

**Schedule 13**  
**Change Request for FY 2011-12 Budget Request Cycle**

Decision Item FY 2011-12  Base Reduction Item FY 2011-12  Supplemental FY 2010-11  Budget Amendment FY 2011-12

Request Title: Temporary Refinance of Markets Division  
 Department: Agriculture  
 Priority Number: BRI - 1

Dept. Approval by: *[Signature]* Date: 10-12-10  
 OSPB Approval: *[Signature]* Date: 10-13-10

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
<b>Total of All Line Items</b>	<b>Total</b>	1,131,232	2,133,763	0	2,133,763	2,595,650	(446,656)	2,148,994	0	2,148,994	0
	FTE	0.0	7.7	0.0	7.7	7.7	0.0	7.7	0.0	7.7	0.0
	GF	0	0	0	0	446,656	(446,656)	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	1,131,232	2,133,763	0	2,133,763	2,148,994	0	2,148,994	0	2,148,994	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
<b>(2) Agricultural Markets, Program Costs</b>	<b>Total</b>	0	488,002	0	488,002	497,110	0	497,110	0	497,110	0
	FTE	0.0	4.7	0.0	4.7	4.7	0.0	4.7	0.0	4.7	0.0
	GF	0	0	0	0	446,656	(446,656)	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	488,002	0	488,002	50,454	446,656	497,110	0	497,110	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
<b>(5) Special Purpose, Agriculture Management Fund</b>	<b>Total</b>	1,131,232	1,645,761	0	1,645,761	2,098,540	(446,656)	1,651,884	0	1,651,884	0
	FTE	0.0	3.0	0.0	3.0	3.0	0.0	3.0	0.0	3.0	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	1,131,232	1,645,761	0	1,645,761	2,098,540	(446,656)	1,651,884	0	1,651,884	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: N/A  
 Letternote Revised Text for FY 2010-11: N/A  
 Letternote Text Requested for FY 2011-12: "Of this amount, \$446,656 shall be from the Agriculture Management Fund created in Section 35-1-106.9, C.R.S. and \$50,454 shall be from various economic development programs."  
 Cash or Federal Fund Name and COFRS Fund Number: Agriculture Management Fund #221  
 Reappropriated Funds Source, by Department and Line Item Name: N/A  
 Approval by OIT? Yes:  No:  N/A:   
 Schedule 13s from Affected Departments: None

### CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Agriculture
Priority Number:	BRI-1
Change Request Title:	Temporary Refinance of Markets Division

**SELECT ONE (click on box):**

- Decision Item FY 2011-12
- Base Reduction Item FY 2011-12
- Supplemental Request FY 2010-11
- Budget Request Amendment FY 2011-112

**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 temporary, one-year refinancing request is for a **net General Fund reduction of \$446,656** within the Agricultural Markets Division, Program Costs line item, with a corresponding increase of \$446,656 cash funds (from the Agriculture Management Fund #22L) to offset this reduction. This request therefore extends current FY 2010-11 refinancing policy of this line item for one additional fiscal year. The Agriculture Management Fund line item also has a requested reduction of like amount in cash funds.

General Description of Request:

The Agricultural Markets Division provides marketing assistance and related support to Colorado agricultural-based businesses. Programs developed and maintained by the Division, such as *Colorado Proud*, promote Colorado agriculture in local, national and international arenas. Due to statewide budget pressures, the Agricultural Markets Division was refinanced for FY 2010-11, eliminating all General Fund previously appropriated (equal to \$437,548 - roughly 40% of the entire Division's funding) with Agriculture Management Funds.

Given the slow pace of economic recovery experienced both nationally and locally, budgetary pressures at the State level continue to exist. As such, the Department believes that it can continue to refinance this area of its budget for an additional fiscal year in order to assist in statewide balancing efforts. Due to the restoration of the 2.50% PERA reduction from FY 2010-11, the total amount of General Fund available in FY 2011-12 for refinancing in the Agricultural Markets Division, Program Costs line item is \$446,656. The Agriculture Management Fund line item within the Special Purposes Long Bill group therefore has a corresponding cash funds reduction.

With the expectation of maintaining the intent for which the Agriculture Management Fund was created – to help expand a broader Colorado Proud program, expand global trade, develop new market opportunities and advance Colorado products within regional and national trade arenas – the Department anticipates that General Fund for Markets would be restored beyond FY 2011-12.

Consequences if Not Funded:

If this proposal is not approved, the Department’s General Fund appropriation will continue to include \$446,656 General Fund that could otherwise be used for statewide budget balancing efforts.

Calculations for Request:

Summary of Request FY 2011-12	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Total Request	(\$446,656)	(\$446,656)	\$0	\$0	\$0
(3) Agricultural Markets Division, Program Costs	\$0	(\$446,656)	\$446,656	\$0	\$0
(5) Special Purpose, Agriculture Management Fund	(\$446,656)	\$0	(\$446,656)	\$0	\$0

Summary of Request FY 2012-13	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Total Request	\$0	\$0	\$0	\$0	\$0

Development of FY 2011-12 Budget for Agricultural Markets, Program Costs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
<b>FY 2010-11 Appropriation</b>	<b>\$488,002</b>	<b>\$0</b>	<b>\$488,002</b>	<b>\$0</b>	<b>\$0</b>
Restoration of PERA 2.5% Reduction	\$9,108	\$9,108	\$0	\$0	\$0
Restore FY 2010-11 Markets Division Refinance	\$0	\$437,548	(\$437,548)	\$0	\$0
<b>FY 2011-12 Base Request without Refinancing</b>	<b>\$497,110</b>	<b>\$446,656</b>	<b>\$50,454</b>	<b>\$0</b>	<b>\$0</b>
Requested FY 2011-12 Base Reduction Item	\$0	(\$446,656)	\$446,656	\$0	\$0
<b>FY 2011-12 Budget Request with Refinancing</b>	<b>\$497,110</b>	<b>\$0</b>	<b>\$497,110</b>	<b>\$0</b>	<b>\$0</b>

Assumptions for Calculations:

The Department assumes that the full \$446,656 General Fund would be refinanced with Agriculture Management Fund resources for FY 2011-12. The \$446,656 General Fund is calculated from the previous FY 2010-11 refinanced General Fund amount of \$437,548 plus an additional \$9,108 for restoration of the FY 2010-11 2.50% PERA reduction in the base budget.

Cash Fund Projections:

Cash Fund Name	Cash Fund Number	FY 2009-10 Expenditures	FY 2009-10 End of Year Cash Balance	FY 2010-11 End of Year Cash Balance Estimate	FY 2011-12 End of Year Cash Balance Estimate	FY 2012-13 End of Year Cash Balance Estimate
Agriculture Management Fund	22L	\$1,154,398	\$1,138,047	\$992,820	\$869,009	\$751,800

*\*FY 2011-12 End of Year Cash Balance assumes approval of this request.*

Cost Benefit Analysis:

<b>Cost:</b>	<b>Benefit:</b>
\$446,656 CF	The State can save \$446,656 General Fund through a refinancing of this Program Costs line item, which can be used in statewide budget balancing efforts.

Statutory and Federal Authority:

35-1-106.9, C.R.S. - Creation of the Agriculture Management Fund.

*The Fund shall consist of moneys transferred pursuant to Section 38-13-116.7 (3), C.R.S. The Department shall use such moneys to fund agricultural efforts approved by the commissioner, including but not limited to, funding additional department employees necessary to implement and manage approved programs.*

Performance Measures:

<b>Program</b>	<b>Performance Measure</b>	<b>Outcome</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>	<b>FY 12</b>
Markets	# of companies licensed to participate in the Colorado Proud program	Bench Mark	1,200	1,225	1,511	1,662
		Actual	1,134	1,374	N/A	N/A
Markets	Number of companies participating in export development programs	Bench Mark	400	420	415	430
		Actual	365	397	N/A	N/A