total - All Sections</b>	<b>137.0</b>	<b>151.4</b>	<b>152.4</b>	<b>152.4</b>

**Personal Services (Decision Item #4 and Budget Amendment)**

The Department requests in **Decision Item #4** an increase of \$57,324 General Fund and 1.0 FTE Animal Field Technician to assist the State Veterinarian Office on the Western Slope with disease testing and disease control efforts. The position will investigate livestock for various diseases and will initiate lab samples to verify an incident. If an incident were to arise, this position would quarantine as required. Further, the Animal Field Technician would collaborate with state, federal, and private veterinarians and breeders to schedule disease control measures and would explain clarifying livestock regulations to interested individuals in the livestock industry. Due to the regulatory nature of the position, the hired person would be responsible for determining the appropriate level and type of action necessary to achieve compliance with the disease regulations, thus the Department is requesting a General Professional II level to fill this required need.

Currently there is one federal grant funded Scrapie Disease Control position and one Veterinary Medical Officer (VMO) funded with General Fund covering the animal health responsibilities on the Western Slope. Within the Colorado Western Region there has been a decrease in large scale livestock operations and a subsequent increase small livestock operations. With smaller producers there is an increased potential for disease transmission and increased management and educational needs as well. The Department has been challenged to meet the travel and time requirements to satisfactorily meet these changing issues. According to the State Veterinarian, the present animal health and emergency management workload requirements are beyond the scope and personal service ability of one individual (VMO).

Livestock disease issues throughout Colorado have increased since 2001 within the Western Region. In the past years new and re-emerging livestock diseases have created challenges in animal health response within Colorado and the western slope region. Given the increased workload, **Staff recommends the approval of Decision Item #4** (Animal Field Technician FTE).

The Department requests through a **budget amendment** a decrease of \$28,652 General Fund for Personal Services and a like increase for legal services in the Office of the Commissioner. The department has witnessed an increasing need for legal counsel due to disease control efforts which are financed with General Fund. As explained in the Office of the Commissioner section of this figure setting document, Staff recommends that the committee approve the Department's request of to decrease \$28,652 General Fund from the Agricultural Services Personal Services appropriation and increase the Department's Legal Services General Fund appropriation by a like amount, due to the unforeseen need for the Department to retain additional legal services expertise related to the control of contagious diseases.

**For the Agricultural Services, Personal Services line item, Staff recommends \$10,050,749 and 152.4 FTE**, which is comprised of \$3,358,752 General Fund, \$6,202,408 cash funds, and \$489,589 federal funds. This calculation is made pursuant to Committee common policy, which includes a reduction for a supplemental request to transfer General Fund to the legal services appropriation for contagious disease control efforts, a distribution for salary survey and performance-based pay awarded in FY 2007-08, as well as a 1.0 percent base reduction. The total also reflects a **budget amendment** to reduce the personal services appropriation and make a like increase to the legal services appropriation for contagious disease control efforts, as well as an increase for **Decision Item #4** (Animal Field Technician FTE). The following table summarizes the staff recommendation for this line item.

Personal Services - Agricultural Services Division						
	Total	GF	CF	RF/CFE	FF	FTE
<b>FY 2007-08 Long Bill</b>	\$9,715,577	\$5,152,871	\$4,090,647	\$0	\$472,059	151.4
H.B. 07-1198 ICS Cash Fund	0	(1,917,571)	1,917,571	0	0	0.0
Supplemental to Fund Legal Services for Contagious Diseases	(54,323)	(54,323)	0	0	0	0.0
Salary Survey for FY 2007-08	361,673	135,604	208,848	0	17,221	0.0
Performance-based Pay Awards	116,425	63,178	47,993	0	5,254	0.0
<b>FY 2007-08 SUBTOTAL</b>	<u>10,139,352</u>	<u>3,379,759</u>	<u>6,265,059</u>	<u>0</u>	<u>494,534</u>	<u>151.4</u>
1.0 Percent Base Reduction	(101,394)	(33,798)	(62,651)	0	(4,945)	0.0
DI #4 Animal Field Tech FTE	41,443	41,443	0	0	0	1.0
Budget Amendment to Fund Legal Services for Contagious Diseases	(28,652)	(28,652)	0	0	0	0.0
<b>TOTAL for FY 2008-09</b>	<b>\$10,050,749</b>	<b>\$3,358,752</b>	<b>\$6,202,408</b>	<b>\$0</b>	<b>\$489,589</b>	<b>152.4</b>

#### **Operating Expenses (Decision Items #1, #2, and #4)**

This line includes three decision items, which includes the following: (1) an increase in operating to accommodate on-going increases in postage rates, State Vehicle Fleet per mile rates, and DPA cost increases (**Decision Item #1**); (2) increased spending authority to replace obsolescent lab equipment (**Decision Item #2**); and (3) a request to hire 1.0 Animal Field Technician FTE to assist the State Veterinarian Office with disease testing and disease control efforts (**Decision Item #4**).

The Department's **Decision Item #2** is requesting an increase of \$45,697 (\$34,273 General Fund and \$11,424 cash funds) to replace specific precision measurement equipment used by the Metrology Laboratory over the next 10 years. The Inspection and Consumer Services (ICS) Division, Metrology Lab has statutory custody of the state's primary standards of weights and measures. Thus, the Division must keep its equipment in calibration as prescribed by the National Institutes of Standards and Technology (NIST) as well as the Measurement Standards Act (MSA). Each year the Metrology Lab must send documentation to the NIST proving that standards, equipment, and facilities are adequate. If the facilities meet NIST's guidelines, NIST grants a *Certificate of Traceability* to the laboratory which ensures compliance with statute.

The laboratory relies on scientific instrumentation for accurate and precise measurements as well as to ensure the traceability of all calibrations. The Measurement Standards Laboratory has identified several analyses that need improvements to their calibration abilities. Apparently, due to the laboratory's outdated and marginally acceptable measurement standards equipment, the laboratory has been operating under a "conditional" NIST Certificate of Traceability. This conditional approval will not be continued next year without a facility upgrade.

Pursuant to Section 35-14-107 (1) (a), the Metrology subdivision of the Inspection and Consumer Services Division must, "maintain traceability of this state's standards to the national institute of

standards and technology;" Provided that the lab is on a conditional status with the NIST, and that the entity is required to uphold its traceability standards according to the Measurement Standards Act. In keeping with meeting statutory requirements, staff recommends approval of Decision Item #2 (Measurement Standards Calibration and Equipment) to increase the appropriation to the Operating line by \$45,000, which is comprised of \$33,750 General Fund and \$11,250 cash funds.

**For the Agricultural Services, Operating Expenses line item, Staff recommends \$1,405,552,** which is comprised of \$346,972 General Fund, \$999,279 cash funds, and \$59,301 federal funds. This includes an increase of \$33,723 General Fund, \$78,304 cash funds, and \$3,583 federal funds for **Decision Item #1** (Operating Increase). This also includes an increase of \$33,750 General Fund and \$11,250 cash funds for **Decision Item #2** (Measurement Standards Calibration and Equipment), and \$11,678 General Fund for **Decision Item #4** (Animal Field Technician FTE).

#### **Noxious Weed Management Grant Program**

**Staff recommends the Department's request of \$15,000 cash funds** spending authority for this line item. 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. 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.

#### **Diseased Livestock Indemnity Fund**

**Staff recommends the Department's request of \$25,000 cash funds** spending authority for this line item. 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. The requested amount represents the Department's estimate of potential claims against this fund by applicable parties in FY 2006-07. 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.

#### **Cervidae Disease Revolving Fund**

**Staff recommends the Department's request of \$25,000 cash funds** spending authority for this line item. 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. This amount represents a continuation level of funding, consistent with Committee policy.

#### **Operating Expenses for Aquaculture (Budget Amendment)**

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.

Through a **budget amendment**, the Department requests a \$18,437 increase in spending authority from the Aquaculture Cash Fund to test at-risk aquaculture facilities for Viral Hemorrhagic Septicemia (VHS), a serious pathogen of fresh and saltwater fish.

Viral Hemorrhagic Septicemia (VHS) is a serious and often fatal fish disease killing huge numbers of free-ranging fishes of many species in the Great Lakes and St. Lawrence River areas. Live fish transfer is known to spread VHS, and this practice takes place among U.S. aquaculture facilities. Further, the list of susceptible fish species, as prepared by the U.S. Department of Agriculture, includes nearly all of Colorado's important sport fishes. Thus, the Aquaculture Program is seeking the spending authority to collect fees to test at-risk aquaculture facilities. The Department anticipates that testing of the facilities will be begin in April, 2008.

Fees will be assessed to the at-risk aquaculture facilities for the associated lab work, shipping, and lab supplies, which sums to approximately \$2,050 per facility, with two remote facilities having additional costs related to travel costs and per diem.

Staff recommends that the committee approve the \$18,437 cash funds increase to the Operating Expense for Aquaculture line in the Agricultural Services Division, as a result of the unforeseen need to test at-risk aquaculture facilities for the VHS disease.

**Staff recommends the Department's request of \$43,437 cash funds spending authority for this line item**, which includes an increase of \$18,437 for the budget amendment to increase spending authority to test for the VHS disease.

#### **Lease Purchase Lab Equipment**

During the 2007 Legislative Session, the General Assembly approved the inclusion of this line item to lease-purchase laboratory equipment for the Department's biochemistry laboratory, which performs sample analyses that support the regulatory 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. **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**

Staff recommendation is **pending** final Committee action regarding the Department's budget.

## 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.

Staffing Summary	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
Marketing Supervisor	0.8	1.0	1.0	1.0
Senior Ag Market Specialist	1.0	1.0	1.0	1.0
Ag Market Specialist	1.7	1.7	1.7	1.7
Administrative Support	1.0	1.0	1.0	1.0
Division Subtotal	<u>4.5</u>	<u>4.7</u>	<u>4.7</u>	<u>4.7</u>
Agricultural Development Board	0.5	0.5	0.5	0.5
<b>Total</b>	<b>5.0</b>	<b>5.2</b>	<b>5.2</b>	<b>5.2</b>

### Personal Services

**Staff recommends \$393,351 General Fund and 4.7 FTE for this line item.** This calculation is made pursuant to Committee common policy, which includes salary survey and performance-based pay awards for FY 2007-08. The following table summarizes the staff recommendation.

Personal Services - Agricultural Markets Division						
	Total	GF	CF	RF/CFE	FF	FTE
<b>FY 2007-08 Long Bill</b>	\$379,759	\$379,759	\$0	\$0	\$0	4.7
Salary Survey for FY 2007-08	10,122	10,122	0	0	0	0.0
Performance-based Pay Awards	3,470	3,470	0	0	0	0.0
<b>TOTAL for FY 2008-09</b>	<b>\$393,351</b>	<b>\$393,351</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>4.7</b>

### Operating Expenses (Decision Item #1)

**Staff recommends a total funding request of \$82,577** for this line item, which is comprised of \$32,123 General Fund and \$50,454 cash funds. This includes an increase of \$2,262 General Fund and \$117 cash funds for **Decision Item #1** (Increase for Operating), per Staff's recommendation.

### 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**

**Staff recommends the Department's request of \$45,000 reappropriated cash funds** spending authority for this line item. 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. This amount represents a continuation level of funding, consistent with Committee policy. The new "reappropriated funds" classification affects this line item, as these funds are a transfer from the Office of the Governor - Lieutenant Governor - State Planning and Budgeting.

**Colorado Agricultural Value-Added Development Board**

**Staff recommends a continuing appropriation of \$574,837 cash funds and 0.5 FTE** for this line item. 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). Because these funds are first recognized when they are appropriated here, these funds are now categorized as cash funds and no longer are cash funds exempt.

**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).

<b>Staffing Summary</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Appropriation</b>	<b>FY 2008-09 Request</b>	<b>FY 2008-09 Recommendation</b>
Program Director	1.0	1.0	1.0	1.0
Administrative Staff	9.0	8.0	8.0	8.0
Inspection Agents	47.7	57.3	57.3	57.3
<b>Total</b>	<b>57.7</b>	<b>66.3</b>	<b>66.3</b>	<b>66.3</b>

**Brand Inspection (Decision Items #1 and #6)**

The Department's **Decision Item #6** is a request to increase the program's base funding to replace 10 trucks per year. The Department has requested an increase in funding in its annual budget request



to replace vehicles utilized by the Brand Board's field inspectors six of the last seven fiscal years.

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 \$139,820 cash funds exempt to replace 10 vehicles at an estimated cost of approximately \$13,982 per vehicle.

The Brand Board's field inspectors have witnessed an increase in the number of miles driven annually and a significant increase in truck prices. Because the Brand Board is exempt from the State Fleet program, it is therefore responsible for the purchase, maintenance, and fuel of its trucks. The increase in miles is primarily a result of the disaggregation of ranches requiring an increase in the number of inspections than had been required previously.

Given the Brand Board's ability to leverage affordable truck pricing and its proven need to replace vehicles over the last seven years, staff recommends the increase of the Brand Board program line by \$140,000 cash funds to accommodate the replacement of 10 vehicles per year.

**Staff recommends \$3,716,578 cash funds and 66.3 FTE** pursuant to Committee common policy, which includes a distribution for salary survey and performance-based pay awarded in FY 2007-08, as well as a 1.0 percent base reduction. The following table reflects how staff calculated the recommendation for this line item. This includes a reduction for one-time increases and includes an increase of \$140,000 cash funds for **Decision Item #6** (Brand Board Trucks) and \$608 cash funds for **Decision Item #1** (Increase for Operating), per Staff's recommendation. Because these funds are first accounted for here, these funds are now categorized as cash funds and no longer are cash funds exempt.

<b>Brand Board - Brand Inspections Line Item</b>						
	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF/CFE</b>	<b>FF</b>	<b>FTE</b>
<b>FY 2007-08 Long Bill</b>	\$3,285,678	\$0	\$0	\$3,285,678	\$0	66.3
Salary Survey for FY 2007-08	98,811	0	0	98,811	0	0.0
Performance-based Pay Awards	33,770	0	0	33,770	0	0.0
FY 2007-08 SUBTOTAL	<u>3,418,259</u>	<u>0</u>	<u>0</u>	<u>3,418,259</u>	<u>0</u>	<u>66.3</u>
1.0 Percent Base Reduction	(34,183)	0	0	(34,183)	0	0.0
Operating	308,202	0	0	308,202	0	0.0
<b>Less: One-time Increases</b>	(116,309)	0	0	(116,309)	0	0.0
<b>Add: Decision Item #6 Trucks</b>	140,000	0	0	140,000	0	0.0
<b>Add: Decision Item #1 Operating</b>	608	0	0	608	0	0.0
FY 2008-09 Request SUBTOTAL	<u>3,716,578</u>	<u>0</u>	<u>0</u>	<u>3,716,578</u>	<u>0</u>	<u>66.3</u>
Exchange CFE for CF	0	0	3,716,578	(3,716,578)	0	0.0
<b>TOTAL for FY 2008-09</b>	<b>\$3,716,578</b>	<b>\$0</b>	<b>\$3,716,578</b>	<b>\$0</b>	<b>\$0</b>	<b>66.3</b>

### **Alternative Livestock**

**Staff recommends the Department's request of \$95,662 cash funds**, which are raised from brand inspection and permit fees deposited into the Alternative Livestock Farm Cash Fund as prescribed in Section 35-41.5-116, C.R.S. Alternative livestock refers to the selling, trading, giving, bartering, or otherwise transferring of any domesticated elk or fallow deer in the State. 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.

### **Indirect Cost Assessments**

Staff recommendation is **pending** final Committee action regarding the Department's budget and will reflect the 3.6 percent indirect cost recovery cap provided to the Brand Board, pursuant to Section 35-41-102 (1) (b), C.R.S.

## **SPECIAL PURPOSE**

### **Wine Promotion Board (Decision Items #1 and #5)**

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.

The Department's **Decision Item #5** is a request to increase its spending authority by \$20,719 and 0.5 FTE to hire a part-time employee responsible for supporting marketing efforts, promotional activities of the Wine Board, and assist with administrative operations.

Between 1997 and 2007, Colorado's wine production has increased by over 250 percent per year (170,000 gallons). As wineries develop, this creates a tourism effect that is spread into other parts of the state. As the industry grows, the demands on the Colorado Wine Industry Development Board (CWIDB) continue to expand as well. Currently the CWIDB has 1.0 FTE responsible for carrying out the entity's statutory responsibility to promote Colorado wineries. The CWIDB has historically outsourced the marketing, promotion, and administrative duties to consulting firms or temporary staff for short time periods when workload was beyond the abilities of the 1.0 FTE. Presently, the continued workload and the need for programmatic continuity requires the addition of 0.5 FTE to assist in the program efforts. In FY 2006-07, the program utilized \$5,578 in temporary services to conduct these aforementioned responsibilities and thus are being utilized to offset the full request for this Decision Item from the Department.

Staff recommends the increase of \$15,141 (\$20,719 less \$5,578) cash funds spending authority and 0.5 FTE to enable the CWIDB to obtain the necessary assistance to meet their programmatic responsibilities.

**Staff recommends \$472,647 cash funds and 1.5 FTE for this line item.** This amount includes

moneys for personal and contractual services, for operating expenses, and including salary survey and performance-based pay awards for FY 2007-08. The appropriation includes an increase of \$20,719 and 0.5 FTE for **Decision Item #5** (Part Time Wine Board FTE) and an increase of \$1,400 cash funds for **Decision Item #1** (Operating Increase). The appropriation also includes reductions for funding for temporary services (**Decision Item #5**) and reduction reflecting the Department's request being the lesser of either the Department's request of JBC Staff's personal services calculations, pursuant to the Committee's Option 8 policy. The following table reflects how staff calculated the recommendation for this line item.

<b>Special Purpose - Wine Promotion Board Line Item</b>						
	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF/CFE</b>	<b>FF</b>	<b>FTE</b>
<b>FY 2007-08 Long Bill</b>	\$280,322	\$0	\$280,322	\$0	\$0	1.0
Salary Survey for FY 2007-08	2,562	0	2,562	0	0	0.0
Performance-based Pay Awards	878	0	878	0	0	0.0
DI #5 Part Time Wine Board FTE	20,719	0	20,719	0	0	0.5
Temporary Help Offset	(5,578)	0	(5,578)	0	0	0.0
Department Request Difference	(269)	0	(269)	0	0	0.0
Operating	172,613	0	172,613	0	0	0.0
DI #1 Operating Increase	1,400	0	1,400	0	0	0.0
<b>TOTAL for FY 2008-09</b>	<b>\$472,647</b>	<b>\$0</b>	<b>\$472,647</b>	<b>\$0</b>	<b>\$0</b>	<b>1.5</b>

**Vaccine and Service Fund**

**Staff recommends the Department's appropriation request of \$162,713 cash funds**, which is an estimate of anticipated expenditures for FY 2007-08. 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. This amount represents a continuation level of funding, consistent with Committee policy.

**Brand Estray Fund**

**Staff recommends the Department's request of \$94,050 cash funds for this line item.** 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.

**Indirect Cost Assessments**

Staff recommendation is **pending** final Committee action regarding the Department's budget.

**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.

<b>Staffing Summary</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Appropriation</b>	<b>FY 2008-09 Request</b>	<b>FY 2008-09 Recommendation</b>
Fair Manager	1.0	1.0	1.0	1.0
Professional Grades	6.0	6.0	6.0	5.3
Program Administration	8.3	8.3	8.3	9.0
Maintenance	5.0	11.6	11.6	11.6
<b>Total</b>	<b>20.3</b>	<b>26.9</b>	<b>26.9</b>	<b>26.9</b>

**Program Costs (Budget Amendment)**

**Staff recommends \$9,009,242 cash funds and 26.9 FTE for this line item.** This amount includes moneys for personal and contractual services, for operating expenses, as well as salary survey and performance-based pay awards for FY 2007-08 and a 1.0 percent base reduction. The following table reflects how staff calculated the recommendation for this line item.

<b>State Fair - Program Costs Line Item</b>						
	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>CFE</b>	<b>FF</b>	<b>FTE</b>
<b>FY 2007-08 Long Bill</b>	\$3,890,259	\$0	\$3,890,259	\$0	\$0	26.9
Salary Survey in FY 2007-08	10,500	0	10,500	0	0	0.0
Performance-based Pay Awards	3,600	0	3,600	0	0	0.0
<b>FY 2007-08 SUBTOTAL</b>	<u>3,904,359</u>	<u>0</u>	<u>3,904,359</u>	<u>0</u>	<u>0</u>	<u>26.9</u>
1.0 Percent Base Reduction	(39,044)	0	(39,044)	0	0	0.0
Operating	3,228,388	0	3,228,388	0	0	0.0
Funds Held in Reserve/Payoff Bonds	1,915,539	0	1,915,539	0	0	0.0
<b>TOTAL for FY 2008-09</b>	<b>\$9,009,242</b>	<b>\$0</b>	<b>\$9,009,242</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>

## 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.

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
<b>Total</b>	<b>3.5</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>

### Personal Services

**Staff recommends \$367,699 General Fund and 5.5 FTE**, which was calculated pursuant to Committee common policy. This amount includes salary survey and performance-based pay awards for FY 2007-08. The following table summarizes the staff recommendation.

Personal Services - Conservation Board						
	Total	GF	CF	RF/CFE	FF	FTE
<b>FY 2007-08 Long Bill</b>	\$351,896	\$351,896	\$0	\$0	\$0	5.5
Salary Survey for FY 2007-08	11,768	11,768	0	0	0	0.0
Performance-based Pay Awards	4,035	4,035	0	0	0	0.0
<b>TOTAL for FY 2008-09</b>	<b>\$367,699</b>	<b>\$367,699</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>5.5</b>

### Operating Expenses

**Staff recommends the Department's request 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

**Staff recommends \$391,714 General Fund for this line item.** These distributions are the primary component of the Conservation District program and are essential to maintaining the network of the

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

#### **Matching Grants to Districts**

**Staff recommends \$150,000 General Fund for this line item.** This line also includes \$450,000 cash funds which are continuously appropriated from the Conservation District Grant Fund, pursuant to H.B. 06-1393 and are for informational purposes only. This amount represents a continuation level of funding, consistent with Committee policy.

#### **Salinity Control Grants**

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

## **FOOTNOTES**

Staff recommends the **discontinuation** of the following footnotes to the Department's section of the FY 2008-09 Long Bill.

- 1 Department of Agriculture, Agricultural Services Division, Inspection and Consumer Services --** The Department is requested to submit a report to the Joint Budget Committee by November 1, 2007, which summarizes options for reducing personal services and operating expenses related to programs administered by Inspection and Consumer Services. This report should include strategies for extending risk-based time frames, comparisons to programs in other states, statutory changes necessary to implement potential cost savings, and possible consequences of reduced funding and FTE.

**Comment:** Staff is able to request this information from the Department as needed and does not require a footnote or formal written request for information.

- 2 Department of Agriculture, Special Purpose, Wine Promotion Board --** The Department is requested to submit a report to the Joint Budget Committee by November 1, 2007, which summarizes the program's efficacy in "promoting all wines produced or finished by a licensed Colorado winery," pursuant to Section 35-29.5-104 (2), C.R.S. and which summarizes the program's effectiveness in enhancing the market share of Colorado wine.

**Comment:** Staff is able to request this information from the Department as needed and does not require a footnote or formal written request for information.

- 3 Department of Agriculture, State Fair --** The Department is requested to submit a report to the Joint Budget Committee by November 1, 2007, which summarizes the State Fair's year-to-date and future contracted revenue-generating events and the revenue associated with each event, itemized by the event's association to the State Fair's statutory purposes as outlined in Section 36-65-105 (1), "*for the display of livestock and agricultural, horticultural, industrial, mining, water conservation, tourist industry, recreational, educational, and scientific facilities, processes, and products of the state of Colorado.*" .

**Comment:** Staff is able to request this information from the Department as needed and does not require a footnote or formal written request for information.