

DEPARTMENT OF AGRICULTURE
FY 2025-26 JOINT BUDGET COMMITTEE HEARING

Monday, December 9, 2024
3:30 pm - 4:30 pm

COMMON QUESTIONS FOR DISCUSSION AT DEPARTMENT HEARINGS

- 1) Please describe any budget requests that replace one-time General Fund or ARPA funded programs with ongoing appropriations, including the following information:
 - a) Original fund source (General Fund, ARPA, other), amount, and FTE;
 - b) Original program time frame;
 - c) Original authorization (budget decision, legislation, other);
 - d) Requested ongoing fund source, amount, and FTE; and
 - e) Requested time frame (one-time extension or ongoing).

CDA does not have any budget requests that replace one-time GF or ARPA funded programs.

PROGRAMMATIC BUDGET REDUCTION OPTIONS

AGRICULTURAL MARKETS

2. [Sen. Bridges/Rep. Bird] Please describe the Department's efforts towards domestic and international branding and marketing of Colorado agricultural products. What has been the impact and return on the state's investment in this advertising?

The Markets Division oversees three key programs that are integral to establishing statewide, national, and international recognition of Colorado agricultural products. With a small team of just 4.5 (FTE), these programs trace their origins back to 1939 with the creation of market orders.

Market Orders in Colorado Agriculture

Market orders are regulatory tools designed to support the marketing, research, promotion, and development of agricultural products within Colorado. Established under the authority of the Colorado Department of Agriculture (CDA), these orders are typically initiated by producers, processors, or marketers of a specific commodity. They are funded through assessments collected from producers or handlers, providing a legal framework for these commodities to advertise and promote themselves.

In 2024, these assessments collectively generated \$3.7 million. However, CDA does not receive direct funding from these market orders. Instead, CDA staff play a crucial role in oversight and support, leveraging these partnerships to build Colorado agriculture's reputation as a reliable and high-quality food source both domestically and internationally. It

is important to note that the funds raised through market orders are managed independently by the respective commodity groups and are not spent through CDA.

Operational costs for CDA's involvement in market orders average \$3,500 annually, primarily covering travel for in-person meetings. Additionally, the program collaborates with **Colorado Proud** and its partners to amplify promotional efforts beyond what individual market orders can achieve, further enhancing Colorado's reputation in the global market.

Colorado Proud Program

The **Colorado Proud Program** is a free marketing initiative for Colorado-based agricultural producers, food businesses, beverage makers, and other agricultural companies. Any food, fiber, or drink products grown, raised, or made in Colorado qualify to use the **Colorado Proud** logo, providing a recognizable brand that connects consumers with local products.

Building the Brand

A strong, well recognized brand like Colorado Proud relies heavily on strategic advertising and market impressions. Through the Markets Division and Colorado Proud program, CDA works to balance brand-building efforts with promoting Colorado food and agriculture products across local, regional and international markets. This strategy is part of a broader effort to deliver a robust return on investment for Colorado's agricultural sector, elevating the visibility and success of Colorado agriculture on both the domestic and international stage.

The **Colorado Proud logo** maintains a strong presence and recognition among Colorado consumers, with **80% awareness** among those surveyed. Additionally, **73% of consumers** report seeing the logo in grocery stores, and **71% understand its meaning**. Importantly, consumers say they are **76% more likely** to purchase products featuring the Colorado Proud logo, highlighting its effectiveness as a trusted identifier of local goods.¹

Business Development Opportunities for Members

The program provides members with various opportunities to support and grow their businesses, including:

- Participation in food and product shows.
- Meetings with distributors and co-packers.
- Networking opportunities such as meet-and-greets and conferences.

Colorado Proud also keeps members informed through a monthly newsletter, which shares industry and department updates. The newsletter reaches over 4,000 subscribers and boasts a 51% open rate.

¹  CP 2024 Ag Commission Presentation.pptx Slides 17-26

Digital Resources and Engagement

To further support members, Colorado Proud offers:

- A monthly podcast, *Cultivation Station*, which covers business development topics and features insights from successful food, agriculture, and beverage companies. Over the past year, the podcast has achieved 1,000 downloads.
- Lunch and Learn webinars, which replaced costly pre-pandemic in-person events, provide technical business guidance in an accessible format. Colorado Proud holds one interactive webinar per month, with 206 total viewings as of November 20, 2024.

Colorado Proud offers a trusted and well-recognized platform that benefits both consumers and business owners. Members can leverage this established platform to grow their businesses by utilizing the logo, participating in events, and collaborating with the program’s business development team and industry partners.

The program focuses on maintaining high consumer awareness and promoting local shopping through strategic advertising campaigns and partnerships with distributors and retailers. While proprietary data restrictions limit access to detailed sales figures, Colorado Proud measures its impact through consumer and member surveys, anecdotal feedback, and observations from industry events.

This feedback highlights the program’s success in fostering consumer education, supporting local businesses, and strengthening Colorado’s agricultural and food industries.

Colorado Proud Outcomes Jan 2024 - November 2024

Project	Outcome	Outcome	Investment
Video Ads, Google Search Ads, Mobile Ads	5.7 Million Impressions	N/A	\$30,000
Facebook, Instagram, Tik Tok, Pinterest	11.1 Million Impressions (77% growth from previous year)	1.05 Million Engagements 2,100% growth from previous year	\$62,000
BCFM Event	1.47 Million Impressions	33,750 Engagements	\$4,400
Billboards	1.6 Million Impressions	N/A	\$15,000
<u>In-Store Logo Awareness</u> 200 Stores	3.8 Million Impressions	N/A	\$45,000

Instacart	450,000 Impressions	\$68,380 sales	\$8,770
PR (News Outlets)	15.8 Million Impressions	228,000 Engagements	\$5,000

National and International Program

While the Colorado Proud program utilizes funds for advertising, the International Marketing program does not allocate any funds to advertising. Instead, these programs complement each other, with the established credibility of the Colorado Proud brand enhancing the impact of the International Marketing program. The limited funding for the International program is dedicated to trade development activities, such as trade shows and trade missions, with the primary goal of expanding business opportunities for Colorado farmers, ranchers, and food and ag businesses. These efforts focus on opening new markets, connecting with potential buyers, including importers, distributors, wholesalers, retailers, and foodservice providers, and overcoming logistical challenges to address trade barriers.

A diverse portfolio of funding enables Colorado to conduct specific trade activities and strategically maximize impact by leveraging additional grants and federal programs that require matching contributions or fees. For example, federal programs like the Small Business Administration (SBA) grants and USDA Market Access Program (MAP) funds support trade promotion efforts but necessitate matching funds or fees for participation. Without state funding, Colorado would be unable to meet these requirements or access these additional resources.

In an average year, the program organizes and executes 12-16 trade development activities, supporting agriculture companies statewide across nine industries: live cattle/genetics, meat, pulses, grains, vegetables, beverages, consumer packaged goods, dairy, and pet supplies. These activities are designed to represent Colorado agriculture in diverse global markets and create a unified "Colorado" initiative at trade events. This collaborative approach enhances statewide brand recognition, helping participants gain visibility on both national and international stages.

Measuring Return on Investment

The program consistently delivers measurable results, with participants reporting actual sales and growth stemming from trade activities. These efforts are essential in helping Colorado’s farmers, ranchers, and producers explore and expand their presence in global markets, driving increased sales and fostering long-term economic growth.

Here is an example of ROI for major trade development activities in 2024:

Activity	GF Investment	Other Funding	Sales Generated	ROI on GF
2024 ANTAD	\$17,500	\$52,500	\$6,905,000	395
2024 IFE	\$20,500	\$61,500	\$960,000	47
2024 Canada	\$18,750	\$56,250	\$995,000	53
2024 NRA	\$15,250	\$45,750	\$1,240,000	81
2024 Miami	\$18,333	\$55,000	\$1,185,000	65

In addition here is a sample of a few (not all) specific trade results from participating companies in 2024 activities:

Company	Commodity	Country	Result
Queso Campesino	Dairy	Mexico	5 Containers a month at 95K per container. = \$475,000 per month
Chile Crunch	Condiments	Canada	First pallet \$2500
Trinidad Benham	Dry Beans	Central America	\$3 million plus
ThunderSnout BBQ	Condiments	UK	\$60,000 and projected \$200,000 for 2025
Seed Ranch Flavor	Condiments	Central America	\$25,000
Rocky Mountain Spice Co	Spices	USA	1 million lbs of pancake mix for restaurant chain
Fitch Ranch	Beef	USA	1 pallet per quarter to the east coast. \$15,000 per quarter.
East West Beer Exchange	Beverages	Taiwan	3 containers so far \$75,000

Together, market orders, the Colorado Proud program, and the International Marketing program form a comprehensive, three-pronged marketing strategy that amplifies the \$47 billion annual economic impact of agriculture in Colorado by supporting local producers, promoting state-grown products, and opening global markets, ensuring the continued growth and recognition of Colorado’s vital agricultural industry.

3. [Rep. Bird] Given the Agriculture Workforce Development program was created in 2018 through S.B. 18-042, what has been the program’s performance outcomes and metrics? What has been the return on the state’s investment in agricultural workforce development?

The Ag Workforce Program has shown substantial impact since the first internships launched during the 2018/2019 growing season. The funding awarded between fiscal years 2019-2024 (the full life of the program to-date) was a total of \$594,283.88, while the amount requested

from grant applicants during this same period was \$1,227,946 indicating that the demand for the program outweighs the funding more than 2:1. From FY 2019-2024 the program has supported 168 internships at 122 businesses across 27 counties. In post-internship surveys, over 90% of interns from the 2021 and 2022 seasons reported an intention to continue with a career in agriculture. During the 2023-2024 seasons, over 85% of program participants anticipated career advancement after program completion.

See below for internships offered and other demographic information.

Fiscal Year	Number of Internships Awarded	Number of applications received	% of Applications Awarded	Available Funding	Average amount per award
2019	13	37	32.43%	\$40,756	\$3,396
2020	22	24	75.00%	\$59,281	\$3,293
2021	20	45	40.00%	\$89,084	\$3,873
2022	29	63	42.86%	\$105,791	\$4,568
2023	46	64	60.94%	\$170,000	\$4,353
2024	31	75	41.33%	\$125,000	\$4,803
2025	66*	80	82.50%	\$301,540	\$4,568

* CDA is in the process of finalizing intern application review for 2025.

4. [Rep. Bird] Regarding the Department’s workforce development programs, what would be the impact to people using those programs if they were paused, eliminated, or had their funding reduced, respective to each program?

Labor is an ever present challenge for our ag businesses, consistently cited as the number one challenge in maintaining an ag operation. The Bureau of Labor Statistics states that “by 2026, nearly 25 percent of the U.S. workforce will be aged 55 and older.” This is already the case for Colorado Agricultural producers. The National Association of State Departments of Agriculture (NASDA) highlights that “American agriculture faces a critical shortage of labor that harms annual harvests, animal agriculture production and processing facilities.”

The average age of a producer in Colorado continues to increase, as seen in the National Agricultural Statistics Service (NASS) data below.

Colorado Producer Demographic Age Data 2022 VS 2017 (2022 Census of Agriculture - Colorado Data)²

Characteristics	2022	2017
Age group - Con.		
25 to 34 years	4,538	4,527
35 to 44 years	9,601	8,042
45 to 54 years	9,877	12,163
55 to 64 years	16,133	20,116
65 to 74 years	17,401	15,650
75 years and over	9,401	7,634
Average age	58.3	57.6
Young producers (see text)	5,439	(NA)

USA Producer Demographic Age Data 2022 VS 2017 (2022 Census of Agriculture - United States of America)³

Characteristics	2022	2017
Age group - Con.		
25 to 34 years	239,480	234,496
35 to 44 years	426,616	390,345
45 to 54 years	519,430	614,654
55 to 64 years	837,525	955,354
65 to 74 years	826,931	757,936
75 years and over	467,062	396,106
Average age	58.1	57.5
Young producers (see text)	296,480	(NA)

Access to land and capital are the two most significant barriers young and beginning farmers and ranchers face. This program helps young people gain experience in agriculture without the risky up-front investments associated with purchasing land or starting their own business.

CDA's Ag Workforce Development program supports two sides of the labor shortage issue in a fiscally responsible way: first, in providing businesses the funding needed to

²https://www.nass.usda.gov/Publications/AgCensus/2022/Full_Report/Volume_1,_Chapter_1_State_Level/Colorado/st08_1_052_052.pdf

³https://www.nass.usda.gov/Publications/AgCensus/2022/Full_Report/Volume_1,_Chapter_1_US/st99_1_052_052.pdf

support training of a new workforce to maintain their operations; second, in providing vital hands-on education and skilled labor training to individuals interested in pursuing a career in agriculture.

The program provides up to \$5000 in funding to qualifying ag businesses in the state to hire and train an intern for the purpose of pursuing agricultural careers. **The qualifying business must match the state's investment dollar for dollar (the program only pays up to 50% of the cost of allowable expenses for hiring the intern).** Businesses are allowed to apply for more than one internship. The majority of funding goes to intern pay, with up to 10% allowed for covering business administrative costs, and 15% allowed for other expenses (training, books, uniforms).

Should funding for this program be scaled down, it would compromise the ability of the department to address critical long term challenges in the agricultural labor market. This in turn will have a continuous compounding deleterious impact on the strength of Colorado's rural economy until exigent labor issues are addressed within Colorado.

Colorado is well known for the agricultural education that its universities provide in the classroom; this program provides invaluable "in the field" experience that most universities cannot offer. Numerous agriculture related businesses who utilize this program (small family farms, educational institutions, nonprofits, and ag tech companies) would be severely impacted if funding for this program was not continued.

The Next Gen Ag Leadership program's intent is to ensure the security of Colorado's food systems, stewardship of natural resources, and equitable food access across communities. This program is geared toward not only to future generations of farmers and ranchers, but also to people trained in the biosciences, nutrition, meat science, veterinary science, agronomy, soil health and conservation, engineering, food safety, technology, product development, marketing, and logistics. Combined, these programs advance support of educational and leadership development opportunities for the next generation of agricultural producers, aspiring producers, and young people across the food and ag value chains.

Since 2021, \$799,795 has been awarded in funding to 38 businesses/organizations and 77 projects have been turned away. The grand total of requests in the past 3 years is \$2,588,940 meaning close to \$2M in requests has gone unfunded. Survey data shows that 90% of Next Generation Agriculture Leadership participants receiving scholarships or funding report gaining significant new leadership skills or knowledge.

In 2024, the awarded proposals are estimated to impact 386 next generation agriculturalists across the state through high quality leadership training, apprenticeships, and educational opportunities. In 2023, the funded projects reached 676 young people (one project estimated reaching 425 students through the curriculum they developed with these funds). In 2022, the program reached at least 160 next generation agriculturists through tailored apprenticeships and leadership training projects, and impacted another 500+ students and community members through educational materials developed that will be used for years to come. Over the years, these projects have improved knowledge and understanding of Colorado's agricultural system and developed the skills of young people who can lead Colorado into the future of agriculture.

Specifically, Next Gen Agricultural Leadership dollars have funded: 1) 63 scholarships for young people to attend the Colorado Food Summit; 2) 12 CALP (Colorado Agriculture Leadership Program) class members to study global agriculture in Taiwan and Cambodia, 3) STEAD School curriculum created for 425 students to design and lead their learning in Science, Technology, Environment and Ag Systems Designs, 4) Larimer County Conservation District materials developed through their Expedition Colorado program for students to dig deeper into Colorado's agriculture system and understand where their food comes from, 5) Four mid level assistant managers associated with Frontline Farming to receive education, mentoring, leadership training to develop their leadership skills in 2024, 6) CSU hosted workshops delivered to over 150 Spanish speaking families on technical and financial basics for farmers.

GRANT PROGRAMS

5. [Sen. Bridges] Could the General Fund appropriations to the renewable energy and energy efficiency grant program or the Next Gen Ag Leadership/Ag Workforce Development grant program be funded from the Agriculture Management Fund instead?

The General Fund appropriation for the renewable energy and energy efficiency grant program is the only dedicated state funding available. Fully funding the renewable energy and energy efficiency grant program through AMF would amount to nearly 25% of the AMF's total annual funding and would require CDA to cut funding from other programs and priorities that are currently funded using the AMF. CDA has a budget set for the AMF through FY 25-26, and would need to carefully consider how much funding would be available for these grants by deprioritizing other needs. Current AMF spending and the FY 25-26 budget are outlined in the below question.

Additionally, CDA is already committing \$300,000 of AMF to the Ag Leadership/Ag Workforce initiative, which is just under a 50% match of the GF. Similarly to the renewable energy grants, any additional liability on the AMF would require careful consideration of other cuts.

6. [Rep. Sirota] For the renewable energy and energy efficiency grant program, what happened with the program in-between the ending of its severance tax transfer in FY 2015-16 and one-time stimulus funding provided in FY 2021-22?

The grant program for agricultural renewable energy and energy efficiency was able to sustain itself between FY2017-18 and FY2020-21 by utilizing the existing fund balance in the Agricultural Value-Added Cash Fund, while CDA sought other funding sources beginning in 2016. Additionally, projects largely stopped or slowed in 2020 and 2021 because of supply chain issues during the pandemic, further extending the existing fund balance. During this time, we continued to leverage federal funding to support program objectives, including a five-year, \$1.1 million NRCS award in 2015 and a three-year, \$1.5 million NRCS Regional Conservation Partnership Program award to the Colorado Energy Office in 2016, in partnership with CDA.

COMMISSIONER’S OFFICE

7. [Sen. Bridges] The Department is using a higher proportion of General Fund in FY 2024-25 to cover Personal Services and Health, Life and Dental costs than it did in FY 2018-19, even after adjusting for inflation. Can the Department explain why General Fund appropriations have increased more than reappropriated fund and cash funds appropriations, and if there are other sources of funding that could be used to cover increases in those line items?

Personal Services

Below is a table of actions approved via either legislation or budget actions for the Commissioner’s Office. It is important to note that 2.5 of the 4.8 FTE (\$225,261 GF) that are currently allocated to the Commissioner’s Office are included in the Long Bill Reorg (R03) and highlighted in the table below, which realigns the FTE to the appropriate division in the Long Bill (the table below shows the positions as approved, however they have annualized to 2.5). The FTE associated with HB22-1308 is term limited through FY 2025-26. The overall increase can be attributed to the increase in approved actions by the general assembly and salary survey/base adjustments since FY 2018-19. The General Funded FTE are unable to be funded by other sources mainly because they are not directly associated with a fee based program within the department. In addition, federal funding would not be an appropriate source of funds.

General Fund Increases to Commissioner's Office Personal Services Line			
Budget Fiscal Year	Action	Amount	FTE
FY2018-19	N/A	\$0	0.0
FY2019-20	N/A	\$0	0.0
FY2020-21	N/A	\$0	0.0
FY2021-22	HB21-1242- Create ADCRO Office	\$93,783	0.9

FY2022-23	R-01 Agriculture Emergency Coordinator	\$100,726	1.0
FY2022-23	HB22-1308-Ag Workforce Services Program	\$22,211	0.4
FY 2023-24	R-02 Commissioner's Office Support	\$120,147	1.0
FY 2023-24	HB23-1008 CFA (through FY26 ONLY)	\$98,185	1.0
FY 2024-25	SB24-055 Agricultural & Rural Behavioral Health Care	\$38,497	0.5
	Total	\$473,549	4.8

Health, Life and Dental

After further review, the department does agree that the fund split for HLD has seen an increase since FY 2018-19. The department is currently working with DPA to better align the HLD fund splits for the department. In line with CDA's commitment to fiscal stewardship of General Fund dollars, the department is also currently conducting a comprehensive analysis of all General Fund funded lines that relate to total compensation. Through DPA, CDA will revise down General Fund splits that do not align with historical trends of GF investment since FY 19 within DPA's upcoming total compensation true-up.

CASH FUND BUDGET REDUCTION OPTIONS

AGRICULTURE MANAGEMENT FUND

8. [Sen. Bridges/Rep. Taggart] When asked about a \$620,000 Agriculture Management Fund transfer to the General Fund, the department listed three areas of near-term impact: (1) decreased funding towards making Department buildings energy efficient, (2) elimination of support to the Department of Parks and Wildlife for wolf reintroduction grants, and (3) elimination of \$200,000 in mental health grant funding. Please provide more context on if these would be the first areas that the Department would cut spending after a General Fund transfer, or why those would be the area of impact?

There are many competing priorities for the AMF, there are certain portions of this budget that cannot be cut unless they are removed as footnotes from the long bill. This includes support to divisions to address cash fund impacts from the step plan, which has helped us avoid surprise fee increases for customers. This amounts to approximately 10% of the AMF balance. Another large expense is the Department facilities (9.21%) and administrative funding (8.8%). The impacts identified by the Department are examples of items that take up a large percentage of AMF funds but would not require the elimination of critical positions or support to divisions; however, that does not mean those items would be the first priority cuts, or that those items are not critical to CDA's mission. Other outcomes could include, eliminating the eco-pass program, eliminating support of the 150 year Anniversary project,

grounds maintenance, lab emergency fund, or apprenticeship/internship program as directed by E.O. D 2023 016. Some items that CDA is required to support include Ag Leadership grants (footnoted in long bill) and the match to the National Agricultural Statistical Service. In the event of a funding reduction in AMF, CDA will need to make difficult choices concerning key priority areas depending on the size of the funding cut.

9. [Sen. Amabile] The Department noted using \$200,000 from the Agriculture Management Cash Fund to fund a mental health grant program. Please share the anticipated impact of this funding - how many grants would \$200,000 fund, to whom, and for what types of programs?

In 2020, CDA was awarded \$546,809 from the National Institute of Food and Agriculture (NIFA), which CDA distributed to five grantees focused on farmer and rancher mental health services. In 2022, the State Legislature funded \$200,000 worth of grants focused on “mental health programs in rural Colorado” via a FY 22-23 Long Bill Amendment added in the Senate sponsored by Senators Donovan and Sonnenberg. CDA facilitated a competitive grant process for the state funds and received \$3.4M worth of requests from 54 applicants. Of these, CDA was only able to fund four projects.

The 2022 Mental Health Grants, funded by the General Fund, produced the following outcomes.

Grantees.

Four projects were selected from fifty four applications. Grantees were

- Northwest Community Health (\$27,500)
- Loving Beyond Understanding (\$61,000)
- Project Protect (\$50,000)
- Community Health Initiatives (\$61,000)

Impact

Combined, these projects directly reached 1,167 people across Colorado, and hired a total of 6 FTE (non-state staff) for the grant period.

The projects were all based in rural communities, and focused on agricultural communities. Specific populations reached included: LGBTQ+ youth, hispanic and Spanish speaking farmworkers, African American, Native American, Latina/o, LGBTQ+, and older adults, and Coloradans below the federal poverty level.

- Enrolled 50 families in resilience training that reduces drug/alcohol addiction, supports family communication, and improves decision-making skills,
- Supplied 100+ farm workers with access to language-appropriate mental health resources,

- Supported 20 disabled farmers with specialized equipment that allows them to continue working.

Table 1. Summary of Grantee Outcomes

Funding Source	Grantees	Outcomes*
National Institute Food & Agriculture 2021-2024 \$546,809 (\$427k provided in grants)	Rocky Mountain Farmers Union	<ul style="list-style-type: none"> - Trained 100 “trainers” in a COMET** Train-the-Trainer course - Weekly meet-ups for agricultural producers
	La Plata Family Centers Coalition	<ul style="list-style-type: none"> - Improved access to mental health counseling to immigrants, Spanish-speakers, and other underserved communities. Approximately 30 individuals served.
	Farm Bureau	<ul style="list-style-type: none"> - Expanded Colorado Agricultural Addiction and Mental Health Program (CAAMHP) across the state - Trained providers on cultural competency - 70 Vouchers for virtual counseling distributed.
	AgrAbility	<ul style="list-style-type: none"> - Assistive or adaptive equipment provided to 15 CO farmers/ranchers
	Valley-Wide Health Systems	<ul style="list-style-type: none"> - 8 COMET trainings conducted - Weekly CoffeeBreak meetups to support community health
	Public Service Announcements	<ul style="list-style-type: none"> - CDA funded >2,000 60-sec spots on 8 different radio stations.
HB22-1329 CO Long Bill FY 2022-23 \$200,000	Northwest Colorado Health	<ul style="list-style-type: none"> - Improved access to behavioral health services for 146 patients - Depression remission after 12 months (goal: 5% of patients) - Percentage of patients screened for depression and have follow up plan documented (goal: 95%)
	Project Protect Promotores	<ul style="list-style-type: none"> - Facilitated access to mental and behavioral health services for 600 farm workers - Increased awareness of mental & behavioral health services for spanish-speaking farm workers
	Community Health Initiative	<ul style="list-style-type: none"> - 87 individuals/families completed resilience (FOCUS) training
	Loving Beyond Understanding	<ul style="list-style-type: none"> - Connected with 337 LGBTQ+ youth and families, and provided resources, safe spaces, and events.

		- Trained 26 personnel on resilience conversations
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**COMET training: Developed by the High Plains Research Network (HPRN) Community Advisory Council (a grassroots group of ranchers, teachers, small business managers, students, retirees in rural eastern Colorado), rural mental health professionals, and health researchers, COMET training aligns with rural cultural values of neighbor helping neighbor and communities being their own best resource. Via COMET, community members learn how to initiate a supportive interaction for a potentially emotional conversation using a simple, conversational seven-question guide. ⁴

10. [Sen. Kirkmeyer] In FY 2024-25, the Department was appropriated \$2,048,914 from the Agriculture Management Fund into the Agriculture Management Fund line item under the Commissioner’s Office. Please provide an accounting and explanation of how the Department has expended this money, and how they expect to do so for that same line item in FY 2025-26.

Item	FY 2024-25		FY 2025-26*	
Ag Commission Travel	\$20,000	0.55%	\$20,000	0.80%
WIG Initiatives and Special Projects	\$50,000	1.38%	\$50,000	2.00%
CORE Values	\$5,500	0.15%	\$5,500	0.22%
Commissioner's Office Support (3 of 4 are term limited)	\$350,000	9.63%	\$350,000	14.00%
Governor's IAs	\$20,000	0.55%	\$20,000	0.80%
Internship Program	\$40,000	1.10%	\$40,000	1.60%
Market's Division Funding	\$150,000	4.13%	\$150,000	6.00%
International Marketing	\$50,000	1.38%	\$0	0.00%
Predator Control and Feral Swine	\$80,000	2.20%	\$80,000	3.20%
Division Spending	\$350,000	9.63%	\$350,000	14.00%
Sponsorships	\$25,000	0.69%	\$25,000	1.00%
Inclusive Leadership Program	\$27,128	0.75%	\$27,128	1.09%
Professional Development	\$25,000	0.69%	\$25,000	1.00%
Facilities	\$334,522	9.21%	\$401,427	16.06%

⁴ <https://agwell.org/comet/>

Greening Government	\$100,000	2.75%	\$100,000	4.00%
Employee Action Committee	\$7,000	0.19%	\$7,000	0.28%
Employee Appreciation (CARE)	\$18,110	0.50%	\$18,110	0.72%
Leadership Retreats/ All Staff Meetings	\$43,000	1.18%	\$43,000	1.72%
Agriculture Statistic (NASS)	\$12,040	0.33%	\$12,040	0.48%
Tribal Consultations	\$8,500	0.23%	\$8,500	0.34%
Eco-Pass	\$5,250	0.14%	\$5,250	0.21%
Program Admin Project Funding (Term-limited)	\$320,000	8.81%	\$320,000	12.80%
150/250 Year Anniversary	\$245,000	6.74%	\$0	0.00%
Urban Ag NRCS Partnership	\$20,000	0.55%	\$0	0.00%
Pesticide Outreach	\$50,000	1.38%	\$0	0.00%
Tree Replacements (305 Interlocken)	\$20,000	0.55%	\$0	0.00%
International Trade Relations	\$76,000	2.09%	\$0	0.00%
Replace Parking Lot Light Poles	\$60,000	1.65%	\$0	0.00%
Lab Emergency Fund	\$30,000	0.83%	\$0	0.00%
Mental Health Grants	\$200,000	5.51%	\$0	0.00%
Division Executive Support	\$30,000	0.83%	\$0	0.00%
CDLE Inter-Agency Agreement	\$121,600	3.35%	\$0	0.00%
Wolf Reintroduction/Grants	\$300,000	8.26%	\$0	0.00%
Apprenticeship Program	\$35,000	0.96%	\$0	0.00%
Emergency Reserves	\$404,055	11.12%	\$442,045	17.68%
Total	\$3,632,705	100.00%	\$2,500,000	100.00%

*The FY2025-26 budget is subject to change.

DISEASED LIVESTOCK INDEMNITY FUND

11. [Sen. Bridges] Please describe why we have the Diseased Livestock Indemnity Fund and its purpose. What would be the worst case scenario if funds from this cash fund were transferred to the General Fund, reducing its current balance?

State Departments of Agriculture have their own Diseased Livestock Indemnity Funds to protect their agricultural industry when the Federal Government is unable to do so. 35-50-114, C.R.S., states the purpose of this fund: "...[To] meet the emergency caused by any outbreak of contagious or infectious disease, the Governor may cause to be issued the state's certificate of indebtedness with which to indemnify owners of property destroyed to pay the necessary costs and expense of exterminating and eradicating such contagion or infection. This section shall not apply to the disease for which federal indemnity is paid to the owners." In addition, "(2) The Commissioner, upon the recommendation of the state veterinarian may authorize the payment of indemnity to any livestock owner whose herd, pursuant to written agreement with the state veterinarian is sold for slaughter or destroyed because it is exposed to or diagnosed with an infectious or contagious disease."

Eliminating the funding from the Diseased Livestock Indemnity Fund could have several significant consequences, particularly if an outbreak occurs or if other unexpected needs arise. Here are a few potential impacts:

- Financial hardship for livestock owners/Loss of Compensation: Without an indemnity fund, livestock owners whose animals must be destroyed when the Federal Government is unable to provide indemnity payments, would not receive adequate financial compensation and may drive smaller operators out of business - creating market instability with increasing market consolidation and reducing competition.
- Increased Financial Vulnerability: With less in reserve, CDA would be financially less resilient in the face of sudden disease outbreaks. This could mean a heavier reliance on external funding sources, which may not be available in a timely manner, leaving gaps in immediate response efforts.
- Higher Future Costs: Reducing the reserve might lead to costlier responses in the long run. If diseases are not controlled early due to funding constraints, they could escalate, resulting in higher costs associated with containment, eradication, and indemnification.
- Reduced Preparedness and Increased Long-Term Risk: Emergency preparedness is about planning ahead, but with a decreased reserve, CDA's preparedness efforts would be constrained. This could delay critical steps in disease prevention and control, potentially exposing reduced public trust in its livestock economy
- Reduced Stakeholder Confidence: Stakeholders, including livestock producers and trade partners, may lose confidence in the state's ability to respond effectively to animal disease outbreaks. This could impact producer participation in voluntary disease prevention measures, as well as confidence in the state's biosecurity framework.

- [Economic and Agricultural Sector Risks](#): Disease outbreaks can lead to trade restrictions on Colorado livestock and harm the state's economy

Overall, eliminating this funding could lead to a weakened emergency response capacity, making Colorado more vulnerable to the financial and health impacts of animal disease outbreaks.

CERVIDAE DISEASE CASH FUND

12. [Rep. Taggart] Does the captive wildlife and alternative livestock Cervidae industry still exist? If so, where is the industry located, how many producers are involved in this, and what are the size of herds?

There are currently 40 licensed captive cervid facilities in Colorado; of these the majority are elk farms. According to the 2022 NASS Agricultural Census, there were 29 Elk farms with 5,390 captive elk. Compared to 2017 there are fewer farms but nearly a 5 times larger head count. Elk sales, measured in head count, amounted to 862 in 2022, this is up from a 20 year low point of 185 in 2017. In 2002 elk sales reached a 20 year peak of 3,284 head. The value of elk sales in 2022 is \$3,502,000, or approximately \$4,050 per head. While Colorado has the second largest alternative livestock head count sold in 2022, Colorado received higher prices for their captive elk sales than Utah who sold 1,065 for \$3,296,000 in 2022.

Additionally, in 2022 there were 8 deer farms in Colorado. Sales were low with only 16 head sold in 2022 for a value of \$20,000.⁵

13. [Sen. Bridges] Does the state still need the Cervidae Disease Cash Fund if the Department does not often make payouts from this fund?

The Elk industry in Colorado is seeing a comeback and continues to grow. The best emergency funds are proactive not reactive, and having a fund balance in the Cervidae Disease Cash fund is important for continuity of operations in order to provide us with resources to assist facilities in the event of another CWD outbreak and potentially avoid another shut down of facilities if another Chronic Wasting Disease (CWD) outbreak occurs.

Other concerns about sweeping this cash fund include that this fund balance was paid by the producers to be used by the producers. So taking money from this fund would essentially be taxing the industry to use those funds for the state's general fund.

Second, with CWD endemic in Colorado, and originally being found in Colorado about 60 years ago, the USDA typically doesn't pay indemnity for Colorado producers and instead they focus their limited budget on other states where CWD might not be as widespread as it is here.

⁵https://www.nass.usda.gov/Publications/AgCensus/2022/Full_Report/Volume_1,_Chapter_1_State_Level/Colorado/st08_1_032_034.pdf

14. [Sen. Amabile] What are the FTE associated with the Cervidae Disease Cash Fund and the Diseased Livestock Indemnity Cash Fund? Is there dedicated staff deciding how to use each of these funds? Is there an FTE working specifically on the Cervidae Disease Cash Fund?

The Animal Health Division has 4 administrators working across all its programs. Additionally, there is currently one FTE who is responsible for liaising with Colorado Parks and Wildlife, and oversees the Aquaculture program, Depredation Program (including nonlethal wolf mitigation programs), Alternative Livestock Health Program, and the Wild Horse Program. There is not a separate dedicated staff person for Cervidae or Diseased Livestock, these funds are emergency funds that are distributed and managed by existing staff as needed. The Funds were created in response to disease outbreaks such as the Chronic Wasting Disease that had devastating economic impacts on those producers.

STATEWIDE BUDGET REDUCTION REQUESTS

STATEWIDE R1 (TRANSFER CERTAIN INTEREST INCOME REVENUE SUBJECT TO TABOR)

15. [Sen. Bridges] The Statewide R1 requests proposes to transfer FY 2024-25 and FY 2025-26 interest revenue from the Colorado Agricultural Future Loan Program Cash Fund and the Plant Health, Pest Control and Environmental Protection Fund, and proposes an ongoing 1.5 percent cap on interest in certain cash funds. Do the cash funds included for the Department of Agriculture present any operational concerns to programs that use those funds?

Plant Health, Pest Control and Environmental Protection Fund- This cash fund can sustain a two year transfer of interest in addition to a cap of 1.5% on interest earned. There are currently no operational concerns for this program.

Colorado Agricultural Future Loan Program Cash Fund- This is a revolving loan program that was intended to have revolving funds to distribute loans to qualified applicants. The interest earned on the cash fund is the means by which the program generates revenue to support the program. While in the short term, this proposed request will not impact the program; it will have a long term impact. Prior to this proposal, the program was projected to loan out funds for 22 years and make \$89,000,000 in loans. With this proposal, the program will have enough funds to loan out funds for 20 years and make \$83,000,000 in loans. The \$6,000,000 difference would result in 26 fewer farmers or ranchers receiving loans, based on the average loan amount.

STATEWIDE R6 (CORRECTION TO ACCOUNTING OF MERCHANDISE SALES)

16. [Sen. Bridges] Can the Department provide specific estimates of the TABOR impact from the Statewide R6 request to consider merchandise revenue from the sale of pesticide and agricultural inspection supply sales, non-concession State Fair sales, and promotional wine sales by the Wine Industry Development Board as TABOR exempt?

Below is a table of revenue for both the sale of pesticide and agricultural inspection supply sales and non-concession State Fair sales. CDA does not collect revenue from promotional wine sales. The CWIDB is not licensed to sell wine.

Description	FY2021	FY2022	FY2023	FY2024	FY2025*	4 Yr Avg
Non-concession sales at the State Fair	\$15,874	\$70,071	\$87,956	\$98,726	\$60,770	\$68,157
Sales of supplies related to pesticide inspections	\$97,077	\$97,100	\$24,948	\$102,629	\$121,658	\$80,438

*FY2025- Is not a full year of data so only using a 4 year average (FY2021-FY2024).

DEPARTMENT REQUESTS

R1 ANIMAL DISEASE TRACEABILITY PROGRAM SUPPORT

17. [Sen. Bridges] How much is the Department spending currently on this program? Relative to the current total funding of the program, how much of a funding increase does the Department's R1 request represent?

Table 4: Financial shortfalls for ADT/UMB Cooperative Agreement shortfalls					
	FY 2021-22 (Actual)	FY 2022-23 (Actual)	FY 2023-24 (Actual)	FY 2024-25 (Projected)	FY 25 -26 (Projected)
Total ADT/UMB Agreement (Less any Indirects)	\$275,545.00	\$266,328.00	\$241,437.00	\$298,959.00	\$255,979.00***
Salary Costs	\$230,219.19	\$246,583.36	\$298,815.80	\$342,362.16	\$350,921.21*
Travel/Outreach/Databas e	\$32,620.87	\$52,456.65	\$91,906.25	\$79,387.27	\$85,646.76
Various Sources of Cash Funds to recoup indirects	\$0.00	\$0.00	\$0.00	\$42,980.00**	\$0.00
Total Paid from General Fund (In Red)	\$12,704.94	-\$32,712.01	-\$149,285.05	-\$165,770.43	-\$180,588.97

*Includes 2.5% across the board salary increase

**Note: in FY 2024-25 CDA negotiated a lower indirect rate of \$52,757, therefore various sources of cash funds are used to recoup the lost \$42,980 in indirect cost recovery

***Note: in FY 2025-26, the total agreement rate reflects what is available to the program when the Department is able to recoup all the necessary indirect costs.

In FY 2022-23 the ADT program began to see a shortfall between the cooperative agreement funding and the programs total cost. As the program began the transition to an improved

database, the program saw this difference increase, therefore the program asked the USDA for an increase in the cooperative agreement amount the following year of FY2024-25, but unfortunately that request was denied. With the ongoing cost of the database as well as the need for competitive salaries and continued cost of living raises, the program foresees this disparity growing to approximately \$180,000 in FY2025-26.

18. [Sen. Bridges] Please provide more context to why the Department is requesting \$137,133 additional General Fund, if federal funding from USDA cooperative agreements have only decreased by \$26,001.

The USDA cooperative agreements have not fully covered the costs associated with this program since FY 2021-22. CDA was able to utilize some vacancy savings to cover this shortfall in FY 2022-23. The program was then informed that the traceability system it was utilizing would soon be phased out, and the program would need to transition to a new system. The program requested a cooperative agreement increase in FY 2023-24, but that was denied since funding was being cut across the nation. With the increased costs of the database, available funding was further stretched. As shown in Table 4, the costs to run this program exceed what is available in the cooperative agreements and the requested \$137,333 combined, in an effort to be fiscally responsible within a tight budget year CDA will need to continue providing funding for this program beyond the GF and USDA funding.

19. [Sen. Kirkmeyer] Describe why the state should supplement decreasing federal funding to this program? What other fund sources are available to support the program?

There are no other funding sources available to support this program. Having a reliable, trustworthy Animal Disease Traceability (ADT) program is crucial to Colorado's Agricultural economy. Without a robust traceability system, Colorado's ability to uphold food safety would be greatly reduced, and such a change would significantly reduce Colorado agriculture's ability to export. ADT does not prevent disease; however, having the framework in place to quickly and efficiently trace diseased livestock is critical for disease response to reduce the number of animals affected and the length of time our state is impacted. Without adequate funding to maintain Colorado's ADT infrastructure, our state would be putting our livestock producers at risk for severe financial impacts as well as potentially jeopardizing the food safety and security we have come to depend on.

R2 SOIL HEALTH PROGRAM CONTINUATION

20. [Sen. Bridges] What is the program's long-term administrative and financing plan as federal funding ends?

Staff is investigating corporate, philanthropic, and state and federal grant opportunities to continue funding beyond the current federal funding. CDA has been very proactive in applying for funding for the CO Soil Health Program, culminating in five successful grant applications totalling more than \$30M. However, grant writing and management takes capacity, and as our current federal funding begins to wind down over the next couple of years, we are looking to

this budget request to ensure a minimal baseline of ongoing programmatic support for the CO Soil Health Program and the Colorado producers this program supports. This R2 request outlines what we believe to be the core operational needs to continue the program, while other grant funding will build out opportunities for Colorado producers beyond that core functionality.

21. Sen. Bridges] How much federal funding is the program losing in the next fiscal year?

CDA has a USDA Climate Smart Commodities Partnership Grant that ends in December 2027. This grant funds all nine existing program staff including: a Program Manager, two coordinators, four technical specialists, a grants specialist, and a program assistant. Oftentimes the last six months of term-limited positions can see high rates of staff departure as they seek new opportunities for employment. The Department is seeking to create stability for two of these positions by requesting this funding now, rather than waiting until FY 2026 to request permanent funding. CDA believes that requesting this funding in FY 26 risks leaving institutional knowledge on the table and provides a vanishingly short window of time to redeploy existing FTE to bridge any operational gaps brought on by changes to program funding. The current funding source (Climate Smart Commodities Partnership Grant) was a one-time funding opportunity. We are hopeful we will continue to see strong funding opportunities from key federal partners, such as the NRCS. However, the future of federal conservation funding remains uncertain. Therefore it is critical that Colorado make its own investment in this flagship conservation program.

22. [Sen. Bridges] How many of the Department's current conservation and sustainability grant programs currently do or can fund soil health practices and provide support to producers?

The Soil Health Program and the State Conservation Board (Conservation District grants) are the two CDA programs that provide funding for soil health practices.

Distributions to Soil Conservation Districts

Although the updated naming convention did not reach the Long Bill, "Soil Conservation Districts" were renamed "Conservation Districts" in 2002 to reflect their broader role in land stewardship beyond soil alone. Conservation Districts address a wide range of resource management needs, including wildlife habitat, water conservation, irrigation improvements, grazing management, renewable energy, and energy efficiency. Thus, while the term "Soil" remains in use here, Conservation Districts are dedicated to promoting the conservation of diverse natural resources. A large component of this is water resilience and conservation which will continue to be a priority in Colorado for generations.

Direct Assistance is distributed evenly between the 74 Conservation Districts in Colorado (with the caveat that they meet the minimum standards set by the Colorado State Conservation Board and are considered to be in good standing). Therefore, the majority of this funding passes through CDA directly to the Conservation Districts. Conservation Districts are political

subdivisions of state government, Conservation Districts receive an equal share of GF (\$483,767) each calendar year. These funds support administrative and technical assistance within the Conservation Districts and also funds district elections and board and office expenses. We look at Direct Assistance as funds that the state provides to the Conservation Districts to help them function. The grants are for Conservation Districts to provide local conservation education, on the ground conservation programs, and technical staff for landowners.

Conservation Districts are a critical component of conservation in Colorado, their ability to deliver programs directly to landowners is imperative to the success of the Colorado State Conservation Board (CSCB) and the state's climate and environmental protection goals. The CSCB at CDA has 5.2 FTE to work with 74 Conservation Districts, and within those districts are countless staff persons working directly with landowners, making connections and providing technical assistance and educational opportunities that could not possibly be accomplished with 5 FTE. The return on investment for these dollars is significant and the importance of this partnership cannot be overstated.

For example, it is because of this historical long standing partnership that CDA is able to utilize these local partners to host field days and peer-to-peer learning if granted microgrants as noted in R-02.

Matching Grants to Districts -

The Matching Grants to Districts line on CDA's long bill shows \$225,000 in General fund and \$450,000 in Cash funds. The \$450,000 correlates to footnote A, which states: "Of this amount, an estimated \$350,000(l) shall be from the Conservation District Grant Fund created in Section 35-1-106.7 (1), C.R.S., which amount is included for informational purposes only, and an estimated \$100,000 shall be from the Agriculture Management Fund created in Section 35-1-106.9, C.R.S."

Below that you see "Appropriation to the Conservation District Grant Fund" for \$450,000 which correlates to footnote B, which states: "This amount shall be from the Severance Tax Operational Fund created in Section 39-29-109 (2)(b), C.R.S."

While CDA does receive the full \$450,000 from the Severance Tax fund (STAX), and it does receive the full transfer from the AMF of \$100,000 CDA has not received the other \$350,000 dollars as notated in the "Matching Grants to Districts" line in the last 15 years of available data. This is because this "\$350,000" is "informational only" and CDA does not receive this funding.

The CSCB Matching Grant Program is a competitive grant process. These funds enable Conservation Districts to implement programming they otherwise may not be able to afford. This can include support to landowners through local cost-share programs, workshops, technical assistance, and education events. While this may sound similar to the soil health

microgrants, these grants provide resources for Conservation Districts to implement both private lands stewardship projects and conservation adult & youth education activities. This 50%-50% matching grant is competitive and focuses on measurable outcomes, conservation impact, and partner involvement. In 2023, CSCB Matching Grants leveraged \$1.54 for every state dollar spent.

The 2023 grantees can be viewed [here](#), these projects include rangeland health, forest restoration, Modeling and Assessment of Fire-Related Hazards, fencing for wildlife benefits and so much more that is well beyond what the Soil Health Program entails.

Conservation Districts' provide vital connections to enable private lands conservation for the Soil Health Program, Colorado River Salinity Control Program, noxious weeds, drought resilience, etc. Without state assistance they would cease to be that vital connection to landowners.

Other Funding:

- SB22-195: This bill was needed in order to extend the repeal date of the Conservation District Grant fund and also provided an additional annual transfer of \$148,000 (\$2,000 for each Conservation District) from the Severance Tax Fund.
- HB24-1413: This bill provided a \$250,000 one time transfer from the Severance Tax fund to the Conservation District Grant Fund.

As a final note, the line for Salinity Control Grants which shows \$506,781 as “Informational Only” and is Federal Funding and CDA has not received this in some time.

23. [Sen. Amabile] Discuss how vital this program is and its unique impact, given that protecting soil health is key to producers maintaining their business. What is the impact of this program to producers and the environment?

Colorado farmers and ranchers' business futures are incredibly vulnerable to climate extremes like drought and extreme heat. Low crop prices, high input costs, and narrowing margins cause agricultural producers to be even more vulnerable to drier conditions. To deal with shrinking surface and groundwater supplies and lower precipitation they must improve their soil function to capture and absorb every drop in the soil. Soil degradation leads to increased erosion and runoff and reduced water absorption, as well as increased need for fertilizers and other soil additives. Many farmers have long embraced various soil health practices on their own. However, transitioning to these practices can increase costs in the near-term (although many producers often see long-term bottom line gains through investing in healthy soil), and risk which may be intolerable for some producers operating on thin margins. The CSHP helps reduce barriers and improve soil function to behave like a “sponge” to take in available moisture more efficiently and build greater climate resilience and agricultural productivity for Colorado producers.

24. [Sen. Amabile/Sen. Bridges] Describe how the Colorado Soil Health Program interacts with the National STAR Program.

In 2019, CDA launched the early stages of the Colorado Soil Health Program, which used the STAR model to enroll voluntary participants in the program. In part because Colorado had already built a Soil Health Program, CDA then received \$25M for a USDA Climate Smart Commodity Grant to expand the growth of the STAR national nonprofit; to assist other western states become STAR “Affiliate” partners; and to fully staff and deliver 4 years of the STAR framework through the Colorado Soil Health Program through partnerships to local conservation districts and grower groups throughout Colorado. In 2023, CDA contracted \$3,198,158 of federal funds to the Champagne County (IL) Soil and Water Conservation District (which created STAR) to create the National STAR Nonprofit which is fully operational. Colorado is one of 8 affiliate states using the STAR products, including the STAR Web Tool, STAR Rating, STAR Field Sign, STAR Conservation Improvement Plan, STAR field verification, tools for absentee landowners and lenders to incentivise regenerative practices through land leases and producer loans and eventually market-based rewards for STAR ratings.

R4 STATE FAIR FUND DISTRIBUTION

25. [Sen. Bridges] What are the overall cash reserves and cash growth of the State Fair Authority Cash Fund? How much is cash growth driven by the interest received from the Unclaimed Property Tourism Promotion Trust Fund?

The Fair is required to have at least \$1,000,000 in reserves per board policy. Cash balances have shown continued improvement from FY18 - FY24, though in FY21 and FY22 they were substantially higher due to the Gate 5 capital project funding. The Unclaimed Property Tourism Promotion Trust Fund has stayed mostly consistent over the past five years, therefore not adding to the overall cash balance growth.

Unclaimed Property							
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Unclaimed Property	1,345,611	1,478,087	1,334,593	1,133,433	947,758	1,167,027	1,413,454
Interest on Treasury funds	2,261	38,234	70,995	37,126	94,511	328,815	212,003
Transfer from Dept of Ag	500,000	1,965,280	587,730	500,000	500,000	400,000	350,000
Total	\$1,847,873	\$3,481,602	\$1,993,318	\$1,670,559	\$1,542,269	\$1,895,842	\$1,975,458

State Fair Cash Flows, Unadjusted				
	Proj	Proj	Proj	Proj
Item	FY2024-25	FY2025-26	FY2026-27	FY2027-28
Beginning Cash	6,267,292	5,535,334	4,885,917	3,938,530
Cash Flow In	11,933,511	12,014,916	12,096,877	12,179,396
Cash Flow Out	(12,665,469)	(12,664,333)	(13,044,263)	(13,435,591)
Ending Cash Balance	5,535,334	4,885,917	3,938,530	2,682,336

26. [Sen. Bridges] How vital is interest from Unclaimed Property Tourism Promotion Trust Fund (UPTPF) to the State Fair Authority Cash Fund? To assist with budget balancing, could the UPTPF transfer be reduced or the State Fair’s UPTPF allocation be deposited into the General Fund, with a related but lower General Fund appropriation to the State Fair?

The funds from the UPTPF play a crucial role in supporting the State Fair by providing financial resources for maintenance of the 100+ acre historic grounds, upkeep and fair programming. The UPTPF funds help preserve and enhance the fairgrounds, ensuring they remain functional and welcoming for visitors. Additionally, the funds support programming during the State Fair, enabling the Fair to offer cultural, educational, and entertainment experiences celebrating Colorado’s heritage and agricultural traditions. Investment of these funds helps to sustain the fair as a vital event for all Coloradans. CDA has not done an analysis beyond a \$450,000 cut be it GF or UPTPF.

27. [Sen. Bridges] The Statewide R6 request (Correction to Merchandise Sales) would treat merchandise sales as TABOR exempt on the basis that these constitute “sale of state property,” which is exempt under TABOR. This request includes non-concessions sales at the State Fair. Are there other options to make certain State Fair revenues TABOR exempt?

Based on a review of revenue classifications of the State Fair, there are currently no other options that constitute a sale of state property. It is our understanding that miscellaneous sales is the only revenue classification that is included in the Statewide R6 request for the State Fair.

Revenue Classification	Tabor Classification
Gate Admissions	Nonexempt
Concerts	Nonexempt
Exhibitors	Nonexempt

Commercial Space/Concessions	Nonexempt
Commercial Sponsorships	Nonexempt
Miscellaneous Sales	Nonexempt
Interest Income - Nonexempt	Nonexempt
Interest Income - Lease Component	Nonexempt
Rents from External Sources - Nonoperating	Nonexempt
Rental Income - Lease Components	Nonexempt
Donations from Public Sources	Nonexempt
Federal Grants and Contracts	Exempt
Operating Transfer from Agriculture	Transfer
Operating Transfer from Revenue - Intrafund	Transfer

28.[Rep. Taggart] The contribution of the City and County of Pueblo to the State Fair seems low given the economic impact of having the State Fair in Pueblo. Could the Department discuss how that local support is decided, if it is commensurate to the economic benefit Pueblo gets from the State Fair, and whether local contributions could increase?

Prior to 2018 the funding from the City of Pueblo was \$125,000. The City funding also took a small decrease in FY 2021 during COVID and has increased since that time. The County of Pueblo has continued to stay consistent over many years at the \$175,000 contribution.

Local Government Funding							
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
City of Pueblo	\$225,000	\$225,000	\$225,000	\$202,500	\$214,500	\$250,000	\$250,000
Pueblo County	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000
Pueblo County - Gate 5 project	\$0	\$0	\$0	\$0	\$585,626	\$14,374	\$0
Total	\$400,000	\$400,000	\$400,000	\$377,500	\$975,126	\$439,374	\$425,000

Pueblo's direct contribution of \$250,000 is significant relative to its population of approximately 111,000, reflecting a commitment to hosting this important event.

The economic benefit Pueblo receives from the State Fair is substantial, including increased tourism, job creation, and enhanced visibility, which supports local businesses. However, local support is not solely measured by direct financial contributions. In-kind support, such as public safety, infrastructure maintenance, and community engagement, also plays a critical role in the fair’s success.

Regarding the possibility of increased local contributions, this is an ongoing conversation between state and local leaders. Any adjustment would need to balance the economic benefits with Pueblo’s budgetary constraints and broader community needs. In addition, any potential increase in local public funding needs to be considered alongside the State Fair’s potential future enterprise status. We are also working hand in glove with local Pueblo leaders as we embark on the first phase of the State Fair Capital Campaign, which is focused on implementing the strategic development initiatives as defined in the State Fair Master Plan.

The Department of Agriculture remains committed to fostering strong partnerships with Pueblo and exploring opportunities to enhance mutual support for the State Fair.

29. [Sen. Amabile] Describe the sources and respective amounts of revenue generated by the State Fair and fairgrounds.

Below are revenue sources and amounts from FY18 - FY24.

Revenue Source	FY 2018	FY2019	FY2020	FY2021*	FY2022	FY2023	FY2024
Commercial space/concessions	1,192,865	1,215,674	1,093,767	61,280	1,155,967	1,332,642	1,507,163
Gate admissions	1,849,467	1,889,392	2,207,848	-	2,831,164	2,981,580	2,837,877
Box office sales	1,169,055	838,954	767,859	-	1,248,718	1,143,498	1,760,274
Private sponsorships	1,716,236	1,720,881	1,737,969	161,124	1,241,001	1,383,347	1,479,332
Exhibitor fees	846,557	833,938	833,320	342,035	815,099	808,799	780,997
Building rentals	659,915	554,495	355,597	872,185	665,640	610,852	632,815
Miscellaneous revenue	76,454	55,116	61,126	15,873	70,071	87,956	98,726
	\$	\$	\$	\$	\$	\$	\$
Total	7,510,549	7,108,450	7,057,486	1,452,497	8,027,660	8,348,674	9,097,184

*COVID; the State Fair was held virtually this fiscal year.

GENERAL DEPARTMENT QUESTIONS

HEMP AND MARIJUANA-RELATED REVENUE

30. [Sen. Amabile] Describe how much hemp revenue and marijuana revenue the Department receives, respectively.

Description	FY2021	FY2022	FY2023	FY2024	FY2025*
Marijuana Tax Cash Fund	\$1,236,505	\$1,688,074	\$1,868,788	\$1,897,966	\$606,778
Hemp Industrial Fund	\$1,230,486	\$408,497	\$91,270	\$152,274	\$17,114

*FY2025- Informational only. This is not a closed fiscal year.

WESTERN STOCK SHOW

31. [Sen. Kirkmeyer] Please discuss current state contributions, if any, to the Western Stock show, and the extent to which the Western Stock show is supported by state funding, local funding, and its own revenue.

CDA does not financially support the Western Stock Show. CDA was a pass-through entity for support to the NWSS with one-time stimulus funding in the amount of \$3.5 million for the National Western Stock Show (NWSS) and \$25 million for NWSS construction via HB21-1262 “Money Support Agricultural Events Organization.”⁶ CDA hosts an annual marketing event at the NWSS and also supports CSU’s educational programs at the NWSS. Additionally the Colorado Conservation Board frequently presents their annual Conservation award at the NWSS. CDA is unaware of and not responsible for any additional state funding to the NWSS. According to the NWSS website, their founding partners include CSU Spur, History Colorado and Denver Museum of Nature and Science.

⁶ <https://leg.colorado.gov/bills/hb21-1262>



Joint Budget Committee Hearing

MISSION

Our mission is to strengthen and advance Colorado agriculture; promote a safe and high-quality food supply; protect consumers; and foster responsible stewardship of the environment and natural resources.

VISION

Our vision is that Colorado agriculture be strong and vibrant, a key driver of the state's economy, and recognized world-wide for its safe and abundant supply of high-quality food and agriculture products.

CORE Values

Respect: We recognize differences in people and communities touched by our work and treat all with dignity.

Professionalism: We represent the Department proudly and hold ourselves and each other accountable.

Partnership: We bring people together and use our collective knowledge to continually achieve better results.

Service: We care about each other and our customers and strive for every interaction to be a positive one.

Proactive: We are forward-thinking in our work and take early action to address emerging needs.

COMMISSIONER'S OFFICE

22.1 FTE

Kate Greenberg
COMMISSIONER

Animal Health

15 FTE

Dr. Maggie Baldwin
State Veterinarian

Animal Welfare

2.8 FTE

Joe Stafford
Director

Brand Inspection

59.0 FTE

Todd Inglee
Brand Commissioner

Colorado State Fair

26.9 FTE

Andrea Wiesenmeyer
General Manager

Conservation Services

26.7 FTE

Evanne Caviness
Director

Inspection and Consumer Services

46.2 FTE

Mark Gallegos
Director

Laboratory Services

26.2 FTE

Eric Petty
Director

Markets

16.5 FTE

Amanda Laban
Director

Plant Industry

59.2 FTE

Wondirad Gebru
Director



Communities We Serve

FY 2025-26 Budget Summary

R01

Animal Disease
Traceability
Veterinarian Support

This funding will support a key veterinarian position essential for Colorado's animal disease emergency response. It also aims to enhance state security by providing stable funding for emergency and disease management infrastructure. Colorado Department of Agriculture seeks General Fund support to maintain critical activities for food safety and effective disease management.

R02

Soil Health Program
Continuation

This request seeks to continue the Soil Health Program, funded by state stimulus and grants. It will provide \$50,000 annually in micro grants to farmers and local conservation partners. This support will help connect farmers with market opportunities. The aim is to assist farmers and ranchers in improving soil health, capturing carbon, reducing greenhouse gas emissions, and promoting sustainable agriculture in Colorado.

R03

Long Bill
Reorganization

This request suggests modifying the Long Bill lines for the CDA to better reflect its current division structure and improve transparency. The existing Long Bill lines do not align with CDA programs, and the appropriations do not directly correspond to key service categories for customers. A clearer Long Bill structure would benefit both the Department and its service recipients.

R04

State Fair Fund
Distribution

This realignment aligns with the state's commitment to fiscal responsibility, leveraging the Fair's existing cash funds to support operations without affecting program quality or requiring additional revenue.



FY 2025-26 Request

Federal Funds

\$4,008,224
5.19%

Reappropriated Funds

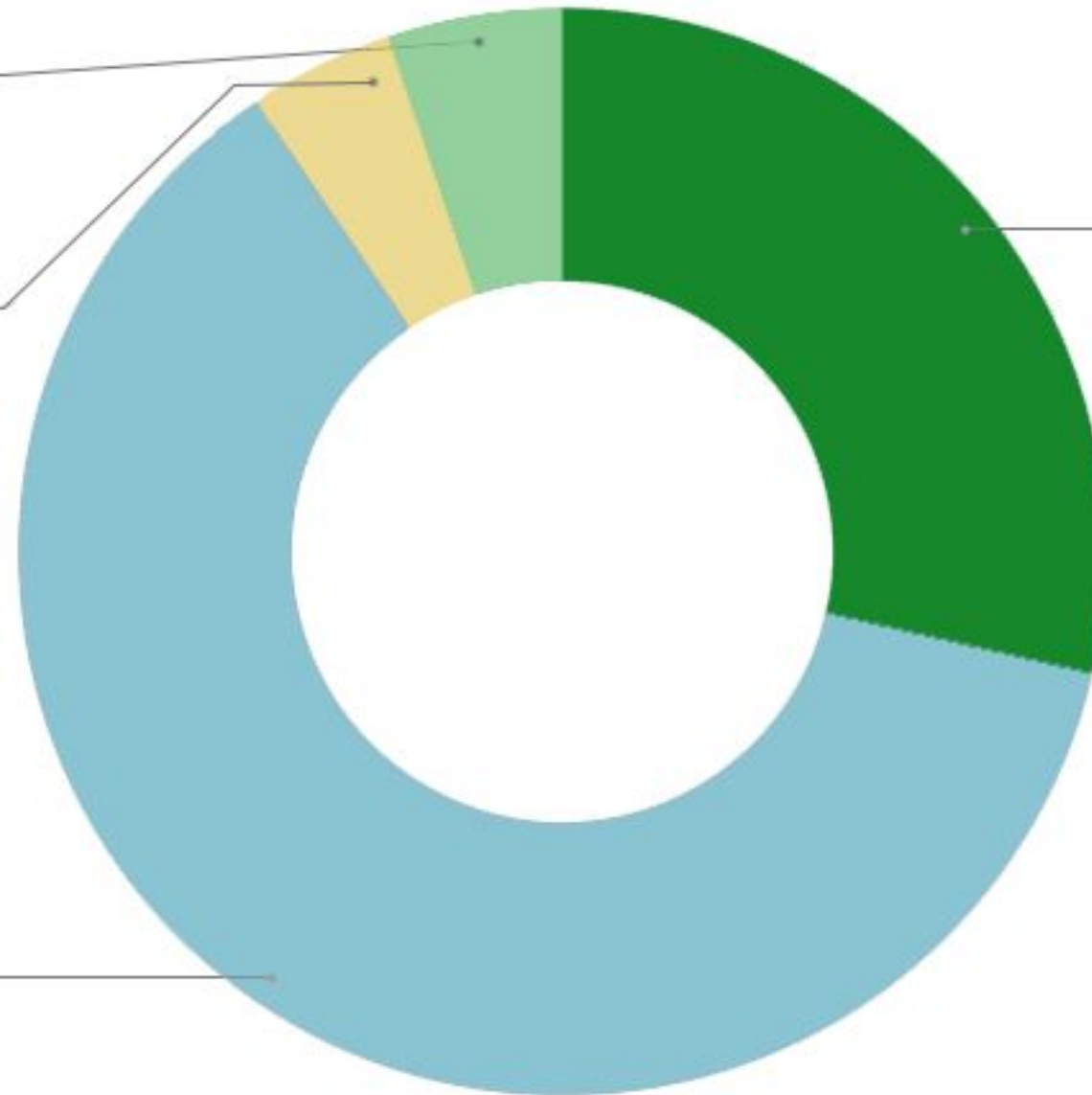
\$3,332,362
4.32%

Cash Funds

\$47,809,565
61.93%

General Funds

\$22,054,585
28.57%



Total Funds
\$77,204,736
327.5 FTE





**PROGRAMMATIC
BUDGET REDUCTION
OPTIONS**

Marketing Program Performance

- Build the Brand of Colorado Agriculture:
 - Business Development Opportunities
 - *Cultivation Station* Podcast
 - Monthly Webinars
 - Lunch & Learns
 - Over 80% awareness of the Colorado Proud logo

- International Markets:
 - 12-16 Trade Development Activities Annually
 - **Return on Investment of General Fund ranges from minimum 47:1 to 395:1**



Ag Workforce Development Program Performance

- Labor is consistently cited as the #1 challenge for ag operations.
- During the 2023-24 seasons, over 85% of program participants anticipated career advancement after program completion.
- 90% of Next Generation Agriculture Leadership participants report gaining significant new leadership skills or knowledge.

Colorado Producer Demographic Age Data 2022 VS 2017 (2022 Census of Agriculture - Colorado Data)

Characteristics	2022	2017
Age group - Con.		
25 to 34 years	4,538	4,527
35 to 44 years	9,601	8,042
45 to 54 years	9,877	12,163
55 to 64 years	16,133	20,116
65 to 74 years	17,401	15,650
75 years and over	9,401	7,634
Average age	58.3	57.6
Young producers (see text)	5,439	(NA)

Grant Programs Performance and Reductions

- Fully funding the renewable energy and energy efficiency grant program through AMF would amount to nearly 25% of the AMF's total spending authority in the Long Bill
- CDA continues to make meaningful investments in future generations of Colorado's Next Generation of Leaders in Agriculture





**CASH FUND
BUDGET REDUCTION
OPTIONS**

Agriculture Management Fund

- The AMF budget allows CDA to make meaningful investments in critical areas.
- CDA presented examples of investments that may be cut were the AMF fund to be reduced.
- Other reductions could include: eliminating the eco-pass program, eliminating support of the 250/150 project, grounds maintenance, lab emergency fund, or apprenticeship program as directed by E.O. D 2023 016.
- In brief, AMF supports numerous critical investments into CDA's operations and strategic initiatives.



Diseased Livestock Indemnity Fund & Cervidae Disease Cash Fund

- State Departments of Agriculture have their own Diseased Livestock Indemnity Funds to protect its agricultural industry when the Federal Government is unable to do so. 35-50-114, C.R.S.
- Impacts:
 - Economic and Agricultural Sector Risks/Reduced Stakeholder Confidence
 - Financial hardship for livestock owners/Loss of Compensation:
 - Increased Financial Vulnerability/Higher Future Costs
 - Reduced Preparedness and Increased Long-Term Risk
- Alternative Livestock: 40 facilities, 29 elk, 864 head sold, \$3,502,000 cash receipts



STATEWIDE BUDGET REDUCTION REQUESTS

Impact of Statewide R1 & TABOR Impact Estimate Statewide R6

- Plant Health, Pest Control and Environmental Protection Fund- This cash fund can sustain a two year transfer of interest in addition to a cap of 1.5% on interest earned. There are currently no operational concerns for this program.
- Colorado Agricultural Future Loan Program Cash Fund- This revolving loan program works with our lending partner to distribute loans to qualified applicants.
 - If further cuts were to be made, the program would only have enough funds to lend for 20 years and make \$83 million in loans vs 22 years at \$89 million. The \$6 million / 2 year difference would result in 26 fewer farmers or ranchers receiving loans, based on the average loan amount.



Animal Disease Traceability Veterinarian Support (R1)



R-01: Animal Disease Traceability Veterinarian Support

- CDA state support to ADT ranges from \$32,000 in FY 2022-23 to \$165,000 IN FY 2024-25
- Lower cooperative agreement in tandem with higher expenses, salary as well as replacing outdated legacy system that will not be supported after 2026.
- Having a reliable, trustworthy ADT program is crucial to Colorado's Agricultural economy, without a robust traceability system, Colorado's food safety reputation would be decimated and significantly reduce its ability to export.

- \$137,133 and 0.5 FTE in FY 25-26
- \$137,655 and 0.5 FTE ongoing



Soil Health Program Continuation (R2)



R-02: Soil Health Program Continuation

- Federal funding is winding down (Climart Smart Commodities Grant expires 2027) and CDA is looking to continue the popular Soil Health Program
 - State grants
 - Private grants
 - Market rewards for producers
- The future of federal climate and conservation funding is uncertain.
- State funding would complement but not replace the CO State Conservation Board matching grants or Agricultural Stewardship Tax Credit

- \$296,653 and 1.8 FTE in FY 2025-26
- \$294,566 and 2.0 FTE



R-02: Soil Health Program Continuation

- This program would support:
 - **technical assistance** to producers
 - **CDA capacity** for outreach, communication, and support, and further grant applications
 - **Small grants** to producers, conservation districts, and other local entities to further the adoption of soil health practices
- In the 4 years of this program, we have found **technical assistance** and **peer to peer learning** are the best mechanisms to encourage healthy soil practices.



CDA Soil Specialist demonstrates how to install soil moisture monitoring system

- \$296,653 and 1.8 FTE in FY 2025-26
- \$294,566 and 2.0 FTE



Long Bill Reorganization (R3)



R-03: Long Bill Reorganization

- Proposal to restructure CDA's Long Bill lines for better alignment with division structure.
- Aim to align funds and Full-Time Equivalents (FTE) by division.
- Current Long Bill lines do not reflect the program-based structure of CDA.
- Existing appropriations do not correspond with meaningful service categories for customers.
- Emphasis on promoting transparency and ease of understanding in the Long Bill structure.
- Anticipated benefits for both CDA and stakeholders interested in the department.

- This request is a technical change that does not require any additional funding or FTE



State Fair Fund Distribution (R4)



GVA
GRAND VALLEY POWER
Empowering lives with renewable energy
A Southern Company Company

WELCOME TO THE STATE FAIR
AUTO PARTS
Collectible Auto Parts

R-04: State Fair Fund Distribution

- Overall cash reserves:

State Fair Cash Flows, Unadjusted				
	Proj	Proj	Proj	Proj
Item	FY2024-25	FY2025-26	FY2026-27	FY2027-28
Beginning Cash	6,267,292	5,535,334	4,885,917	3,938,530
Cash Flow In	11,933,511	12,014,916	12,096,877	12,179,396
Cash Flow Out	(12,665,469)	(12,664,333)	(13,044,263)	(13,435,591)
Ending Cash Balance	5,535,334	4,885,917	3,938,530	2,682,336

- Unclaimed Property Tourism Promotion Trust Fund - Not accountable for cash reserves
- Merchandise sales
- City and County of Pueblo support does not reflective local in-kind support

- This request aims to cut the Colorado State Fair's General Fund allocation by \$450,000 and increase the spending authority for the Colorado State Fair's cash funds by \$450,000.

GENERAL QUESTIONS



Hemp and Marijuana Revenue and Western Stock Show

- CDA does not financially support the Western Stock Show. CDA was a pass-through entity for support to the NWSS with stimulus funding in the amount of \$3.5 million for the National Western Stock Show (NWSS) via HB21-1262 “Money Support Agricultural Events Organization.”

Hemp & Marijuana Revenue at CDA

Description	FY2021	FY2022	FY2023	FY2024	FY2025*
Marijuana Tax Cash Fund	\$1,236,505	\$1,688,074	\$1,868,788	\$1,897,966	\$606,778
Hemp Industrial Fund	\$1,230,486	\$408,497	\$91,270	\$152,274	\$17,114

*FY2025- Informational only. This is not a closed fiscal year.



Questions?

Kate Greenberg
Commissioner of Agriculture
kate.greenberg@state.co.us

The finest depictions of Colorado's agriculture come to CDA by those who work in this field and those who appreciate it.

For more than two decades, the Department of Agriculture has been sharing images taken by photographers of all skill levels submitted through our yearly **Best in Show** photography contest.



DEPARTMENT OF AGRICULTURE
FY 2025-26 JOINT BUDGET COMMITTEE HEARING AGENDA

Monday, December 9, 2024
3:30 pm - 4:30 pm

3:30 - 3:35 INTRODUCTIONS AND OPENING COMMENTS

- Presenter: Kate Greenberg, Commissioner

3:35-3:40 COMMON QUESTIONS

Main Presenters:

- Kate Greenberg, Commissioner
- Jen Hughes, Chief Financial Officer + Budget Director

Topics:

- Question 1: Page 1, Question 1 in the packet, Slides N/A

3:40-3:55 PROGRAMMATIC BUDGET REDUCTION OPTIONS

Main Presenters:

- Kate Greenberg, Commissioner
- Amanda Laban, Markets Division Director

Supporting Presenters:

- Jen Hughes, Chief Financial Officer + Budget Director

Topics:

- Marketing Program Performance: Page 1-5, Question 2 in the packet, Slide 7
- Workforce Development Programs Performance: Page 5-9, Questions 3-4 in the packet, Slide 8
- Grant Programs Performance and Reductions: Page 9-10, Questions 5-6 in the packet, Slide 9
- Commissioner's Office Reductions: Page 10-11, Questions 7 in the packet, Slides N/A

3:55-4:05 CASH FUND BUDGET REDUCTION OPTIONS

Main Presenters:

- Kate Greenberg, Commissioner
- Dr. Maggie Baldwin, State Veterinarian and Animal Health Division Director

Supporting Presenters:

- Jen Hughes, Chief Financial Officer + Budget Director

Topics:

- Agriculture Management Fund: Page 11-15, Questions 8-10 in the packet, Slide 11
- Diseased Livestock Indemnity Fund: Page 16, Questions 11 in the packet, Slide 12
- Cervidae Disease Cash Fund: Pages 17-18, Questions 12-14 in the packet, Slide 12

4:05-4:10 STATEWIDE BUDGET REDUCTION REQUESTS

Main Presenters:

- Kate Greenberg, Commissioner
- Jen Hughes, Chief Financial Officer + Budget Director

Topics:

- Impact of Statewide R1 on the Department: Page 18, Question 15 in the packet, Slide 14
- TABOR Impact Estimate from the Department's Section of Statewide R6: Page 19, Question 16 in the packet, Slide 14

4:10-4:25 DEPARTMENT REQUESTS

Main Presenters:

- Kate Greenberg, Commissioner
- Dr. Maggie Baldwin, State Veterinarian and Animal Health Division Director

Supporting Presenters:

- Andrea Wisenmeyer, State Fair Division Director
- Jen Hughes, CFO + Budget Director

Topics:

- R1 Animal Disease Traceability Support: Page 19-20, Questions 17-19 in the packet, Slides 15-16

- R2 Soil Health Program Continuation: Pages 20-24, Questions 20-24 in the packet, Slides 17-19
- Suggested in lieu of Common Question 1: R3 Long Bill Reorganization: Slides 20-21
- R4 State Fair Fund Distribution: Page 24-27, Questions 25-29 in the packet, Slides 22-23

4:25-4:30 GENERAL QUESTIONS

Main Presenters:

- Kate Greenberg, Commissioner

Topics:

- Hemp and Marijuana Revenue: Page 27-28, Questions 30 in the packet, Slide 25
- Western Stock Show: Page 28, Question 31 in the packet, Slide 25