



Line Item Descriptions

November 3, 2014

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(1) Commissioner's Office and Administrative Services

Personal Services:

This appropriation supports FTE providing administrative and business support functions for the Department, including human resources, budget and accounting financial staff, general administrative service staff, and until FY 2010-11, information technology personnel. The Commissioner's Office is responsible for identifying emerging issues and opportunities to involve agricultural interests; serving as a conduit for the exchange of information regarding current issues; and identifying existing State programs and resources to achieve successful solutions.

Health, Life and Dental:

This appropriation covers the State's contribution for the premium on each employee's HLD insurance policy. The State offers four categories of coverage for medical and dental insurance: Employee Only, Employee plus Children, Employee plus Spouse, and Family. The Total Compensation Report includes recommendations on the amount of the State's contribution toward HLD premiums and the associated contributions for each coverage level. This appropriation is annually adjusted to accommodate policy changes to this coverage. Since FY 2008-09, the State has contributed roughly 90% of what private employers paid for their employees' healthcare premiums and 85% of what private employers paid for their employees' dental premiums.

Merit Pay:

Performance pay for employees based on performance evaluations and location of an employees' salary within the quartiles of the positions classified range.

Salary Survey:

Annual salary increases granted to employees based upon the recommendation of the Department of Personnel and Administration and funding by the General Assembly.

Short-term Disability:

Short-Term Disability (STD) is insurance coverage that provides partial payment of an employee's salary in the event that individual becomes disabled and cannot perform his or her work duties. All employees have this employer-paid, payroll-based benefit. STD rates are calculated on a fiscal-year basis. For FY 2008-09 and FY 2009-10, the budget contained funding for a 0.155% of pay premium for short-term disability.

SB 04-257 Amortization Equalization Disbursement:

During the 2004 legislative session, the General Assembly passed SB 04-257, which increased employer payments to the PERA Trust Fund beginning January 1, 2006. The Amortization Equalization Disbursement (AED) is calculated on all salary components including the Base Salary, Salary Survey, Performance-based Pay and Shift Differential. The following table outlines the current statutory increases for this line item and calculates the effective percentage on a fiscal year basis, as rates change on January 1. The step increase will grow incrementally up to 3.00% by January 2013. More recently, during the 2010 legislative session, the General Assembly adopted SB 10-001 to further extend State retirement increases, extending the calendar year four-tenths increment through 2017, to bring the total contribution percentage to 5.00%.

Amortization Equalization Disbursement			
Step Increases by Calendar and Fiscal Year (per 24-51-411, C.R.S.)			
January 1, 2006	0.50%	Effective FY 05-06	0.25%
January 1, 2007	1.00%	Effective FY 06-07	0.75%
January 1, 2008	1.40%	Effective FY 07-08	1.20%
January 1, 2009	1.80%	Effective FY 08-09	1.60%
January 1, 2010	2.20%	Effective FY 09-10	2.00%
January 1, 2011	2.60%	Effective FY 10-11	2.40%
January 1, 2012	3.00%	Effective FY 11-12	2.80%
January 1, 2013	3.40%	Effective FY 12-13	3.00%
January 1, 2014	3.80%	Effective FY 13-14	3.60%
January 1, 2015	4.20%	Effective FY 14-15	4.00%
January 1, 2016	4.60%	Effective FY 15-16	4.40%
January 1, 2017	5.00%	Effective FY 16-17	4.80%

SB 06-235 Supplemental Amortization Equalization Disbursement:

During the 2006 legislative session the General Assembly passed S.B. 06-235, which added Supplemental AED payments. The Supplemental Amortization Equalization Disbursement (SAED) began January 1, 2008. Like AED, SAED is intended to improve the pension plan funded status for State employees. However, unlike AED, the SAED contribution is intended to be afforded with moneys that would have otherwise gone to State employees in the form of pay increases.

The following table outlines the current statutory increases for this line item and calculates the effective percentage on a fiscal year basis. Included in the 2010 legislative session when SB 10-001 was adopted by the General Assembly, the original 3.0% maximum was incrementally raised to 5.00% by 2017.

Supplemental Amortization Equalization Disbursement			
Step Increases by Calendar and Fiscal Year (per 24-51-411, C.R.S.)			
January 1, 2008	0.50%	Effective FY 2007-08	0.25%
January 1, 2009	1.00%	Effective FY 2008-09	0.75%
January 1, 2010	1.50%	Effective FY 2009-10	1.25%
January 1, 2011	2.00%	Effective FY 2010-11	1.75%
January 1, 2012	2.50%	Effective FY 2011-12	2.25%
January 1, 2013	3.00%	Effective FY 2012-13	2.75%
January 1, 2014	3.50%	Effective FY 2013-14	3.20%
January 1, 2015	4.00%	Effective FY 2014-15	3.75%
January 1, 2016	4.50%	Effective FY 2015-16	4.25%
January 1, 2017	5.00%	Effective FY 2016-17	4.75%

Workers' Compensation:

This item provides funding for payments made by departments to the Department of Personnel and Administration to support the State's self-insured workers' compensation program. In addition, this line item supports common resources for the Colorado State Employee Assistance Program (C-SEAP). Costs are allocated to affected agencies based on workers' compensation claims, as determined by the Department of Personnel and Administration.

Operating Expenses:

This appropriation supports the Commissioner's Office efforts with providing leadership and administrative support to the Department. Expenditures from this line range from office equipment and supplies to travel expenses to utilities/maintenance costs.

Legal Services for 4,653 hours:

This line item includes funding for the purchase of attorney and paralegal services from the Attorney General's Office, based on the blended hourly rate for these services as determined during the Department of Law's annual Figure Setting.

Administrative Law Judge Services

The FY 2012-13 base request reflects a new allocation of these Department of Personnel and Administration services, equal to \$3,359. These costs are requested as 100% cash funds based on where prior year claims were generated.

Payment to Risk Management and Property Funds:

The State's Risk Management process consists of two programs: the Liability Program and the Property Program. This line item pays for premiums related to these insurance coverages, broker services, third party administration fees, legal services related to these programs, and deductibles.

Vehicle Lease Payments:

This line item includes the costs agencies experience from vehicle lease-purchase loan payments, plus a management fee collected by the Department of Personnel and Administration. These costs represent *fixed costs* for State vehicles. Depending on the length of the lease-purchase agreement and the replacement policy for State fleet vehicles, an agency's Vehicle Lease Payments appropriation adjusts annually.

Information Technology Asset Maintenance:

This appropriation supports the Department's computer infrastructure, thereby allowing periodic replacement of information technology assets, and minimizing productivity loss of program staff due to downtime from equipment failures.

Leased Space:

The Department leases space at seven sites throughout Colorado. This line item covers the annual lease costs for each of these sites. The annual appropriation and request line up with expected leases per lease agreements and can vary based on utilities, agreed upon step increases in cost per square foot, and property value offsets for leases pertaining to public entities. Current locations, square footage, and lease costs for each location are shown in the following table:

Location	SqFt	Current End Date	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Monte Vista, CO - Farm Credit Bldg.	913	6/30/2013	\$6,300	\$6,300	\$8,000	\$8,000
La Junta, CO - 30450 E. Hwy 50	442	6/30/2015	\$2,700	\$2,700	\$2,700	\$2,700
Greeley, CO - 711 O Street	574	6/30/2015	\$3,300	\$3,300	\$3,300	\$3,300
Greeley, CO - 528 7th Street	700	6/30/2015	\$3,000	\$3,000	\$0	\$0
Brush, CO - 28601 US Hwy 34	330	6/30/2015	\$2,970	\$2,970	\$2,970	\$2,970
Lakewood, CO - 710 Kipling Street	2,856	6/30/2013	\$54,264	\$54,264	\$0	\$0
Denver, CO - 4701 Marion St. (offices)	3,471	6/30/2016	\$52,065	\$53,801	\$0	\$0
Total Funds	9,695		\$124,599	\$126,335	\$16,970	\$16,970

Payments to OIT:

This is a new line item effective FY 2014-15 that consolidates the previous IT line items (Management of OIT, Multiuse Network, Communication Services, and Purchase Services from Computer Center). This line funds the purchased services from OIT to include help desk, infrastructure support, administration, and network security.

Capitol Complex Lease Space:

The Department occupies 13,553 square feet of space at 700 Kipling Street in Lakewood, Colorado. This building is owned by the State and the Department is assessed an annual per square foot charge to cover the State's obligations with accommodating the operating costs of the building through the Department of Personnel and Administration. Annual appropriation adjustments reflect statewide overhead cost changes and are determined by the Department of Personnel and Administration.

COFRS Modernization:

The purpose of this line item is to support the Governor's Office of Information Technology and the Office of the State Controller in developing a new financial system for the State. Cash funds make up a majority of the line item. Each fund contributes to this line item in proportion to each funds overall contribution to the Department's total cash fund spending authority.

Utilities:

This line item covers the utility costs associated with the Insectary in Palisade, the Inspection and Consumer Services buildings at 2331 W. 31st Ave and 3125 Wyandot in Denver, and the warehouses at 5041 Lafayette in Denver.

Agriculture Statistics:

This appropriation covers the annual contract the Department has with the United States Department of Agriculture, National Agriculture Statistics Service, Colorado, to compile county level data on agriculture commodities.

Agriculture Management Fund:

HB 08-1399 directs interest derived from deposits and investments on moneys in the Unclaimed Property Tourism Promotion Trust Fund to the following programs: 25% to the Colorado State Fair Authority Cash Fund; 65% to the newly created Agriculture Management Fund; and 10% to Colorado Travel and Tourism Promotion Fund. With the intent of expanding Department efforts, funds received by the Department are assigned by the Commissioner to go to such efforts as: Conservation District support, noxious weed management, agriculture marketing enhancements, homeland security efforts, and animal disease mitigation efforts.

Indirect Cost Assessment:

This appropriation accommodates indirect costs associated with federal grants (prior to FY 2012-13) and cash related programs (beginning in FY 2011-12) appropriated within this Long Bill Group. These funds ultimately help pay for oversight provided by the Commissioner's Office, allowing the Department to refinance what would otherwise be General Fund in the Commissioner's Office Personal Services line with reappropriated funds from this authority.

(2) Agriculture Services Division**Animal Industry:**

This appropriation reflects resources devoted to animal health and livestock disease control. The Division is primarily responsible for establishing and maintaining an animal identification system that will allow for quick and accurate traceability of livestock; testing for disease in dairy and feedlot cattle, poultry, swine, and other livestock; licensing pet animal care facilities around the State; and working in partnership with local governments on rodent and predator control efforts and investigations surrounding animal cruelty or neglect. The Division also partners with the Colorado Division of Wildlife to regulate and license private fish hatcheries.

Vaccine and Service Fund:

This appropriation accommodates operating expenses from the Rocky Mountain Regional Animal Health Laboratory, supporting the vaccination of heifer calves against brucellosis, the testing of livestock for brucellosis, and the identification and disposal of reactor livestock (animals that have tested positive for the disease).

Plant Industry:

This appropriation reflects resources dedicated to preserving the environment, protecting consumers, and assuring the integrity of Colorado agriculture. Efforts are focused through programs that certify and regulate chemigation and pesticide application; inspection and licensing of nurseries, forage and seed distribution to ensure no exotic or other harmful species are introduced to Colorado; and inspect and certify produce, seed, and other plant commodities scheduled for export through the phytosanitary program.

Inspection and Consumer Services:

This appropriation reflects resources intended to protect consumers, promote equity in the marketplace, and preserve both animal and human health and safety. Programs intended to achieve these mission statements include efforts of regulating animal feed, fertilizer, compost, etc. with the assistance of the Division's biochemistry laboratory; providing licensing and bonding, and inspect and audit, dealers and buyers that purchase and store agriculture products; inspect meat processing facilities; review and validate proper packaging and labeling for numerous commodities; and ensure integrity for weight and measurement standards with the assistance of the Division's metrology laboratory. The Division also regulates and inspects home food service providers and ensures proper care and handling practices for eggs.

Conservation Services:

This appropriation includes resources for the Department to collaborate with public and private landowners across Colorado to enhance the stewardship of natural resources related to agricultural practices and lands. Four programs allow the Department to administer efforts associated with the above efforts from groundwater protection, to biological pest control, to noxious weed management, and finally Colorado State Conservation Board partnership programs.

Lease Purchase Lab Equipment:

This line item supports the procurement of new lab equipment. Equipment for the laboratory is incredibly expensive to replace and/or update as needed; therefore the Department utilizes lease-purchase agreements to update equipment. This prevents large, one-time, increases in spending authority. In addition, fees can remain steady rather than experience intermittent increases to offset the large cash outlays that would be required to procure this equipment.

Indirect Cost Assessment:

This appropriation accommodates the indirect (overhead) charges on federal grants and state-supported, cash funded services within this Long Bill group, to help pay for the overhead within the Department provided by the Commissioner's Office.

(3) Agricultural Markets Division**(A) Agricultural Markets, Program Costs:**

This line item accommodates Personal Services and Operating Expenses for the Market's Division, including domestic and international marketing efforts and Market Order administration.

(A) Agricultural Markets, Economic Development Grants:

This line item accommodates any grants the Department may receive through a competitive application process from the Governor's Office of Economic Development. This line item has received consistent spending authority annual at \$45,000, but has not always been utilized, as grants have not been received in recent years.

(A) Agricultural Markets, Agricultural Development Board:

This appropriation was created by the Legislature through HB 01-1086 to assist in the development of agricultural processing facilities in Colorado. Via HB 06-1322, the Legislature allocated (from the operational account of the Severance Tax Trust Fund) \$500,000 per year for three years to promote agricultural energy related projects, including research projects, to the Board. This authority was extended to FY 2016-17 through HB 12-1334.

(A) Agricultural Markets, Wine Promotion Board:

This line item was created in 1990 to help in the development of the wine industry in Colorado. The Colorado Wine Industry Development Board is to use at least one-third of its available resources toward research and development and at least one-third toward promotion and marketing.

(A) Agricultural Markets, Indirect Cost Assessment:

This appropriation accommodates the indirect (overhead) charges on the Agriculture Value Added Development Fund and Wine Promotion Fund to help pay for the overhead within the Department provided by the Commissioner's Office.

(B) Agricultural Products Inspection, Program Costs:

This appropriation is new for FY 2011-12 and reflects previous resources within the Department's Agricultural Services Long Bill Group dedicated to performing inspections on more than two billion pounds of fresh fruit and vegetables annually.

(B) Agricultural Products Inspection, Indirect Cost Assessment:

This appropriation accommodates the indirect (overhead) charges on the Agricultural Products Inspection Fund to help pay for the overhead within the Department provided by the Commissioner's Office.

(4) Brand Board

Brand Inspection:

This program line accommodates the expenses of the 66.3 FTE associated with:

- 1) Recording and administering livestock brands;
- 2) Inspecting livestock and verifying ownership before sale, transportation, or slaughter;
- 3) Inspecting and licensing livestock sale-rings and inspecting all consignments before sale to verify valid ownership;
- 4) Facilitating the return of stray or stolen livestock; investigating reports of lost or stolen livestock;
- 5) Licensing and inspecting alternative livestock facilities as required by statute, maintaining inventory of all alternative livestock for change of ownership and animal disease traceback.

Alternative Livestock:

This appropriation supports inspection and licensing efforts associated with the State's alternative livestock ranches. This includes all selling, trading, bartering, or transferring of any domesticated elk or fallow deer in the State.

Brand Estray Fund:

The appropriation supports an escrow fund that the Brand Board keeps in trust for the owners of estray animals sold by the Brand Board. If the Brand Board takes possession of a stray animal and cannot find the owner, the Brand Board will sell that animal and hold the proceeds, (money after paying for advertising and care for the animal). These funds are held for six years in the event the owner of the sold animal steps forward with suitable proof of ownership and claims the proceeds. Payments from this fund are reimbursements to owners and for the advertising and care of animals held by the Brand Board.

Indirect Cost Assessment:

This appropriation accommodates the indirect (overhead) charges on the Brand Fund to help pay for the overhead within the Department provided by the Commissioner's Office.

(5) Colorado State Fair

Program Costs:

This line item funds all personnel, contracts, and operating needs attributable to Colorado State Fair facilities. Activities on the grounds include the annual State Fair, concerts, graduations, weddings, sporting events, and other entertainment and are overseen by the eleven members of the State Fair Authority Board. This line item was increased during the 2006 Legislative session (pursuant to HB 06-1384) to accommodate debt payoff to the State Treasurer and to Wachovia for debt on the Event Center. Since that time, the

State Fair has become debt free, and pursuant to the requirements of HB 08-1399, any new revenues derived from the 25% interest earnings on moneys in the Unclaimed Property Tourism Promotion Fund shall be directed to support educational efforts of the Fair.

FFA and 4H Funding:

This is a new line added in HB 14-1336 to provide General Fund for the various FFA and 4H programs held at the Colorado State Fair. Programs include the Junior Livestock show and sale, shooting sports, premiums, room and board cost offsets, horseshows, model plane, and dog shows.

Indirect Cost Assessment:

This appropriation accommodates the indirect (overhead) charges on the Colorado State Fair, to help pay the overhead within the Department provided by the Commissioner's Office. Due to recent consolidation changes in IT staffing, the State Fair is no longer being allocated a portion of these overhead costs, which as reduced indirects by roughly \$52,000.

(6) Conservation Board

Program Costs:

This line item was new in FY 2010-11, accommodating earlier years' Personal Services and Operating Expenses line items from the Conservation Board Long Bill group. The Conservation Board provides administrative and fiscal oversight to 77 conservation districts in the State of Colorado and is comprised of eight members from the conservation districts and one Governor appointed individual. The intent of the Board is to collaborate with federal entities and local districts on issues related to soil erosion, noxious weed management, energy efficiencies, water usage, agricultural runoff, and other natural resource-related projects. General Fund in this program (primarily from cash funds from the Operational Account of the Severance Tax Trust Fund) is used to maximize local funds and to draw down federal assistance in the form of grants from the US Department of Agriculture, Natural Resources Conservation Services. General Fund in this line item is continuously appropriated.

Distributions to Soil Conservation Districts:

As authorized by the Legislature, State General Fund dollars are awarded through a competitive grant process to local conservation districts to assist districts in funding general overhead costs such as mileage reimbursement for Board members, administrative and technical services, office expenses and district elections. Criteria for the competitive award process include a district's long-range plans, existing and projected workload, participation level for statewide conservation efforts, whether or not the district has planned educational programs for projects, etc.

Matching Grants to Districts:

The Natural Resources Conservation Matching Grants program provides funds for conservation districts to address on-the-ground conservation problems identified at the local level. Funds are appropriated annually through the State Legislature and districts apply through the Colorado State Conservation Board (CSCB). The district must provide a dollar-for-dollar match from local, private or federal cash or in-kind sources for program awards.

Salinity Control Grants:

The Bureau of Reclamation allocates funding through the Colorado State Conservation Board to five conservation districts who provide cost-share assistance to landowners. Grants are distributed through the Colorado Department of Natural Resources and are currently approved for Mancos, Mesa, Delta, Dolores and Bookcliff Conservation Districts in the Upper Colorado River Basin. By improving the efficiency of irrigation systems in this area, landowners can reduce the amount of salts entering the Colorado River thereby benefiting water users in the lower Colorado River basin.