

**Schedule 13
Change Request for FY 2010-11 Budget Request Cycle**

| Decision Item FY 2010-11 | | Base Reduction Item FY 2010-11 X | | | | Supplemental FY 2009-10 | | | Budget Amendment FY 2010-11 | | |
|---|--------------|---|----------------------------------|--|--|---------------------------------------|---|--|--|--|---|
| Request Title: Refinance Inspection and Consumer Services to 100% CF | | | | | | Dept. Approval by: <i>[Signature]</i> | | | Date: 9/29/09 | | |
| Department: Agriculture | | | | | | OSP Approval: <i>[Signature]</i> | | | Date: 10-7-09 | | |
| Priority Number: BRI-1 | | | | | | | | | | | |
| | Fund | 1 Prior-Year Actual FY 2008-09 | 2 Appropriation FY 2009-10 | 3 Supplemental Request FY 2009-10 | 4 Total Revised Request FY 2009-10 | 5 Base Request FY 2010-11 | 6 Decision/ Base Reduction FY 2010-11 | 7 November 1 Request FY 2010-11 | 8 Budget Amendment FY 2010-11 | 9 Total Revised Request FY 2010-11 | 10 Change from Base (Column 5) FY 2011-12 |
| Total of All Line Items | Total | 17,170,943 | 17,856,569 | 0 | 17,856,569 | 17,701,469 | 108,229 | 17,809,898 | 0 | 17,809,898 | 108,229 |
| | FTE | 158.5 | 171.0 | 0.0 | 171.0 | 171.0 | 0.0 | 171.0 | 0.0 | 171.0 | 0.0 |
| | GF | 5,090,342 | 5,427,700 | 0 | 5,427,700 | 5,385,494 | (1,301,254) | 4,092,886 | 0 | 4,079,032 | (1,386,155) |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 10,461,882 | 10,471,139 | 0 | 10,471,139 | 10,473,553 | 1,301,254 | 11,774,807 | 0 | 11,774,807 | 1,386,155 |
| | CFE/RF | 1,163,019 | 1,075,606 | 0 | 1,075,606 | 1,089,770 | 108,229 | 1,197,999 | 0 | 1,197,999 | 108,229 |
| | FF | 465,700 | 682,124 | 0 | 682,124 | 752,652 | 0 | 752,652 | 0 | 752,652 | 0 |
| (2) Agricultural Services Division, Personal Services | Total | 11,040,227 | 10,351,242 | 0 | 10,351,242 | 10,543,811 | 0 | 10,543,811 | 0 | 10,543,811 | 0 |
| | FTE | 141.6 | 152.3 | 0.0 | 152.3 | 152.3 | 0.0 | 152.3 | 0.0 | 152.3 | 0.0 |
| | GF | 3,545,268.3 | 3,390,189 | 0 | 3,390,189 | 3,454,645 | (827,756) | 2,626,889 | 0 | 2,626,889 | (903,007) |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 7,174,287 | 6,444,215 | 0 | 6,444,215 | 6,562,761 | 827,756 | 7,390,517 | 0 | 7,390,517 | 903,007 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 320,672 | 516,838 | 0 | 516,838 | 526,405 | 0 | 526,405 | 0 | 526,405 | 0 |
| (2) Agricultural Services Division, Operating Expenses | Total | 1,314,402 | 1,523,475 | 0 | 1,523,475 | 1,408,747 | 0 | 1,408,747 | 0 | 1,408,747 | 0 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 333,780 | 352,830 | 0 | 352,830 | 347,148 | (146,762) | 200,386 | 0 | 200,386 | (146,762) |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 937,870 | 1,111,344 | 0 | 1,111,344 | 1,002,298 | 146,762 | 1,149,060 | 0 | 1,149,060 | 146,762 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 42,752 | 59,301 | 0 | 59,301 | 59,301 | 0 | 59,301 | 0 | 59,301 | 0 |
| (2) Agricultural Services Division, Lease Purchase Lab Equipment | Total | 66,099 | 85,992 | 0 | 85,992 | 85,992 | 0 | 85,992 | 0 | 85,992 | 0 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 22,033 | 39,672 | 0 | 39,672 | 39,672 | (39,672) | 0 | 0 | 0 | (39,672) |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 44,066 | 46,320 | 0 | 46,320 | 46,320 | 39,672 | 85,992 | 0 | 85,992 | 39,672 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Schedule 13
Change Request for FY 2010-11 Budget Request Cycle

| Decision Item FY 2010-11 | | Base Reduction Item FY 2010-11 X | | | Supplemental FY 2009-10 | | | Budget Amendment FY 2010-11 | | | |
|--|--------------|---|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| Request Title: | | Refinance Inspection and Consumer Services to 100% CF | | | | | | | | | |
| Department: | | Agriculture | | | Dept. Approval by: | | | Date: | | | |
| Priority Number: | | BRI-1 | | | OSPB Approval: | | | Date: | | | |
| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | | Prior-Year Actual FY 2008-09 | Appropriation FY 2009-10 | Supplemental Request FY 2009-10 | Total Revised Request FY 2009-10 | Base Request FY 2010-11 | Decision/ Base Reduction FY 2010-11 | November 1 Request FY 2010-11 | Budget Amendment FY 2010-11 | Total Revised Request FY 2010-11 | Change from Base (Column 6) FY 2011-12 |
| (2) Agricultural Services Division Indirect Recoveries | Total | 670,942 | 662,428 | 0 | 662,428 | 670,342 | 108,229 | 778,571 | 0 | 778,571 | 108,229 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 514,570 | 639,262 | 0 | 639,262 | 647,298 | 108,229 | 755,527 | 0 | 755,527 | 108,229 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 56,372 | 23,166 | 0 | 23,166 | 23,044 | 0 | 23,044 | 0 | 23,044 | 0 |
| (1) Commissioner's Office and Administrative Services, Personal Services | Total | 1,758,709 | 1,715,866 | 0 | 1,715,866 | 1,715,866 | 0 | 1,715,866 | 0 | 1,715,866 | |
| | FTE | 16.9 | 18.7 | 0.0 | 18.7 | 18.7 | 0.0 | 18.7 | 0.0 | 18.7 | |
| | GF | 605,690 | 640,260 | 0 | 640,260 | 626,096 | (108,229) | 517,867 | 0 | 517,867 | (108,229) |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 1,153,019 | 1,075,606 | 0 | 1,075,606 | 1,089,770 | 108,229 | 1,197,999 | 0 | 1,197,999 | 108,229 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (1) Commissioner's Office and Administrative Services, Health Life and Dental | Total | 823,266 | 1,609,102 | 0 | 1,609,102 | 1,516,486 | 0 | 1,516,486 | 0 | 1,516,486 | 0 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 150,400 | 431,350 | 0 | 431,350 | 334,061 | (71,729) | 262,332 | 0 | 262,332 | (78,250) |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 672,866 | 1,128,878 | 0 | 1,128,878 | 1,104,017 | 71,729 | 1,175,746 | 0 | 1,175,746 | 78,250 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 0 | 48,874 | 0 | 48,874 | 78,408 | 0 | 78,408 | 0 | 78,408 | 0 |
| (1) Commissioner's Office and Administrative Services, Short Term Disability | Total | 13,585 | 20,847 | 0 | 20,847 | 23,383 | 0 | 23,383 | 0 | 23,383 | 0 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 0 | 5,988 | 0 | 5,988 | 7,029 | (1,239) | 14,436 | 0 | 582 | (1,352) |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 13,585 | 14,277 | 0 | 14,277 | 14,686 | 1,239 | 15,924 | 0 | 15,924 | 1,352 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 0 | 882 | 0 | 882 | 1,669 | 0 | 1,669 | 0 | 1,669 | 0 |

**Schedule 13
Change Request for FY 2010-11 Budget Request Cycle**

| | | | |
|---------------------------------|---|--------------------------------|------------------------------------|
| Decision Item FY 2010-11 | Base Reduction Item FY 2010-11 X | Supplemental FY 2009-10 | Budget Amendment FY 2010-11 |
|---------------------------------|---|--------------------------------|------------------------------------|

| | | | |
|-------------------------|---|---------------------------|--------------|
| Request Title: | Refinance Inspection and Consumer Services to 100% CF | | |
| Department: | Agriculture | Dept. Approval by: | Date: |
| Priority Number: | BRI-1 | OSPB Approval: | Date: |

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|------|---------------------------------|-----------------------------|------------------------------------|-------------------------------------|----------------------------|--|----------------------------------|--------------------------------|-------------------------------------|--|
| | | Prior-Year Actual FY 2008-09 | Appropriation FY 2009-10 | Supplemental Request FY 2009-10 | Total Revised Request FY 2009-10 | Base Request FY 2010-11 | Decision/ Base Reduction FY 2010-11 | November 1 Request FY 2010-11 | Budget Amendment FY 2010-11 | Total Revised Request FY 2010-11 | Change from Base (Column 5) FY 2011-12 |
| | | | | | | | | | | | |

| | |
|---|---|
| Non-Line Item Request: | None |
| Letternote Revised Text: | None |
| Cash or Federal Fund Name and COFRS Fund Number: | #16R ICS Cash Fund, this requires Legislation |
| Reappropriated Funds Source, by Department and Line Item Name: | |
| Approval by OIT? | Yes: No: N/A: |
| Yes: | |
| Schedule 13s from Affected Departments: | NA |

CHANGE REQUEST for FY 2010-11 BUDGET REQUEST CYCLE

| | |
|-----------------------|---|
| Department: | Agriculture |
| Priority Number: | BRI -1 |
| Change Request Title: | Refinance Inspection and Consumer Services to 100% CF |

SELECT ONE (click on box):

- Decision Item FY 2010-11
- Base Reduction Item FY 2010-11
- Supplemental Request FY 2009-10
- Budget Request Amendment FY 2010-11

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request is for a statutory change to the Fertilizer, Feed, Large Scales, Measurement Standards, Farm Products, and Commodity Handlers law to allow the State Agricultural Commission to increase fees which would have the effect of refinance the programs with 100% cash funds from the Inspection and Consumer Services (ICS) cash fund. This refinancing would result in a General Fund savings of \$1,301,256 in FY 2010-11, and \$1,386,155 General Fund in FY 2011-12, due to the General Fund pay date shift, and a 12.5 FTE switch from General Fund to the ICS Cash Fund. The General Fund pay date shift, moves all salaries and related benefits from June of each year to July of each year on all General Fund expenses associated with salary; health, life, and dental insurance, Short Term Disability, Medicare, and all PERA related expenses including AED and SAED. If legislation were passed it would not take affect until July 1, 2010, which is after the June payroll. Since the following June payroll would be moved to the next fiscal year, the first year of this legislation taking affect would only account for 11 months of salary and benefits for these programs.

Background and Appropriation History:

Prior to FY 2003-04, Feed, Fertilizer, Measurement Standards, Anhydrous Ammonia, Meat, Egg, Farm Products, and Commodity Handler Programs were funded entirely by the General Fund. However, these programs collected fees established in statute but were not adequate to cover the cost of implementing the various programs.

During the 2002-2003 recession, the Joint Budget Committee sponsored S.B. 03-297 (Owen/Plant). This bill fully cash funded these programs and established the Inspection and Consumer Services Cash Fund in the Treasury. This bill and cash fund was scheduled for sunset July 1, 2005. S.B. 05-176 (Owen/Plant) reestablished the cash fund for another two years and established a sunset date of July 1, 2007. H.B. 07-1198 (Pommer/Johnson) provided the current funding mix by activity for the ICS programs. The table on the following page illustrates the historical funding mix for programs that are within the Inspection and Consumer Division and subsequently funded from the Inspection and Consumer Services Cash Fund. The table also illustrates the proposed funding change to fully fund the Inspection and Consumer Services programs with cash funds.

| Legislation | Prior to July 1, 2003 | | SB 03-297 | | SB 05-167 | | HB 07-1198 | | Proposed | |
|----------------------------|-----------------------|----|----------------------------|------|----------------------------|------|----------------------|-----|--------------|------|
| Effective Dates | | | July 1, 2003-June 30, 2005 | | July 1, 2005-June 30, 2007 | | July 1, 2007-Present | | July 1, 2010 | |
| Program | GF | CF | GF | CF | GF | CF | GF | CF | GF | CF |
| Fertilizer | 100% | 0% | 0% | 100% | 0% | 100% | 50% | 50% | 0% | 100% |
| Feed | 100% | 0% | 0% | 100% | 0% | 100% | 50% | 50% | 0% | 100% |
| Large Device | 100% | 0% | 0% | 100% | 0% | 100% | 25% | 75% | 0% | 100% |
| Measurements Standards Lab | 100% | 0% | 0% | 100% | 0% | 100% | 75% | 25% | 0% | 100% |
| Farm Products | 100% | 0% | 0% | 100% | 0% | 100% | 25% | 75% | 0% | 100% |
| Commodity Handlers | 100% | 0% | 0% | 100% | 0% | 100% | 25% | 75% | 0% | 100% |

Note: The table does not include the historical funding mix for meat, commodity handlers, food plan, or egg related inspections. These sub programs have been 100% cash funded since July 1, 2003.

General Description of Request:

This request proposes legislative changes to the Inspection and Consumer Services programs which will result in fully cash funding the programs. The result of the statutory change will be a decrease of the Department's General Fund budget by \$1,301,256 with a like increase in Inspection and Consumer Services cash fund spending authority. Also, this proposal would increase indirect recoveries which would mean an additional \$108,229 of reappropriated funds in the Commissioner's Office and Administrative Services.

This proposal will affect fees charged for the following programs: fertilizer, feed, large device, measurement standards lab, farm products, and commodity handlers. These programs, as shown above, are currently funded with a mix of General Fund and cash funds. The table below and on the following page summarizes the fee increases by program to fully cash fund the Inspection and Consumer Services Division. The average fee increase is calculated by calculating the percent change of each fee and then averaging the percent fee of each category.

Comparison of current and proposed fees to fully cash fund the Inspection and Consumer Services Division

| Program | Fee | | Percent increase | Average Percent Increase |
|---|----------------------------|-----------------------------|------------------|--------------------------|
| | Current | Proposed | | |
| Feed Program | | | | |
| Company Registration | \$50 | \$100 | 100% | 113% |
| Small Package (≤ 10 lb) Inspection Fee Per Product | \$25 | \$60 | 140% | |
| Commercial Feed Inspection (Tonnage) Fee Per Ton | \$0.05 | \$0.10 | 100% | |
| Commercial Feed Inspection (Tonnage) Fee for Wet Byproducts Per Ton | \$0.025 | \$0.05 | 100% | |
| Registration Late Fee | \$50 | \$100 | 100% | |
| Small Package Inspection Late Fee Per Product | \$25 | \$60 | 140% | |
| Tonnage Late Fee | 10% of fee or \$50 minimum | 10% of fee or \$100 minimum | N/A | |
| Fertilizer Program | | | | |

STATE OF COLORADO FY 2010-11 BUDGET REQUEST CYCLE: Agriculture

| | Fee | | Percent increase | Average Percent Increase |
|---|----------------------------|--------------|------------------|--------------------------|
| Compost Manufacturing Facility Registration | \$50 | \$60 | 20% | 89% |
| Penalty for Failure to Register | \$50 | \$100 | 100% | |
| Compost Registration Late Fee | \$50 | \$100 | 100% | |
| Minimum Inspection (Tonnage) Fee | \$50 | \$100 | 100% | |
| Product Registration | \$50 | \$75 | 50% | |
| Commercial Fertilizer/Soil Conditioner/Plant Amendment Inspection Fee Per Ton | \$0.10 | \$0.25 | 150% | |
| Small package (less than/equal to 10 lbs.) Inspection per pound | \$0.00075 | \$0.0015 | 100% | |
| Tonnage Late Fee | 10% of fee or \$50 minimum | \$100 | N/A | |
| Anhydrous Ammonia Program | | | | |
| Anhydrous Ammonia Site Registration | \$100 | \$150 | 50% | 75% |
| Anhydrous Ammonia Nurse Tank Registration | \$5 | \$10 | 100% | |
| Measurement Standards Programs | | | | |
| Large Scale Program - Various categories of weight 1,001 lbs - over 80,001 (average fee is shown) | \$104 | \$138 | 33% | 67% |
| Large Scale Program - Belt Conveyor Scale | \$400 | \$533 | 33% | |
| Large Scale Program - In-motion RR Scale | \$400 | \$533 | 33% | |
| Large Scale Program - Grain Moisture Meter | \$35 | \$47 | 34% | |
| Other fees - Certified Public Weigher (includes annual licensing fee, late fee) | \$25 | \$33 | 32% | |
| Other fees - Scale company (fee varies by number of service people) | \$75 | \$100 | 33% | |
| Other fees - Special Test Fee per device or standard | \$50-\$400 | \$67-\$533 | 34% | |
| Metrology Program - Lab fees per hour (Government) | \$25 | \$100 | 300% | |
| Metrology Program - Lab fees per hour (other) | \$50 | \$200 | 300% | |
| Farm Products Program - Dealers License | \$400 | \$533 | 33% | |
| Farm Products Program - Agents | \$30 | \$40 | 33% | |
| Farm Products Program - Small Volume Dealers/Cash Buyers License | \$65 | \$87 | 34% | |
| Commodity Handler Program - Commodity Handler License | \$150 | \$200 | 33% | |
| Commodity Handler Program - License Late Fee | \$50 | \$67 | 34% | |
| Commodity Handler Program - Inspection Fee (varies based on dollar volume) | \$50-\$750 | \$67-\$1000 | 33% | |
| Warehouse Inspection Fees (varies based on bushels inspected) | \$155-\$1840 | \$207-\$2453 | 33% | |

Consequences if Not Funded:

If this proposal is not approved, the Department will continue to operate these activities at the current funding mix.

Calculations for Request:

The two charts below demonstrate the total funding change by line item. The first chart shows the changes by line item without the pay date shift calculations included, while the second one shows it with the pay date shift calculations. SB 03-297 modified how General Fund salaries and associated benefits are to be accommodated in each fiscal year. The assumption is that any bill to accommodate this request will take affect July 1, 2009. As such the June, 2009 payroll will not be recognized until July, 2009 requiring an appropriation to accommodate those expenses.

| Summary of Request FY 2010-11 Without pay date shift | Total Funds | General Fund | Cash Funds | Reappropriate d Funds | Federal Funds | FTE |
|---|------------------------|-------------------------|-----------------------|----------------------------------|--------------------------|------------|
| Total Request | \$108,229 | (\$1,386,155) | \$1,386,155 | \$108,229 | \$0 | 0.0 |
| Agricultural Services Personal Services | \$0 | (\$903,007) | \$903,007 | \$0 | \$0 | 0.0 |
| Commissioner's Office: HLD | \$0 | (\$78,250) | \$78,250 | \$0 | \$0 | 0.0 |
| Commissioner's Office: AED | \$0 | (\$20,932) | \$20,932 | \$0 | \$0 | 0.0 |
| Commissioner's Office: SAED | \$0 | (\$15,263) | \$15,263 | \$0 | \$0 | 0.0 |
| Commissioner's Office: STD | \$0 | (\$1,352) | \$1,352 | \$0 | \$0 | 0.0 |
| Commissioner' Office: Workers' Comp | \$0 | (\$9,836) | \$9,836 | \$0 | \$0 | 0.0 |
| Commissioner's Office: Asset Maintenance | \$0 | (\$7,336) | \$7,336 | \$0 | \$0 | 0.0 |
| Commissioner's Office Legal Expenses | \$0 | (\$6,852) | \$6,852 | \$0 | \$0 | 0.0 |
| Commissioner's Office: Lease Vehicle | \$0 | (\$22,062) | \$22,062 | \$0 | \$0 | 0.0 |
| Commissioner's Office: Risk Mangement | \$0 | (\$2,490) | \$2,490 | \$0 | \$0 | 0.0 |
| Commissioner's Office: Utilities | \$0 | (\$24,112) | \$24,112 | \$0 | \$0 | 0.0 |
| Agricultural Services: Operating Expenses | \$0 | (\$146,762) | \$146,762 | \$0 | \$0 | 0.0 |
| Agricultural Services: Indirect Recoveries | \$108,229 | \$0 | \$108,229 | \$0 | \$0 | 0.0 |
| Agricultural Services: Lease Purchase Lab | \$0 | (\$39,672) | \$39,672 | \$0 | \$0 | 0.0 |
| Commissioner's Office: Personal Services | \$0 | (\$108,229) | \$0 | \$108,229 | \$0 | 0.0 |

| Summary of Request FY 2009-10 With pay date shift | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|--|----------------|-------------------|---------------|-------------------------|------------------|-----|
| Total Request | \$108,229 | (\$1,301,254) | \$1,301,254 | \$108,229 | \$0 | 0.0 |
| Agricultural Services Personal Services | \$0 | (\$827,756) | \$827,756 | \$0 | \$0 | 0.0 |
| Commissioner's Office: HLD | \$0 | (\$71,729) | \$71,729 | \$0 | \$0 | 0.0 |
| Commissioner's Office: AED | \$0 | (\$19,188) | \$19,188 | \$0 | \$0 | 0.0 |
| Commissioner's Office: SAED | \$0 | (\$13,991) | \$13,991 | \$0 | \$0 | 0.0 |
| Commissioner's Office: STD | \$0 | (\$1,239) | \$1,239 | \$0 | \$0 | 0.0 |
| Commissioner' Office: Workers' Comp | \$0 | (\$9,836) | \$9,836 | \$0 | \$0 | 0.0 |
| Commissioner's Office: Asset Maintenance | \$0 | (\$7,336) | \$7,336 | \$0 | \$0 | 0.0 |
| Commissioner's Office Legal Expenses | \$0 | (\$6,852) | \$6,852 | \$0 | \$0 | 0.0 |
| Commissioner's Office: Lease Vehicle | \$0 | (\$22,062) | \$22,062 | \$0 | \$0 | 0.0 |
| Commissioner's Office: Risk Mangement | \$0 | (\$2,490) | \$2,490 | \$0 | \$0 | 0.0 |
| Commissioner's Office: Utilities | \$0 | (\$24,112) | \$24,112 | \$0 | \$0 | 0.0 |
| Agricultural Services: Operating Expenses | \$0 | (\$146,762) | \$146,762 | \$0 | \$0 | 0.0 |
| Agricultural Services: Indirect Recoveries | \$108,229 | \$0 | \$108,229 | \$0 | \$0 | 0.0 |
| Agricultural Services: Lease Purchase Lab | \$0 | (\$39,672) | \$39,672 | \$0 | \$0 | 0.0 |
| Commissioner's Office: Personal Services | \$0 | (\$108,229) | \$0 | \$108,229 | \$0 | 0.0 |

The two charts below demonstrate the total costs of the Inspection and Consumer Services Division, as well as the funding change from General Fund to Cash Funds. These charts recognize that the Total Funds of the program are made up of the General Fund with the balance being made up by the Inspection and Consumer Services Cash Fund. So, for example, with the passage of this legislation, the \$2,932,841 of personal service costs will change from \$865,724 General Fund and \$2,067,117 Cash Fund (\$2,932,841 - \$865,724) to entirely funded by the Inspection and Consumer Services Cash Fund. These charts show the change in each line item by fund split so that the fiscal note and the appropriation clause of the bill will address the funding changes appropriately.

FY 2010-11 Budget 100% CF for Inspection and Consumer Services including Pay Date Shift

| | Total Funds | General Fund | Cash Fund | Reappropriated Funds |
|---|--------------------|----------------------|--------------------|----------------------|
| Agricultural Services Personal Services | \$2,936,292 | (\$827,756) | \$827,756 | \$0 |
| HLD | \$254,445 | (\$71,729) | \$71,729 | |
| Salary Survey | \$0 | | \$0 | |
| Perf Pay | \$0 | | \$0 | |
| AED | \$68,066 | (\$19,188) | \$19,188 | |
| SAED | \$49,631 | (\$13,991) | \$13,991 | |
| STD | \$4,509 | (\$1,239) | \$1,239 | |
| Agricultural Services Operating | \$387,872 | (146,762) | \$146,762 | \$0 |
| Utilities | \$65,700 | (24,112) | \$24,112 | \$0 |
| Lease Vehicle | \$53,762 | (22,062) | \$22,062 | \$0 |
| Risk Mgt | \$13,222 | (2,490) | \$2,490 | \$0 |
| Worker's Comp | \$24,041 | (9,836) | \$9,836 | \$0 |
| Asset Maint | \$17,336 | (7,336) | \$7,336 | \$0 |
| Indirect | \$252,716 | 0 | \$108,229 | \$0 |
| Lease Purchase Lab | \$39,672 | (39,672) | \$39,672 | \$0 |
| Legal | \$19,667 | (6,852) | \$6,852 | \$0 |
| Comm. Office Personal Services | \$ | (108,229) | \$0 | \$108,229 |
| Total changes | \$4,186,931 | (\$1,301,254) | \$1,301,254 | \$108,229 |

FY 2010-11 100% CF Budget for Inspection and Consumer Services not including Pay Date Shift

| | Total Funds | General Fund | Cash Fund | Reappropriated Funds |
|---|--------------------|----------------------|--------------------|----------------------|
| Agricultural Services Personal Services | \$3,011,542 | (\$903,007) | \$903,007 | \$0 |
| HLD | \$260,966 | (\$78,250) | \$78,250 | \$0 |
| Salary Survey | \$0 | \$0 | \$0 | \$0 |
| Perf Pay | \$0 | \$0 | \$0 | \$0 |
| AED | \$69,810 | (\$20,932) | \$20,932 | \$0 |
| SAED | \$50,903 | (\$15,263) | \$15,263 | \$0 |
| STD | \$4,509 | (\$1,352) | \$1,352 | \$0 |
| Agricultural Services Operating | \$387,872 | (\$146,762) | \$146,762 | \$0 |
| Utilities | \$65,700 | (\$24,112) | \$24,112 | \$0 |
| Lease Vehicle | \$53,762 | (\$22,062) | \$22,062 | \$0 |
| Risk Mgt | \$13,222 | (\$2,490) | \$2,490 | \$0 |
| Worker's Comp | \$24,041 | (\$9,836) | \$9,836 | \$0 |
| Asset Maint | \$17,336 | (\$7,336) | \$7,336 | \$0 |
| Indirect | \$252,716 | \$0 | \$108,229 | \$0 |
| Lease Purchase Lab | \$39,672 | (\$39,672) | \$39,672 | \$0 |
| Legal | \$19,667 | (\$6,852) | \$6,852 | \$0 |
| Comm. Office Personal Services | \$ | (\$108,229) | \$0 | \$108,229 |
| Total changes | \$4,271,719 | (\$1,386,155) | \$1,386,155 | \$108,229 |

The following chart shows the difference in funding for the pay date shift by line item and calculation on benefits, based on total percentage of personal services being 29.98% GF.

| | GF | Total ICS | % of GF to Total |
|---------------------------|-----------|-----------|------------------|
| Total Salary and Benefits | 1,018,804 | 3,397,731 | 29.98% |
| Salary | 903,007 | 3,011,543 | |
| HLD | 78,250 | 260,966 | |
| AED | 20,932 | 69,810 | |
| SAED | 15,263 | 50,903 | |
| STD | 1,352 | 4,509 | |

Assumptions for Calculations:

- Personal Service estimates include all known rates for FY 2010-11, or if not known uses the FY 2009-10 rates for Short Term Disability and Health, Life, and Dental insurance.
- Operating estimates have pulled out the FY 2009-10 one time truck purchase of \$100,069.
- Utilizes new proposed budgets for FY 2010-11 for Risk Management, Worker’s Compensation, and Statewide Indirect.
- Uses indirect calculation for FY 2010-11.
- The requested changes in spending authority are based on FY 2009-10 salaries, with known changes in benefits like AED and SAED, as well as proposed changes to various common policy line items, including statewide indirect, Workers’ Compensation, and Risk Management

Cash Fund Projections:

The table below illustrates the current revenue and expenditure projections for the Inspection and Consumer Services Cash Fund based on the current fee structure in comparison to the proposed fee increases to fully cash fund the program.

| Cash Fund Name | Cash Fund Number | FY 2008-09 Expenditures | FY 2008-09 End of Year Cash Balance | FY 2009-10 End of Year Cash Balance Estimate | FY 2010-11 End of Year Cash Balance Estimate | FY 2011-12 End of Year Cash Balance Estimate |
|------------------------|------------------|-------------------------|-------------------------------------|--|--|--|
| Current fee structure | 16R | \$1,857,953 | \$1,430,998 | \$1,269,503 | \$ 1,220,954 | \$ 1,172,336 |
| Proposed fee structure | 16R | N/A | N/A | N/A | \$ 1,226,404 | \$ 1,183,304 |

Cost Benefit Analysis:

| Cost: | Benefit: |
|---|---|
| This proposal reduces the General Fund appropriation in the Department of Agriculture by over \$1.3M. | This proposal helps the state balance the General Fund expenses with revenue projections. |

Implementation Schedule:

| Task | Month/Year |
|--|-------------------|
| A statutory change will need to take place effective July 1, 2010. The Agricultural Commission will set fees, typically in May, based on the Long Bill to be effective July 1, 2010. The fees will be set in accordance with the table on pages 6-7. | July 1,2010 |

Statutory and Federal Authority:

Below is the current statutory authority for programs affected by this proposal. The necessary statutory changes are also reflected.

35-12-104. Registration. (1) Each product shall be registered by the person whose name appears on the label before being distributed in, into, or for use in this state. The application for registration shall be submitted to the commissioner on forms furnished by the commissioner and shall be accompanied by a fee as established by the commission. For each fiscal year, commencing on July 1, fifty percent of the department's direct and

~~indirect costs of administering and enforcing the provisions of this article shall be funded from the general fund. The commission shall establish a fee schedule to cover the remaining direct and indirect costs OF ADMINISTERING AND ENFORCING THE PROVISIONS OF THIS ARTICLE. All registrations shall expire annually on the date specified by rule of the commissioner. Applications for renewal of registrations must be submitted on or before such date. Each application for registration or renewal of registration shall include the following information:~~

35-12-106. Distribution fees. (8) For each fiscal year, ~~fifty percent of the direct and indirect costs of administering and enforcing the provisions of this article shall be funded from the general fund. The commission shall establish a fee schedule to cover the remaining~~ direct and indirect costs OF ADMINISTERING AND ENFORCING THE PROVISIONS OF THIS ARTICLE. All moneys collected pursuant to this section shall be transmitted to the state treasurer, who shall credit the same to the inspection and consumer services cash fund created in section 35-1-106.5.

Measurement Standards

35-14-127. Licenses - fees - stickers - certificates. (12.5) (a) For the fiscal year commencing on July 1, ~~2007~~ 2009, and for each subsequent fiscal year, the agricultural commission shall establish fees associated with the licensing, testing, inspection, and regulation of scales with a capacity of two thousand pounds or less, cordage meters, and textile meters. Such fees shall cover the direct and indirect costs of administering and enforcing the provisions of this article other than subsection (12) of this section, paragraph (b) of this subsection (12.5), and section 35-14-128 (2).

(b) For the fiscal year commencing on July 1, ~~2007~~ 2009, and for each subsequent fiscal year, THE AGRICULTURAL COMMISSION SHALL ESTABLISH A FEE SCHEDULE TO COVER THE DIRECT AND INDIRECT COSTS ~~twenty five percent of the direct and indirect costs~~ associated with the licensing, testing, inspection, and regulation of certified weighers, scales with a capacity of greater than two thousand pounds, belt conveyers, in-motion railroad scales, and moisture meters. ~~shall be funded~~

~~from the general fund. The agricultural commission shall establish a fee schedule to cover the remaining direct and indirect costs.~~

35-14-128. Laboratory approval - service - condemnation. (2) The laboratory may require that specified standards submitted for calibration be cleaned or sanded, scraped, and painted before submission. Precision weights, volume, and length standards shall be cleaned and dried before submission. The fee for any metrology service shall be established by the agricultural commission TO COVER THE DIRECT AND INDIRECT COSTS ADMINISTERING AND ENFORCING THE PROVISIONS OF THIS ARTICLE. ~~For the fiscal year commencing on July 1, 2007, and for each subsequent fiscal year, seventy five percent of the direct and indirect costs associated with metrology laboratory services, including the regulation of weighing and measuring device sales, installation, and service persons, shall be funded from the general fund. The agricultural commission shall establish a fee schedule to cover the remaining direct and indirect costs.~~

(2) (a) A person required to be registered pursuant to section 35-60-103 (1) shall pay an annual registration fee as established by the agricultural commission. ~~For the fiscal year commencing on July 1, 2007, and for each subsequent fiscal year, fifty percent of the direct and indirect costs of administering and enforcing the provisions of this article shall be funded from the general fund.~~ The agricultural commission shall establish a fee schedule to cover the ~~remaining~~ direct and indirect costs OF ADMINISTERING AND ENFORCING THE PROVISIONS OF THIS ARTICLE.

(c) (I) ~~For the fiscal year commencing on July 1, 2007, and for each subsequent fiscal year, fifty percent of the direct and indirect costs of administering and enforcing the provisions of this article shall be funded from the general fund.~~ The agricultural commission shall establish a fee schedule to cover the ~~remaining~~ direct and indirect costs OF ADMINISTERING AND ENFORCING THE PROVISIONS OF THIS ARTICLE.

Commercial Feed

35-60-104. Registration fees. (2) (a) A person required to be registered pursuant to section [35-60-103](#) (1) shall pay an annual registration fee as established by the agricultural commission. For the fiscal year commencing on July 1, 2007~~9~~, and for each subsequent fiscal year, ~~fifty percent of the direct and indirect costs of administering and enforcing the provisions of this article shall be funded from the general fund.~~ The agricultural commission shall establish a fee schedule to cover the ~~remaining~~ direct and indirect costs OF ADMINISTERING AND ENFORCING THE PROVISIONS OF THIS ARTICLE.

35-60-105. Distribution fees – reports. (c) (I) For the fiscal year commencing on July 1, 2007~~9~~, and for each subsequent fiscal year, ~~fifty percent of the direct and indirect costs of administering and enforcing the provisions of this article shall be funded from the general fund.~~ The agricultural commission shall establish a fee schedule to cover the ~~remaining~~ direct and indirect costs OF ADMINISTERING AND ENFORCING THE PROVISIONS OF THIS ARTICLE.

12-16-105. License fee - renewal. (1) (b) For the fiscal year commencing on July 1, 2007~~2009~~ and for each subsequent fiscal year, ~~twenty five percent of the direct and indirect costs of administering and enforcing the provisions of this article shall be funded from the general fund.~~ The agricultural commission shall establish a fee schedule to cover the ~~remaining~~ direct and indirect costs OF ADMINISTERING AND ENFORCING THE PROVISIONS OF THIS ARTICLE.

12-16-205. Commodity handler or agent licenses - application requirements. (1)(b) For the fiscal year commencing on July 1, 2007~~2009~~, and for each subsequent fiscal year, ~~twenty five percent of the direct and indirect costs of administering and enforcing the provisions of this article shall be funded from the general fund.~~ The agricultural commission shall establish a fee schedule to cover the ~~remaining~~ direct and indirect costs OF ADMINISTERING AND ENFORCING THE PROVISIONS OF THIS ARTICLE.

12-16-217. Inspection fees. 2) For the fiscal year commencing on July 1, 2007~~2009~~, and for each subsequent fiscal year, ~~twenty five percent of the direct and indirect costs of~~

~~administering and enforcing the provisions of this article shall be funded from the general fund.~~ The agricultural commission shall establish a fee schedule to cover the ~~remaining~~ direct and indirect costs OF ADMINISTERING AND ENFORCING THE PROVISIONS OF THIS ARTICLE. The inspection fee shall be paid by the person, firm, corporation, or other organization requesting the service at the time it is rendered or as otherwise provided and authorized by the commission.