

Schedule 13

Department of Agriculture

Funding Request for The FY 2020-21 Budget Cycle

Request Title

NP-1 Annual Fleet Vehicle Request

Dept. Approval By:  Supplemental FY 2019-20

OSPB Approval By:  Budget Amendment FY 2020-21

X Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$305,300	\$0	\$313,300	(\$8,737)	(\$8,737)
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$120,416	\$0	\$124,416	(\$3,445)	(\$3,445)
	CF	\$180,563	\$0	\$184,563	(\$5,168)	(\$5,168)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$4,321	\$0	\$4,321	(\$124)	(\$124)

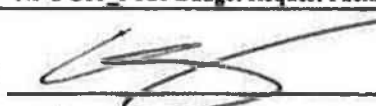
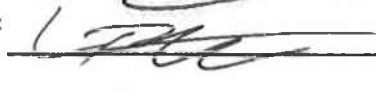
Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$305,300	\$0	\$313,300	(\$8,737)	(\$8,737)
FTE		0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$120,416	\$0	\$124,416	(\$3,445)	(\$3,445)
Commissioner's Office and Administrative Services, (I)	CF	\$180,563	\$0	\$184,563	(\$5,168)	(\$5,168)
Commissioner's Office and Administrative Services - Vehicle Lease Payments	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$4,321	\$0	\$4,321	(\$124)	(\$124)

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Agriculture Non-Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact

Schedule 13

Department of Agriculture

Funding Request for The FY 2020-21 Budget Cycle

Request Title	NP-2 OIT FY21 Budget Request Package		
Dept. Approval By: 	_____	_____	Supplemental FY 2019-20
OSPB Approval By: 	_____	_____	Budget Amendment FY 2020-21
		X	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$1,616,101	\$0	\$1,928,401	(\$2,642)	\$603
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$1,162,202	\$0	\$1,386,777	(\$1,899)	\$434
	CF	\$453,899	\$0	\$541,624	(\$743)	\$169
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0



Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$1,616,101	\$0	\$1,928,401	(\$2,642)	\$603
01. Commissioner's Office and Administrative Services,	FTE	0.0	0.0	0.0	0.0	0.0
(A) Commissioner's Office and Administrative Services,	GF	\$1,162,202	\$0	\$1,386,777	(\$1,899)	\$434
(1) Commissioner's Office and Administrative Services - Payments to OIT	CF	\$453,899	\$0	\$541,624	(\$743)	\$169
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Agriculture Non-Prioritized Request	Interagency Approval or Related Schedule 13s:	Requires OIT Approval

Schedule 13

Department of Agriculture

Funding Request for The FY 2020-21 Budget Cycle

Request Title	NP-3 Paid Family Leave		
Dept. Approval By: 	_____	_____	Supplemental FY 2019-20
OSPB Approval By: 	_____	_____	Budget Amendment FY 2020-21
	_____	X	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$0	\$85,111	\$85,111
Total of All Line Items Impacted by Change Request	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$0	\$0	\$0	\$56,476	\$56,476
	CF	\$0	\$0	\$0	\$28,635	\$28,635
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$0	\$85,111	\$85,111
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services,	GF	\$0	\$0	\$0	\$56,476	\$56,476
(A) Commissioner's Office and Administrative Services,	CF	\$0	\$0	\$0	\$28,635	\$28,635
(1) Commissioner's Office and Administrative Services - Paid Family Leave	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Agriculture Non-Prioritized Request	Interagency Approval or Related Schedule 13s:	Impacts DPA

Schedule 13

Department of Agriculture

Funding Request for The FY 2020-21 Budget Cycle

Request Title
R-1 Renewable Energy and Energy Efficiency (ACRE3) Funding

Dept. Approval By:		_____	Supplemental FY 2019-20
OSPB Approval By:		_____	Budget Amendment FY 2020-21
		X	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$5,609,155	\$0	\$5,751,967	\$110,163	\$110,163
FTE		0.0	0.0	0.0	1.0	1.0
Total of All Line Items Impacted by Change Request	GF	\$1,356,900	\$0	\$1,545,674	\$110,163	\$110,163
	CF	\$4,252,255	\$0	\$4,206,293	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$2,906,815	\$0	\$3,306,349	\$10,042	\$10,042
FTE		0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$784,033	\$0	\$907,735	\$10,042	\$10,042
Commissioner's Office and Administrative Services, (I)	CF	\$2,122,782	\$0	\$2,398,614	\$0	\$0
Commissioner's Office and Administrative Services - Health, Life, and Dental	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Total		\$28,518	\$0	\$30,526	\$139	\$139
FTE		0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$7,595	\$0	\$9,999	\$139	\$139
Commissioner's Office and Administrative Services, (I)	CF	\$20,923	\$0	\$20,527	\$0	\$0
Commissioner's Office and Administrative Services - Short-term Disability	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$1,086,911	\$0	\$957,546	\$4,086	\$4,086
01. Commissioner's Office and Administrative Services, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Commissioner's Office and Administrative Services, (1)	GF	\$282,636	\$0	\$313,970	\$4,086	\$4,086
Commissioner's Office and Administrative Services - Amortization Equalization Disbursement	CF	\$804,275	\$0	\$643,576	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$1,086,911	\$0	\$957,546	\$4,086	\$4,086
01. Commissioner's Office and Administrative Services, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Commissioner's Office and Administrative Services, (1)	GF	\$282,636	\$0	\$313,970	\$4,086	\$4,086
Commissioner's Office and Administrative Services - Supplemental Amortization Equalization Disbursement	CF	\$804,275	\$0	\$643,576	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$500,000	\$0	\$500,000	\$91,810	\$91,810
03. Agriculture Markets Division, (A) Agricultural Markets, (1) Agricultural Markets - Agricultural Development Board	FTE	0.0	0.0	0.0	1.0	1.0
	GF	\$0	\$0	\$0	\$91,810	\$91,810
	CF	\$500,000	\$0	\$500,000	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data			
Requires Legislation?	YES		
Type of Request?	Department of Agriculture Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact



Department Priority: R-1
Request Detail: Renewable Energy and Energy Efficiency (ACRE3) Funding

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$110,163	\$110,163
FTE	0.0	1.0	1.0
General Fund	\$0	\$110,163	\$110,163
Cash Funds	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department requests \$110,163 in ongoing General Fund beginning FY 2020-21 (1.0 FTE) for the Department’s Advancing Colorado’s Renewable Energy and Energy Efficiency (ACRE3) program. This program provides energy efficiency and renewable energy solutions at no cost to qualifying agricultural producers. Appropriating General Fund for the ACRE3 FTE would allow the Department to spend currently obligated cash funding on grants and technical assistance for the program. In addition, the Department respectfully requests that the Joint Budget Committee sponsor accompanying legislation to reinstate a \$500,000 transfer from the Severance Tax Trust Fund as a Tier 2 program, to reestablish a sustainable funding source. This legislation would ensure the ACRE3 program has a revenue source to allow Colorado producers to engage in projects to improve energy efficiency on their farm or ranch, as current funding is anticipated to be obligated by June 2020. This program is at Step 3 on the evidence continuum.



Current Program:

The ACRE3 grant program provides funding and technical assistance to help Colorado agricultural producers reduce or offset their on-farm energy costs by installing high efficiency or renewable energy equipment within their operations. The program collaborates extensively with the Colorado Energy Office (CEO) and the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) to partner on competitive cost-share energy projects throughout the State. The program consists of two initiatives: The Agricultural Energy Efficiency Initiative (AgEE), and the Irrigation Hydropower Partnership, an innovative initiative to modernize on-farm irrigation infrastructure, incorporating energy-recovery hydropower.

Through the AgEE Initiative, the ACRE3 program funds qualifying energy efficiency projects recommended through vetted energy audit reports, provided at no cost by the CEO. In addition to the efficiency projects, ACRE3 provides technical assistance and project funding for solar electric, solar thermal, and geo-exchange projects. These projects significantly reduce the burden of energy costs for energy-intensive agricultural operations, such as dairies.

The Irrigation Hydro initiative is a cost-share partnership with NRCS and a dozen other stakeholders. The ACRE3 program provides free feasibility studies, technical assistance for permitting and hydropower engineering, and partial cost-share with NRCS for new pipelines, hydro turbines, and center pivot sprinklers. NRCS also provides free engineering for irrigation infrastructure and other technical services. These projects provide significant irrigation water efficiency improvements, improvements to watershed quality, reduced erosion, and other environmental benefits.

Candidates must submit a pre-application to receive ACRE3 funding. After screening for eligibility and a preliminary resource assessment, qualifying applicants receive a no-cost energy audit of their facility or a renewable energy feasibility study, or both, depending on the services they apply for. For a project to receive ACRE3 funding, the technical study must recommend the project and demonstrate that it has a payback period of less than 15 years and less than the project's lifecycle. From July 2015 through June 2019, a total of 303 farms received energy audit reports or feasibility studies through the program. Out of these, 151 farms across the state received project funding from ACRE3. The ACRE3 program provided \$1,730,019 in project funding and services directly to these producers during this period.

The Department tracks the number of farms and ranches participating in the program, estimated energy savings and electricity generated from renewable energy projects, and estimated energy cost savings and carbon dioxide reductions associated with energy efficiency projects. Additionally, the Department requests billing data on large projects to verify these savings, and all of these metrics are tracked and recorded in the Department's annual performance plan. In FY 2018-19, the Department estimates that ACRE3 projects generated 2.3 million kWh of annual energy savings, saving producers \$147,000 yearly, and reducing 1,134 MT of CO₂. This program is at Step 3 of the evidence continuum given its tracking of both program outputs and outcomes.

The ACRE3 program is governed by the Colorado Agriculture Value-Added Development Board and has 1.0 FTE that administers the program, coordinates all program services, and performs technical services as needed. ACRE3 has an annual appropriation of \$500,000 from the Agriculture Value-Added Cash Fund (the Cash Fund) established at 35-75-205(1) C.R.S. This

cash fund was previously funded as a Tier II program within the Severance Tax Trust Fund (39-29-109 C.R.S). However, that revenue stream was eliminated through a sunset bill in FY 2016-17 and the program has operated solely on cash fund balances since that time.

Problem or Opportunity:

The Department projects that all available reserves in the Cash Fund will be committed to projects by June 2020. Because there is no revenue source to continue ACRE3, once the reserves are depleted the Department would have to eliminate the program and associated FTE.

Proposed Solution:

The Department requests \$110,163 General Fund (1.0 FTE) to fund the Energy Specialist, currently paid for through the Cash Fund. Funding this position with General Fund would allow cash fund revenues to be directed solely towards energy projects that assist agricultural producers. This General Fund support is especially important as the Severance Tax Cash Fund revenue being requested is projected to fund significantly less than the full allocation for Tier 2 projects, and therefore may not be sufficient to fund both the FTE and the grants.

To enable the Department to continue providing ACRE3 grants, the Department respectfully requests that the Joint Budget Committee sponsor legislation to re-establish the ACRE3 program as a Tier II Severance Tax Trust Fund program and to reinstate \$500,000 in revenue from the fund. This would enable the Department to continue to identify, evaluate, and grant funding for farm and ranch energy projects.

If General Fund for the ACRE3 Energy Specialist is not received, the Department would either continue to fund the position through the Cash Fund if the severance tax transfer is re-established, or eliminate the position when cash funding is no longer available. Given the instability of the Severance Tax Trust Fund revenue, funding the ACRE3 FTE from the cash fund puts it at risk for elimination if there is not enough revenue to support it.

Additionally, if legislation is not passed for ongoing revenue for the ACRE3 program, the program may be at risk of losing up to \$1.2 million in federal funding for energy projects through the cost share partnership currently in place with NRCS. The Energy Specialist sustains projects by working closely with CEO, NRCS, and USDA Rural Development to coordinate site visits, technical reports, project funding, contractors, designs, permitting, construction, and reimbursements. Without this support, federally-funded projects currently under contract are at risk of incompleteness and/or losing project funding.

Anticipated Outcomes:

Restoration of the severance tax transfer and General Fund for the ACRE3 FTE would allow the continuation of program services and project funding and continue providing these critical services to Colorado's agriculture industry. It would also guarantee technical assistance and project coordination and management remain in place across fiscal years even if the cash fund is fully obligated to projects.

While the Department anticipates the actual amount of Severance Tax Cash Fund available for the ACRE3 program in FY 2020-21 would be less than \$500,000, the certainty of a dedicated

funding stream for the FTE would ensure the program's future and allow the Department to search for a temporary, supplemental funding source as needed.

Assumptions and Calculations:

For Detailed FTE calculations see Appendix A. The Energy Specialist is an existing position so the estimate includes funding for current salary and estimated benefits. Operating costs are not included in the estimate. The Department assumes those costs would continue to be paid through the Cash Fund.

The Department assumes that it is unlikely to receive \$500,000 each fiscal year from the Severance Tax Trust Fund given recent projections. However, the Department requests to reinstate up to \$500,000 in revenue in the event that funding becomes available.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

Not Applicable.

Colorado Department of Agriculture
FY 2020-21 R-1 Renewable Energy and Energy Efficiency (ACRE3) Funding Budget Request
Appendix A

FY 2020-21 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
(1) Commissioner's Office and Administrative Services; Health, Life, and Dental	\$10,042	0.0	\$10,042	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; Short-term Disability	\$139	0.0	\$139	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 04-257 Amortization Equalization Disbursement	\$4,086	0.0	\$4,086	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$4,086	0.0	\$4,086	\$0	\$0	\$0
(3) Agricultural Markets Division; Agricultural Markets; Agricultural Development Board	\$91,810	1.0	\$91,810	\$0	\$0	\$0
Total	\$110,163	1.0	\$110,163	\$0	\$0	\$0

FY 2021-22 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
(1) Commissioner's Office and Administrative Services; Health, Life, and Dental	\$10,042	0.0	\$10,042	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; Short-term Disability	\$139	0.0	\$139	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 04-257 Amortization Equalization Disbursement	\$4,086	0.0	\$4,086	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$4,086	0.0	\$4,086	\$0	\$0	\$0
(3) Agricultural Markets Division; Agricultural Markets; Agricultural Development Board	\$91,810	1.0	\$91,810	\$0	\$0	\$0
Total	\$110,163	1.0	\$110,163	\$0	\$0	\$0



Colorado Department of Agriculture
FY 2020-21 R-1 Renewable Energy and Energy Efficiency (ACRE3) Funding Budget Request
Appendix A

FTE Calculation Assumptions:						
Operating Expenses -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.						
Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).						
General Fund FTE -- Beginning July 1, 2019, new employees will be paid on a bi-weekly pay schedule; therefore new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE to account for the pay-date shift (25/26 weeks of pay). This applies to personal services costs only; operating costs are not subject to the pay-date shift.						
Expenditure Detail	FY 2020-21			FY 2021-22		
Personal Services:						
	Classification Title	Biweekly Salary	FTE		FTE	
	Administrator V	\$3,143	1.0	\$81,718	1.0	\$81,718
	PERA		10.90%	\$8,907	10.90%	\$8,907
	AED		5.00%	\$4,086	5.00%	\$4,086
	SAED		5.00%	\$4,086	5.00%	\$4,086
	Medicare		1.45%	\$1,185	1.45%	\$1,185
	STD		0.17%	\$139	0.17%	\$139
	Health-Life-Dental			\$10,042		\$10,042
	Subtotal Position 1, 1.0 FTE		1.0	\$110,163	1.0	\$110,163
	Subtotal Personal Services		1.0	\$110,163	1.0	\$110,163
Operating Expenses:						
			FTE		FTE	
	Regular FTE Operating	\$500	0.0	\$0	-	\$0
	Telephone Expenses	\$450	0.0	\$0	-	\$0
	PC, One-Time	\$1,230	0.0	\$0	-	\$0
	Office Furniture, One-Time	\$3,473	0.0	\$0	-	\$0
	Subtotal Operating Expenses			\$0		\$0
TOTAL REQUEST			1.0	<u>\$110,163</u>	1.0	<u>\$110,163</u>
<i>General Fund:</i>			1.0	\$110,163	1.0	\$110,163
<i>Cash funds:</i>						
<i>Reappropriated Funds:</i>						
<i>Federal Funds:</i>						

Schedule 13

Department of Agriculture

Funding Request for The FY 2020-21 Budget Cycle

Request Title		R-2 Organic Program Staff Expansion	
Dept. Approval By:		_____	Supplemental FY 2019-20
OSPB Approval By:		_____	Budget Amendment FY 2020-21
		X	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$10,922,039	\$0	\$11,179,017	\$168,566	\$164,254
FTE		54.7	0.0	54.7	1.9	2.0
Total of All Line Items Impacted by Change Request	GF	\$1,765,226	\$0	\$1,965,573	\$168,566	\$164,254
	CF	\$8,354,957	\$0	\$8,411,588	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$801,856	\$0	\$801,856	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$2,906,815	\$0	\$3,306,349	\$20,084	\$20,084
01. Commissioner's Office and Administrative Services,	FTE	0.0	0.0	0.0	0.0	0.0
(A) Commissioner's Office and Administrative Services,	GF	\$784,033	\$0	\$907,735	\$20,084	\$20,084
(1) Commissioner's Office and Administrative Services - Health, Life, and Dental	CF	\$2,122,782	\$0	\$2,398,614	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Total		\$28,518	\$0	\$30,526	\$176	\$184
01. Commissioner's Office and Administrative Services,	FTE	0.0	0.0	0.0	0.0	0.0
(A) Commissioner's Office and Administrative Services,	GF	\$7,595	\$0	\$9,999	\$176	\$184
(1) Commissioner's Office and Administrative Services - Short-term Disability	CF	\$20,923	\$0	\$20,527	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$1,086,911	\$0	\$957,546	\$5,190	\$5,398
01. Commissioner's Office and Administrative Services,	FTE	0.0	0.0	0.0	0.0	0.0
(A) Commissioner's Office and Administrative Services,	GF	\$282,636	\$0	\$313,970	\$5,190	\$5,398
(1) Commissioner's Office and Administrative Services - Amortization	CF	\$804,275	\$0	\$643,576	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$1,086,911	\$0	\$957,546	\$5,190	\$5,398
01. Commissioner's Office and Administrative Services,	FTE	0.0	0.0	0.0	0.0	0.0
(A) Commissioner's Office and Administrative Services,	GF	\$282,636	\$0	\$313,970	\$5,190	\$5,398
(1) Commissioner's Office and Administrative Services - Supplemental Amortization	CF	\$804,275	\$0	\$643,576	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$5,812,884	\$0	\$5,927,050	\$137,926	\$133,190
02. Agriculture Services,	FTE	54.7	0.0	54.7	1.9	2.0
(A) Agriculture Services,	GF	\$408,326	\$0	\$419,899	\$137,926	\$133,190
(1) Agriculture Services - Plant Industry Division	CF	\$4,602,702	\$0	\$4,705,295	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$801,856	\$0	\$801,856	\$0	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Agriculture Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact



Department Priority: R-2
Request Detail: Organic Program Staff Expansion

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$168,566	\$164,254
FTE	0.0	1.9	2.0
General Fund	\$0	\$168,566	\$164,254
Cash Funds	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department requests \$168,566 General Fund and 1.9 FTE in FY 2020-21 to expand the Organic Certification Program. This program certifies agricultural operations according to federal National Organic Program (NOP) standards. Funding for additional FTE would enable the program to improve the functioning of the certification program, improve customer service, and conduct more outreach of services for existing and new operations interested in organic certification by the Department. This request aligns with the Department’s goal to scale up high value agriculture, and its strategy to expand organic operations in the state. This request annualizes to \$164,254 General Fund and 2.0 FTE in FY 2021-22 and ongoing.

Current Program:

The Organic Program, created at 35-11.5 C.R.S., is currently comprised of 3.25 FTE: the program manager, a certification specialist, an inspector, and 0.25 FTE administrative assistant. These employees are responsible for all certification decisions, accreditation management, and all other tasks required of the Organic Program such as: responding to inquiries about organic certification from the general public; inspections; training; export documentation; adverse actions; and product formula and label reviews and approvals. Specialized knowledge of the United States Department of Agriculture (USDA) National Organic Program (NOP) rules and the organic certification process is required of the Organic Program staff.

As of May 15, 2019, the Department is one of 20 accredited NOP certifiers that work in Colorado. The other 19 certifiers are private entities that are accredited by the NOP and determine the fee charged to producers to certify their product. Organic operations view a certification from the Department as having an added value, because of the Department's extensive involvement in agriculture both as a regulatory authority and marketing agency. As such, staff at the organic program are able to coordinate with other State and Department-run programs, such as the Specialty Crop Block Grant Program, to be a resource for producers regarding those programs. This differentiates the Department's organic certification services from those provided by a private entity. The Department has not been able to meet this demand to date due to limited resources and the need to adjust the number of operations it can certify while remaining compliant with federal regulations.

The Organic Program is required to undergo a NOP accreditation audit every five years. In 2017, the most recent accreditation audit, the Program received several noncompliance citations for deficiencies within the Program. Those deficiencies included recommendations to improve documentation review processes, improve documents to meet NOP requirements and improve program and inspection processes. As part of the Department's response to the audit, it identified a foundational level of operations that the Program could effectively certify within regulation and with the current level of staffing. As a result, the number of operations certified by the Department has decreased.

The Department collects fees from the organic operations certified. These fees are based on the resources needed to operate the program and overhead costs. The Department aims to be budget neutral in its fee setting.

Problem or Opportunity:

Interest in organic certification continues to be strong for crop production and product processing, especially with the legalization of industrial hemp in the recently passed 2018 Federal Farm Bill. The Department's Organic Program receives phone and email requests regularly from growers who have land that they want certified for organic production of crops, as well as processors who produce organic products for local and international sales. However; at the current staffing level, the Department does not have the capacity to respond to the current level of certification requests while still meeting NOP standards.

Based on 2017 USDA National Agricultural Statistics Service data, Colorado is in the top 10 states for both organic acreage and sales. A USDA Economic Research Service report indicated

that organic commodity sales in Colorado increased 17% in one year from 2015 to 2016. This trend is expected to continue with sales of organic packaged food products expected to increase by 60% between 2016 and 2021. Small organic operations certified by the Department contribute to the popular locally-grown movement for fresh, organic food, while larger operations provide organic products that can be shipped around the world.

Proposed Solution:

The Department requests \$168,566 General Fund and 1.9 FTE in FY 2020-21, and \$164,254 General Fund and 2.0 FTE in FY 2021-22 and ongoing, to support and expand the Organics Program at the Department. The addition of the first FTE would enable the Program to conduct initial reviews, inspections, and issue final certification decisions in a timely manner and meet the accreditation requirements of the NOP. The second FTE would allow the program to start accepting new applications for certification and work on additional outreach and educational opportunities that would benefit all Colorado growers and processors who are already certified or interested in organic certification.

The Department's strategic initiatives state that it is committed to developing the Organic Program and to capture greater market share in order to meet the demand for organic certification of producers around the State. In order to help meet this demand, the program needs additional FTE to respond to the number of certification requests it receives each year. Without additional resources to support the program, the Department would likely continue to limit its organic certifications in order to be compliant with NOP requirements.

Anticipated Outcomes:

With additional resources the Department would be able to better meet the demand of producers in the organic market while ensuring compliance with NOP standards, as well as expand its market share of certification as outlined in its strategic initiatives. The Department would also be able to support the growing organic market and producers looking to enter it. It is estimated that the Organic Program could add approximately 40 new operations by the end of FY 2021-22 with the addition of 2.0 FTE. This, however, could vary based on the type of operation and its complexity since each organic certification application is unique to the operation. More complex operations or operations that have a lot of products or ingredients require more extensive work and staff time.

Assumptions and Calculations:

The Department assumes 2.0 FTE at the Compliance Specialist III level would be needed to improve and expand the Organic Program. For detailed calculations, see Appendix A.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

NA

**Colorado Department of Agriculture
FY 2020-21 R-2 Organic Program Staff Expansion Budget Request
Appendix A**

FY 2020-21 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
(1) Commissioner's Office and Administrative Services; Health, Life, and Dental	\$20,084	0.0	\$20,084	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; Short-term Disability	\$176	0.0	\$176	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 04-257 Amortization Equalization Disbursement	\$5,190	0.0	\$5,190	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$5,190	0.0	\$5,190	\$0	\$0	\$0
(2) Agricultural Services; Plant Industry Division	\$137,926	1.9	\$137,926	\$0	\$0	\$0
Total	\$168,566	1.9	\$168,566	\$0	\$0	\$0

FY 2021-22 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
(1) Commissioner's Office and Administrative Services; Health, Life, and Dental	\$20,084	0.0	\$20,084	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; Short-term Disability	\$184	0.0	\$184	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 04-257 Amortization Equalization Disbursement	\$5,398	0.0	\$5,398	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$5,398	0.0	\$5,398	\$0	\$0	\$0
(2) Agricultural Services; Plant Industry Division	\$133,190	2.0	\$133,190	\$0	\$0	\$0
Total	\$164,254	2.0	\$164,254	\$0	\$0	\$0

Colorado Department of Agriculture
FY 2020-21 R-2 Organic Program Staff Expansion Budget Request
Appendix A

FY 2020-21 Summary by Initiative					
Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Compliance Specialist III	\$73,630	\$73,630	\$0	\$0	\$0
Compliance Specialist III	\$73,630	\$73,630	\$0	\$0	\$0
Operating Expenses	\$21,306	\$21,306	\$0	\$0	\$0
Total	\$168,566	\$168,566	\$0	\$0	\$0

FY 2021-22 Summary by Initiative					
Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Compliance Specialist III	\$76,177	\$76,177	\$0	\$0	\$0
Compliance Specialist III	\$76,177	\$76,177	\$0	\$0	\$0
Operating Expenses	\$11,900	\$11,900	\$0	\$0	\$0
Total	\$164,255	\$164,255	\$0	\$0	\$0

Colorado Department of Agriculture
FY 2020-21 R-2 Organic Program Staff Expansion Budget Request
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FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).

General Fund FTE -- Beginning July 1, 2019, new employees will be paid on a bi-weekly pay schedule; therefore **new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE** to account for the pay-date shift (25/26 weeks of pay). **This applies to personal services costs only; operating costs are not subject to the pay-date shift.**

Expenditure Detail	FY 2020-21			FY 2021-22		
<i>Personal Services:</i>						
Classification Title	Biweekly Salary	FTE		FTE		
COMPLIANCE SPECIALIST III	\$2,076	0.9615	\$51,900	1.0		\$53,978
PERA		10.90%	\$5,657	10.90%		\$5,884
AED		5.00%	\$2,595	5.00%		\$2,699
SAED		5.00%	\$2,595	5.00%		\$2,699
Medicare		1.45%	\$753	1.45%		\$783
STD		0.17%	\$88	0.17%		\$92
Health-Life-Dental			\$10,042	\$10,042		\$10,042
Subtotal Position 1, 1.0 FTE		1.0	\$73,630	1.0		\$76,177
Classification Title	Biweekly Salary	FTE		FTE		
COMPLIANCE SPECIALIST III	\$2,076	0.9615	\$51,900	1.0		\$53,978
PERA			\$5,657			\$5,884
AED			\$2,595			\$2,699
SAED			\$2,595			\$2,699
Medicare			\$753			\$783
STD			\$88			\$92
Health-Life-Dental			\$10,042			\$10,042
Subtotal Position 2, 1.0 FTE		1.0	\$73,630	1.0		\$76,177
Subtotal Personal Services		1.9	\$147,260	2.0		\$152,354

Colorado Department of Agriculture
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<i>Operating Expenses:</i>		FTE		FTE	
Regular FTE Operating Expenses	\$500	2.0	\$1,000	2.0	\$1,000
Telephone Expenses	\$450	2.0	\$900	2.0	\$900
PC, One-Time	\$1,230	2.0	\$2,460	-	
Office Furniture, One-Time	\$3,473	2.0	\$6,946	-	
Training & Certification	\$5,000	2.0	\$10,000	2.0	\$10,000
<i>Subtotal Operating Expenses</i>			\$21,306		\$11,900
<u>TOTAL REQUEST</u>		1.9	<u>\$168,566</u>	2.0	<u>\$164,254</u>
	<i>General Fund:</i>	<i>1.9</i>	<i>\$168,566</i>	<i>2.0</i>	<i>\$164,254</i>
	<i>Cash funds:</i>				
	<i>Reappropriated Funds:</i>				
	<i>Federal Funds:</i>				

Schedule 13

Department of Agriculture

Funding Request for The FY 2020-21 Budget Cycle

Request Title
R-3 Colorado Soil Health Program Funding

Dept. Approval By:  _____ **Supplemental FY 2019-20**
 OSPB Approval By:  _____ **Budget Amendment FY 2020-21**
 _____ **X** **Change Request FY 2020-21**

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$5,603,991	\$0	\$5,746,803	\$166,491	\$214,950
FTE		5.2	0.0	5.2	1.0	1.0
Total of All Line Items Impacted by Change Request	GF	\$1,851,736	\$0	\$2,040,510	\$166,491	\$214,950
	CF	\$3,752,255	\$0	\$3,706,293	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$2,906,815	\$0	\$3,306,349	\$10,042	\$10,042
01. Commissioner's Office and Administrative Services,	FTE	0.0	0.0	0.0	0.0	0.0
(A) Commissioner's Office and Administrative Services,	GF	\$784,033	\$0	\$907,735	\$10,042	\$10,042
(1) Commissioner's Office and Administrative Services - Health, Life, and Dental	CF	\$2,122,782	\$0	\$2,398,614	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Total		\$28,518	\$0	\$30,526	\$110	\$114
01. Commissioner's Office and Administrative Services,	FTE	0.0	0.0	0.0	0.0	0.0
(A) Commissioner's Office and Administrative Services,	GF	\$7,595	\$0	\$9,999	\$110	\$114
(1) Commissioner's Office and Administrative Services - Short-term Disability	CF	\$20,923	\$0	\$20,527	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$1,086,911	\$0	\$957,546	\$3,224	\$3,353
01. Commissioner's Office and Administrative Services,	FTE	0.0	0.0	0.0	0.0	0.0
(A) Commissioner's Office and Administrative Services,	GF	\$282,636	\$0	\$313,970	\$3,224	\$3,353
(1) Commissioner's Office and Administrative Services - Amortization	CF	\$804,275	\$0	\$643,576	\$0	\$0
Equalization	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$1,086,911	\$0	\$957,546	\$3,224	\$3,353
01. Commissioner's Office and Administrative Services,	FTE	0.0	0.0	0.0	0.0	0.0
(A) Commissioner's Office and Administrative Services,	GF	\$282,636	\$0	\$313,970	\$3,224	\$3,353
(1) Commissioner's Office and Administrative Services - Supplemental Amortization	CF	\$804,275	\$0	\$643,576	\$0	\$0
Equalization	RF	\$0	\$0	\$0	\$0	\$0
Disbursement	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$494,836	\$0	\$494,836	\$149,891	\$198,088
06. Conservation Board,	FTE	5.2	0.0	5.2	1.0	1.0
(A) Conservation Board,	GF	\$494,836	\$0	\$494,836	\$149,891	\$198,088
(1) Conservation Board - Program Costs	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Agriculture Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact



Department Priority: R-3
Request Detail: Colorado Soil Health Program Funding

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$166,491	\$214,950
FTE	0.0	1.0	1.0
General Fund	\$0	\$166,491	\$214,950
Cash Funds	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department requests \$166,491 General Fund and 1.0 FTE in FY 2020-21 to create a new, voluntary, incentive-based Soil Health Program. This program would provide grant funding to encourage farmers and ranchers to adopt voluntary practices to improve the health of their soil, with the goals to sequester carbon, reduce greenhouse gas emissions, conserve water and energy resources, increase agricultural productivity, and promote agriculture in Colorado. This program is aligned with the Department’s goal to implement new soil, water, and climate stewardship projects. Funding for this program would annualize to \$214,950 General Fund and 1.0 FTE in FY 2021-22 and ongoing.

Current Program:

The Department does not currently have a soil health program, but scientific evidence substantiates the environmental and economic benefits of increased participation in soil health practices, which include strategies such as increased use of cover crops and decreased tillage. Cropping methods designed to promote soil health can provide co-benefits for water quality, water quantity, air quality, climate mitigation, and agricultural production.^{1,2,3} There is also emerging research on the important connection between healthy soil and human gut health.⁴ Production agriculture has focused increasingly over the last several decades on the importance of soil health for managing resiliency in light of drought and unpredictable weather events. Practices that have received attention include no-till and reduced till, cover cropping, crop rotation, continuous cropping, integration of managed livestock, and the addition of mulch, bio-char, and compost.³

Several other states including California, Maryland, Hawaii, Minnesota, and, recently, New Mexico have created State-led soil health programs. Budgets for these programs ranged from \$150,000 in Hawaii to \$22.5 million in Maryland in FY 2018-19. In addition, there are localized, farmer-led soil health efforts throughout Colorado that are making substantial progress in demonstrating the local cropping benefits of managing inputs to support soil health, but no centralized effort has been made to date. Arid environments, like Colorado, are particularly challenging for cover crop success but there are ample examples of success when applied throughout the state. This program would support a multitude of soil health practices that suit individual operations.

Currently, the Environmental Quality Incentives Program (EQIP) is the primary federal program from the United States Department of Agriculture's Natural Resources Conservation Service (NRCS) that provides financial and technical assistance to improve agricultural infrastructure and implement conservation practices, including soil health practices. It is a highly competitive program and can be difficult for applicants seeking to improve soil health to compete with larger, more involved projects for funding. If projects are selected to go under an EQIP contract, project approval and funding can take up to a year to be received, making it difficult for agricultural producers to make soil health changes before a given agricultural season. Further exacerbating the issue, in recent years, the Federal Government has reduced funding for NRCS field offices, which means NRCS staff have been unable to provide sufficient technical assistance to Colorado producers and grants are even more difficult for producers to receive.

¹ Christopher W. Smith, "Effects on Soil Water Holding Capacity and Soil Water Retention Resulting from Soil Health Management Practices Implementation," March 2018, Soil Health Literature Review, accessed at https://www.nrcs.usda.gov/wps/PA_NRCSConsumption/download?cid=nrseprd1392812&ext=pdf

² M. Jahn, "Solutions for Sustainable Agriculture and Food Systems," Prepared by the Thematic Group on Sustainable Agriculture and Food Systems of the Sustainable Development Solutions Network, September 18, 2013.

³ Kenneth R. Olson, Stephen A. Ebelhar, and James M. Lang, "Effects of 24 Years of Conservation Tillage Systems on Soil Organic Carbon and Soil Productivity," *Applied and Environmental Soil Science*, 2013.

⁴ Nishat Tasnim, et al., "Linking the Gut Microbial Ecosystem with the Environment: Does Gut Health Depend on Where We Live?" *Front Microbiol.*, 2017; 8:1935.

Problem or Opportunity:

By establishing a Soil Health Program, the Department would have the opportunity to help the State meet its ambitious climate goals set out by H.B. 19-1261 by advancing soil, water, and climate stewardship via voluntary, incentive-based and farmer and rancher led efforts in these areas. As climate change is expected to lead to increasing frequency of droughts and extreme weather events, it is important to improve resilience and adaptability of agronomic soils for Colorado’s farmers and ranchers.

Proposed Solution:

The Department requests \$166,491 General Fund and 1.0 FTE in FY 2020-21 and \$214,950 General Fund and 1.0 FTE in FY 2021-22 and ongoing to create a new voluntary, incentive-based Soil Health Program.

To develop a soil health program, the Department requests 1.0 FTE to implement and administer the program. The FTE would coordinate with local soil health leaders, conservation district leaders and technicians, NRCS experts, and other state agency personnel including the Colorado Department of Natural Resources and Colorado Department of Public Health and Environment to ensure programs align and to track overall improvement to soil health and the environment.

In addition to the FTE, the Department requests \$50,000 General Fund in FY 2020-21 and \$100,000 in FY 2021-22 and ongoing to provide soil health initiative grants. A gap analysis is being conducted by the Colorado State University Soil and Crop Science Department and NRCS to determine the potential carbon sequestration benefits for conventionally-tilled cropland that may eventually be incorporating soil health practices into their operations. This study will help the Department determine which types of investments or technical assistance would benefit farmers, ranchers, and the environment most. The program would be designed to support statewide soil health research, advance farmer-to-farmer training and education, and offer grants to implement soil health practices. The Department would work closely with stakeholders to determine the most beneficial grant investments.

In addition, the Department would provide technical assistance to and prepare farmers and ranchers for potential markets for alternative crops. The program would better catalog lands where practices are transitioning toward improving the soil health and track successes and failures and their relationship to geography to better meet greenhouse gas reduction goals.

Funding for this request represents an opportunity to establish State leadership on farmer-led solutions to climate change that simultaneously support agricultural productivity in Colorado.

Anticipated Outcomes:

Voluntary adoption of improved soil health and cropping practices has immense opportunities to benefit water quality, decrease crop irrigation requirements, increase carbon sequestration, reduce erosion, and eventually increase crop resiliency and/or production. Improved soil health practices are expected to build economic sustainability for present and future farmers and ranchers. In addition, carbon storage from these improved practices would help achieve the State’s ambitious goals for greenhouse gas (GHG) reductions, such as those set out by H.B. 19-1261.

Improving soil health is a strategy identified in the Colorado Water Plan. The program would document successes and failures to prepare for potential markets for environmental services and alternative crops.

Assumptions and Calculations:

The Department assumes an FTE at the Administrator IV classification would be necessary to implement and operate the requested soil health program. For further calculation detail, see Appendix A.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

NA

Colorado Department of Agriculture
FY 2020-21 R-3 Colorado Soil Health Program Funding Budget Request
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FY 2020-21 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
(1) Commissioner's Office and Administrative Services; Health, Life, and Dental	\$10,042	0.0	\$10,042	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; Short-term Disability	\$110	0.0	\$110	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 04-257 Amortization Equalization Disbursement	\$3,224	0.0	\$3,224	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$3,224	0.0	\$3,224	\$0	\$0	\$0
(2) Agriculture Services; Conservation Services Division	\$149,891	1.0	\$149,891	\$0	\$0	\$0
Total	\$166,491	1.0	\$166,491	\$0	\$0	\$0

FY 2021-22 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
(1) Commissioner's Office and Administrative Services; Health, Life, and Dental	\$10,042	0.0	\$10,042	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; Short-term Disability	\$114	0.0	\$114	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 04-257 Amortization Equalization Disbursement	\$3,353	0.0	\$3,353	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$3,353	0.0	\$3,353	\$0	\$0	\$0
(3) Agricultural Markets Division; Agricultural Markets; Agricultural Development Board	\$198,088	1.0	\$198,088	\$0	\$0	\$0
Total	\$214,950	1.0	\$214,950	\$0	\$0	\$0

Colorado Department of Agriculture
FY 2020-21 R-3 Colorado Soil Health Program Funding Budget Request
Appendix A

FY 2020-21 Summary by Initiative					
Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Program Manager - Administrator IV	\$89,038	\$89,038	\$0	\$0	\$0
Operating Expenses	\$27,453	\$27,453	\$0	\$0	\$0
Soil Health Grants or Technical Assistance	\$50,000	\$50,000	\$0	\$0	\$0
Total	\$166,491	\$166,491	\$0	\$0	\$0

FY 2021-22 Summary by Initiative					
Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Program Manager - Administrator IV	\$92,200	\$92,200	\$0	\$0	\$0
Operating Expenses	\$22,750	\$22,750	\$0	\$0	\$0
Soil Health Grants or Technical Assistance	\$100,000	\$100,000	\$0	\$0	\$0
Total	\$214,950	\$214,950	\$0	\$0	\$0

**Colorado Department of Agriculture
FY 2020-21 R-3 Colorado Soil Health Program Funding Budget Request
Appendix A**



FTE Calculation Assumptions:
Operating Expenses -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.
Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).
General Fund FTE -- Beginning July 1, 2019, new employees will be paid on a bi-weekly pay schedule; therefore **new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE** to account for the pay-date shift (25/26 weeks of pay). **This applies to personal services costs only; operating costs are not subject to the pay-date shift.**

Expenditure Detail	FY 2020-21		FY 2021-22		
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
Administrator IV	\$2,579	0.9615	\$64,475	1.0	\$67,057
PERA		10.90%	\$7,028	10.90%	\$7,309
AED		5.00%	\$3,224	5.00%	\$3,353
SAED		5.00%	\$3,224	5.00%	\$3,353
Medicare		1.45%	\$935	1.45%	\$972
STD		0.17%	\$110	0.17%	\$114
Health-Life-Dental			\$10,042	\$10,042	\$10,042
Subtotal Position 2, 1.0 FTE		0.9615	\$89,038	1.0	\$92,200
Subtotal Personal Services		0.9615	\$89,038	1.0	\$92,200
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	\$500	1.0	\$500	1.0	\$500
Telephone Expenses	\$450	1.0	\$450	1.0	\$450
PC, One-Time	\$1,230	1.0	\$1,230	-	
Office Furniture, One-Time	\$3,473	1.0	\$3,473	-	
Fleet Vehicle	\$2,000	1.0	\$2,000	1.0	\$2,000
Training	\$2,000	1.0	\$2,000	1.0	\$2,000
Outreach & Travel	\$12,500	1.0	\$12,500	1.0	\$12,500
Soil Testing	\$3,500	1.0	\$3,500	1.0	\$3,500
ESRI Licenses	\$1,800	1.0	\$1,800	1.0	\$1,800
Subtotal Operating Expenses			\$27,453		\$22,750
TOTAL REQUEST		0.9615	\$116,491	1.0	\$114,950
<i>General Fund:</i>		<i>0.9615</i>	<i>\$116,491</i>	<i>1.0</i>	<i>\$114,950</i>
<i>Cash funds:</i>					
<i>Reappropriated Funds:</i>					
<i>Federal Funds:</i>					

Schedule 13

Department of Agriculture

Funding Request for The FY 2020-21 Budget Cycle

Request Title	
R-4 Sustainable Marijuana Certification Funding	
Dept. Approval By: 	Supplemental FY 2019-20
OSPB Approval By: 	Budget Amendment FY 2020-21
	X Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$10,922,039	\$0	\$11,179,017	\$94,655	\$93,150
	FTE	54.7	0.0	54.7	1.0	1.0
Total of All Line Items Impacted by Change Request	GF	\$1,765,226	\$0	\$1,965,573	\$0	\$0
	CF	\$8,354,957	\$0	\$8,411,588	\$94,655	\$93,150
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$801,856	\$0	\$801,856	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$2,906,815	\$0	\$3,306,349	\$10,042	\$10,042
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services,	GF	\$784,033	\$0	\$907,735	\$0	\$0
(A) Commissioner's Office and Administrative Services,	CF	\$2,122,782	\$0	\$2,398,614	\$10,042	\$10,042
(I) Commissioner's Office and Administrative Services - Health, Life, and Dental	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$28,518	\$0	\$30,526	\$110	\$114
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services,	GF	\$7,595	\$0	\$9,999	\$0	\$0
(A) Commissioner's Office and Administrative Services,	CF	\$20,923	\$0	\$20,527	\$110	\$114
(I) Commissioner's Office and Administrative Services - Short-term Disability	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$1,086,911	\$0	\$957,546	\$3,224	\$3,353
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services,	GF	\$282,636	\$0	\$313,970	\$0	\$0
(A) Commissioner's Office and Administrative Services,	CF	\$804,275	\$0	\$643,576	\$3,224	\$3,353
(1) Commissioner's Office and Administrative Services - Amortization Equalization Disbursement	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$1,086,911	\$0	\$957,546	\$3,224	\$3,353
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services,	GF	\$282,636	\$0	\$313,970	\$0	\$0
(A) Commissioner's Office and Administrative Services,	CF	\$804,275	\$0	\$643,576	\$3,224	\$3,353
(1) Commissioner's Office and Administrative Services - Supplemental Amortization Equalization Disbursement	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$5,812,884	\$0	\$5,927,050	\$78,055	\$76,288
	FTE	54.7	0.0	54.7	1.0	1.0
02. Agriculture Services, (A) Agriculture Services, (1) Agriculture Services - Plant Industry Division	GF	\$408,326	\$0	\$419,899	\$0	\$0
	CF	\$4,602,702	\$0	\$4,705,295	\$78,055	\$76,288
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$801,856	\$0	\$801,856	\$0	\$0

Auxiliary Data	
Requires Legislation?	NO
Type of Request?	Department of Agriculture Prioritized Request Interagency Approval or Related Schedule 13s: No Other Agency Impact



Department Priority: R-4
Request Detail: Sustainable Marijuana Certification Funding

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$94,655	\$93,150
FTE	0.0	1.0	1.0
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$94,655	\$93,150
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department requests \$94,655 from the Marijuana Tax Cash Fund created at 39-28.8-501 C.R.S. and 1.0 FTE in FY 2020-21 to research and implement a marijuana certification program. This program would promote pesticide-free and/or organic-like cultivation and processing for marijuana, and would certify products that meet defined standards similar to other certification programs. The Department has received inquiries from marijuana producers about organic-like certification options, and would like to meet this demand by developing a certification program in consultation with relevant stakeholders. This request aligns with the Department’s goal to scale up high value agriculture. This request would annualize to \$93,150 cash funds and 1.0 FTE in FY 2021-22 and ongoing.

Current Program:

The State of Colorado legalized recreational marijuana through the enactment of Amendment 64 in November 2012. In the legislative session that followed, a number of bills were signed to authorize state agencies to regulate the new industry. The oversight and management of medicinal and recreational marijuana is primarily regulated through the Colorado Department of Public Health and Environment (CDPHE). The Department of Agriculture is responsible for establishing the requirements for which pesticides may be used for the production of marijuana. It is also responsible for laboratory testing related to pesticide content on the plants. If the testing shows unallowable types or levels of pesticides on the marijuana plants, CDPHE has authority over the contaminated marijuana, similar to their jurisdiction over other pesticide-contaminated crops.

The Department has expertise in Organic certification as it operates a federally accredited certification program. Because Organic certification is regulated by the USDA and marijuana is not federally legal, the Department cannot extend its Organic certification program to include marijuana. Under the National Organic Program (NOP), products sold as organic in the United States must be certified by a United States Department of Agriculture – National Organic Program (USDA-NOP) accredited certification agency. The Department is a USDA-accredited certification agency that certifies producers and processors in the State of Colorado through its Organic Certification Program. The Department verifies that the requirements of organic production and handling practices meet the national standards. Food and other agricultural products that have been produced following the USDA organic regulations carry the Organic label and may also display the USDA Organic seal.

Problem or Opportunity:

The demand for organic and organic-like products—i.e. products cultivated without chemical applications—in Colorado is strong and growing. Based on 2017 USDA National Agricultural Statistics Service data, Colorado is in the top 10 states for both organic acreage and sales. In the absence of a government-operated organic-like program for marijuana, some private actors in other states are attempting to fill a void by offering various products labeled as “natural” or “green.” These private efforts are not uniform and run the risk of confusing consumers. This creates the opportunity for the Department to create an organic-like marijuana certification program to meet the demand for these types of products in Colorado.

Proposed Solution:

In order to create a program that meets the demand of marijuana producers and consumers for product certification, the Department requests \$94,655 and 1.0 FTE in FY 2020-21 and \$93,150 and 1.0 FTE in FY 2021-22 and ongoing from the Marijuana Tax Cash Fund (39-28.8-501, C.R.S.).

The Department cannot create an “organic” marijuana program nor use the term organic because marijuana is not legal at the federal level and using the organic name could jeopardize the Department’s accreditation through the NOP. As such, the FTE associated with this request would not be housed within the Department’s Organic Program. As part of establishing an organic-like marijuana certification, the Department would determine the appropriate name for such a certification to appropriately distinguish it from the NOP certification.

The FTE would be responsible for working with stakeholders to determine the qualifications for certification, develop rules and procedures to fit within state regulations, develop communications for implementation, and, once implemented, administer the program. Through program development the Department may determine that additional funding or legislation would be necessary to implement the program. This could include legislation to collect a fee for certification and the creation of a cash fund, FTE for inspection, systems costs for electronic application and processing, etc. Should legislation or additional resources be required, the Department would work through the normal budget process to request funding and/or authorization.

If this request is not approved, private actors will continue to create label claims for marijuana products that are inconsistent and confusing to customers. Moreover, other states may take the lead and emerge as leaders in the green marijuana industry rather than Colorado.

Anticipated Outcomes:

The Department anticipates the development of an organic-like certification for marijuana products would establish Colorado as a leader in the green marijuana industry. As other states continue to legalize recreational marijuana, this certification could create opportunities for Colorado producers to grow and expand. In addition, the initiative would expand consumer choices and strengthen consumer confidence in the integrity of marijuana products certified under the Department's organic-like and/or pesticide-free program.

Assumptions and Calculations:

For detailed calculation of FTE costs, see Appendix A.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

NA

Colorado Department of Agriculture
FY 2020-21 R-4 Sustainable Marijuana Certification Funding Budget Request
Appendix A

FY 2020-21 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds
(1) Commissioner's Office and Administrative Services; Health, Life, and Dental	\$10,042	0.0	\$0	\$10,042	\$0	\$0
(1) Commissioner's Office and Administrative Services; Short-term Disability	\$110	0.0	\$0	\$110	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 04-257 Amortization Equalization Disbursement	\$3,224	0.0	\$0	\$3,224	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$3,224	0.0	\$0	\$3,224	\$0	\$0
(2) Agriculture Services; Plant Industry Division	\$78,055	1.0	\$0	\$78,055	\$0	\$0
Total	\$94,655	1.0	\$0	\$94,655	\$0	\$0

(1) An estimated \$94,655 shall be from the Marijuana Tax Cash Fund created at 39-28.8-501 C.R.S.

FY 2021-22 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds
(1) Commissioner's Office and Administrative Services; Health, Life, and Dental	\$10,042	0.0	\$0	\$10,042	\$0	\$0
(1) Commissioner's Office and Administrative Services; Short-term Disability	\$114	0.0	\$0	\$114	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 04-257 Amortization Equalization Disbursement	\$3,353	0.0	\$0	\$3,353	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$3,353	0.0	\$0	\$3,353	\$0	\$0
(2) Agriculture Services; Plant Industry Division	\$76,288	1.0	\$0	\$76,288	\$0	\$0
Total	\$93,150	1.0	\$0	\$93,150	\$0	\$0

(1) An estimated \$93,150 shall be from the Marijuana Tax Cash Fund created at 39-28.8-501 C.R.S.

Colorado Department of Agriculture
FY 2020-21 R-4 Sustainable Marijuana Certification Funding Budget Request
Appendix A

FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).

General Fund FTE -- Beginning July 1, 2019, new employees will be paid on a bi-weekly pay schedule; therefore **new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE** to account for the pay-date shift (25/26 weeks of pay). **This applies to personal services costs only; operating costs are not subject to the pay-date shift.**

Expenditure Detail	FY 2020-21		FY 2021-22		
Personal Services:					
Classification Title	Biweekly Salary	FTE	FTE		
Compliance Specialist IV	\$2,579	1.0	\$64,475	1.0	\$67,057
PERA		10.90%	\$7,028	10.90%	\$7,309
AED		5.00%	\$3,224	5.00%	\$3,353
SAED		5.00%	\$3,224	5.00%	\$3,353
Medicare		1.45%	\$935	1.45%	\$972
STD		0.17%	\$110	0.17%	\$114
Health-Life-Dental		\$10,042	\$10,042	\$10,042	\$10,042
Subtotal Position 1, 1.0 FTE		1.0	\$89,038	1.0	\$92,200
Subtotal Personal Services		1.0	\$89,038	1.0	\$92,200
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	\$500	1.0	\$481	1.0	\$500
Telephone Expenses	\$450	1.0	\$433	1.0	\$450
PC, One-Time	\$1,230	1.0	\$1,230	-	\$0
Office Furniture, One-Time	\$3,473	1.0	\$3,473	-	\$0
Subtotal Operating Expenses			\$5,617		\$950
TOTAL REQUEST		1.0	\$94,655	1.0	\$93,150
<i>General Fund:</i>		<i>1.0</i>	<i>\$94,655</i>	<i>1.0</i>	<i>\$93,150</i>
<i>Cash funds:</i>					
<i>Reappropriated Funds:</i>					
<i>Federal Funds:</i>					

Schedule 13

Department of Agriculture

Funding Request for The FY 2020-21 Budget Cycle

Request Title
R-5 Pet Animal Care Facilities Licensing Requirements

Dept. Approval By:		_____	Supplemental FY 2019-20
OSPB Approval By:		_____	Budget Amendment FY 2020-21
		X	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$8,060,757	\$0	\$8,376,879	\$171,741	\$100,575
FTE		28.1	0.0	28.5	1.0	1.0
Total of All Line Items Impacted by Change Request	GF	\$3,118,655	\$0	\$3,380,397	\$94,691	\$93,150
	CF	\$4,764,842	\$0	\$4,819,222	\$77,050	\$7,425
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$177,260	\$0	\$177,260	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$2,906,815	\$0	\$3,306,349	\$10,042	\$10,042
FTE		0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$784,033	\$0	\$907,735	\$10,042	\$10,042
Commissioner's Office and Administrative Services, (1)	CF	\$2,122,782	\$0	\$2,398,614	\$0	\$0
Commissioner's Office and Administrative Services - Health, Life, and Dental	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Total		\$28,518	\$0	\$30,526	\$110	\$114
FTE		0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$7,595	\$0	\$9,999	\$110	\$114
Commissioner's Office and Administrative Services, (1)	CF	\$20,923	\$0	\$20,527	\$0	\$0
Commissioner's Office and Administrative Services - Short-term Disability	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$1,086,911	\$0	\$957,546	\$3,224	\$3,353
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$282,636	\$0	\$313,970	\$3,224	\$3,353
Commissioner's Office and Administrative Services, (1)	CF	\$804,275	\$0	\$643,576	\$0	\$0
Commissioner's Office and Administrative Services - Amortization Equalization Disbursement	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$1,086,911	\$0	\$957,546	\$3,224	\$3,353
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$282,636	\$0	\$313,970	\$3,224	\$3,353
Commissioner's Office and Administrative Services, (1)	CF	\$804,275	\$0	\$643,576	\$0	\$0
Commissioner's Office and Administrative Services - Supplemental Amortization Equalization Disbursement	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$2,951,602	\$0	\$3,124,912	\$155,141	\$83,713
	FTE	28.1	0.0	28.5	1.0	1.0
02. Agriculture Services, (A) Agriculture Services, (1) Agriculture Services - Animal Industry Division	GF	\$1,761,755	\$0	\$1,834,723	\$78,091	\$76,288
	CF	\$1,012,587	\$0	\$1,112,929	\$77,050	\$7,425
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$177,260	\$0	\$177,260	\$0	\$0

Auxiliary Data	
Requires Legislation?	NO
Type of Request?	Department of Agriculture Prioritized Request Interagency Approval or Related Schedule 13s: No Other Agency Impact



Department Priority: R-5
Request Detail: Pet Animal Care Facilities Licensing Requirements

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$171,741	\$100,575
FTE	0.0	1.0	1.0
General Fund	\$0	\$94,691	\$93,150
Cash Funds	\$0	\$77,050	\$7,425
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department requests \$94,691 in General Fund, \$77,050 in Cash Funds from the Pet Animal Care Facilities Fund and 1.0 FTE to implement a qualifying education course and continued competency requirement to qualify for a Pet Animal Care Facilities Act (PACFA) license. Currently, PACFA licensees can obtain a license without demonstrating any knowledge of programmatic or statutory requirements. This FTE would administer a new examination that requires licensees to demonstrate competency before they can obtain and renew their licenses. This request annualizes to \$93,150 General Fund, \$7,425 in Cash Funds, and 1.0 FTE in FY 2021-22 and ongoing.

Current Program:

The Pet Animal Care Facilities Act (PACFA) Program, created at Article 80 of Title 35 C.R.S., is a licensing and inspection program dedicated to protecting the health and well-being of pet animals in facilities throughout Colorado. The Department provides licensing and inspection to approximately 2,200 facilities throughout the state with 7.0 dedicated FTE. Facilities are required to renew their licenses on an annual basis for which the Department charges fees depending on the type of facility.

Problem or Opportunity:

Currently, PACFA does not require any education prior to licensure, yet the Department entrusts PACFA licensees with the health and safety of thousands of Colorado pets. Anyone can acquire a PACFA license to operate a facility without significant knowledge of PACFA regulations or knowledge of animal health or safety. Over the years, inspectors have noted a range of non-compliance issues attributed to a lack of education concerning pet care standards and regulations.

Proposed Solution:

The Department requests \$171,741 Total Funds in order to implement a qualifying course and continued competency requirement to qualify for a Pet Animal Care Facilities Act (PACFA) license. The funding for FY 2020-21 includes \$94,691 General Fund for the personal and operating expenses associated with the 1.0 FTE for the program, and \$77,050 in Cash Funds from the Pet Animal Care Facilities Fund for the technical and consulting costs associated with developing courses and examinations for the program.

The Department requests funding to operate the training and exams through the State's online Learning Management System (LMS) operated by the Office of Information Technology (OIT). This system would allow the Department to implement an interactive training, similar to the State's Cybersecurity training, containing both video and information, with pauses in content for comprehension testing. In order to implement through the LMS, the Department would need licenses for Cornerstone, the platform the trainings are completed through; Adobe Captivate or similar software that creates the exam component; Vyond or similar software to create interactive video and content; and would likely need a Cornerstone implementation consultant to ensure the trainings and exams are uploaded and available to external applicants effectively.

To aid in creating content for the training and examinations, the Department requests one-time funding for a consultant to work with industry subject matter experts and Department staff to identify critical training elements and course content. Individuals applying for an initial PACFA license on behalf of a facility would be required to take an online qualifying education course and pass an exam. Topics covered in this training could include, but are not limited to, animal care, safety and handling, facility requirements, enclosure and spatial requirements, cleaning and sanitation, transportation requirements, veterinary care and disease control, state regulations, and ethics. In addition, current PACFA licensees would be required to take an online continuing education course once every two years. The continuing education course would include an update of new rules and regulations, industry issues, and noncompliance trends and would include an exam portion to test competency.

In addition to systems and consulting costs related to the training platform, the Department would need 1.0 FTE at the Administrator V level to implement and administer the training program, ongoing. This FTE would be responsible for developing content for the trainings, updating the LMS, supporting applicants and licensees as they complete the course, verifying training completion and satisfactory exam scores before authorizing licensure, etc. This position would also directly manage the current licensing staff and would oversee the licensing elements of the program.

If the request is not approved PACFA licensees would continue to be authorized without training on pet care standards and regulations which puts Colorado pets at health and safety risk when those licenses are given to facilities without this knowledge.

Anticipated Outcomes:

Establishing a qualifying and ongoing education requirement is anticipated to improve regulatory compliance and increase program performance by ensuring licensees are educated on pet care standards and regulations.

Assumptions and Calculations:

Detailed systems and FTE calculations can be found in Appendix A.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

NA

Colorado Department of Agriculture
FY 2020-21 R-5 Pet Animal Care Facilities Licensing Requirements Budget Request
Appendix A

FY 2020-21 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds
(1) Commissioner's Office and Administrative Services; Health, Life, and Dental	\$10,042	0.0	\$10,042	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; Short-term Disability	\$110	0.0	\$110	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 04-257 Amortization Equalization Disbursement	\$3,224	0.0	\$3,224	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$3,224	0.0	\$3,224	\$0	\$0	\$0
(2) Agriculture Services; Inspection and Consumer Services Division	\$155,141	1.0	\$78,091	\$77,050	\$0	\$0
Total	\$171,741	1.0	\$94,691	\$77,050	\$0	\$0

(1) Approximately \$77,050 shall be from the Pet Animal Care and Facility Cash Fund established at 35-80-116 C.R.S.

FY 2021-22 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds
(1) Commissioner's Office and Administrative Services; Health, Life, and Dental	\$10,042	0.0	\$10,042	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; Short-term Disability	\$114	0.0	\$114	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 04-257 Amortization Equalization Disbursement	\$3,353	0.0	\$3,353	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$3,353	0.0	\$3,353	\$0	\$0	\$0
(2) Agriculture Services; Inspection and Consumer Services Division	\$83,713	1.0	\$76,288	\$7,425	\$0	\$0
Total	\$100,575	1.0	\$93,150	\$7,425	\$0	\$0

(1) Approximately \$7,425 shall be from the Pet Animal Care and Facility Cash Fund established at 35-80-116 C.R.S.

Colorado Department of Agriculture
FY 2020-21 R-5 Pet Animal Care Facilities Licensing Requirements Budget Request
Appendix A

FY 2020-21 Summary by Initiative					
Item	Total Funds	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds
Program Manager - Administrator IV	\$89,038	\$89,038	\$0	\$0	\$0
Operating Expenses	\$5,653	\$5,653	\$0	\$0	\$0
Training and Content Consultant	\$50,000	\$0	\$50,000	\$0	\$0
AgLicense Module	\$10,000	\$0	\$10,000	\$0	\$0
Online Training Platform	\$17,050	\$0	\$17,050	\$0	\$0
Total	\$171,741	\$94,691	\$77,050	\$0	\$0

(1) Approximately \$77,050 shall be from the Pet Animal Care and Facility Cash Fund established at 35-80-116 C.R.S.

FY 2021-22 Summary by Initiative					
Item	Total Funds	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds
Program Manager - Administrator IV	\$92,200	\$92,200	\$0	\$0	\$0
Operating Expenses	\$950	\$950	\$0	\$0	\$0
Training and Content Consultant	\$0	\$0	\$0	\$0	\$0
AgLicense Module	\$0	\$0	\$0	\$0	\$0
Online Training Platform	\$7,425	\$0	\$7,425	\$0	\$0
Total	\$100,575	\$93,150	\$7,425	\$0	\$0

(1) Approximately \$7,425 shall be from the Pet Animal Care and Facility Cash Fund established at 35-80-116 C.R.S.

Colorado Department of Agriculture
FY 2020-21 R-5 Pet Animal Care Facilities Licensing Requirements Budget Request
Appendix A

Table 3.1 -Estimated Training Cost			
Item	FY 2020-21	FY 2021-22	Source/Comment
Cornerstone Implementation Consultant	\$10,000	\$0	As advised by OIT
Adobe Captivate License	\$2,500	\$2,500	Course Authorizing Tool
Vyond License	\$900	\$900	Interactive Content Developer
OIT Learning Management System Management Fee	\$2,000	\$2,000	OIT system management fee, actual amount to be determined by OIT
Cornerstone Transaction Fee	\$1,650	\$2,025	Table 3.2 Row E
Total	\$17,050	\$7,425	

Colorado Department of Agriculture
FY 2020-21 R-5 Pet Animal Care Facilities Licensing Requirements Budget Request
Appendix A

Table 3.2 - Cornerstone Transaction Fee Cost					
Row	Item	FY 2020-21	FY 2021-22	FY 2022-23	Source/Comment
A	Transaction Fee per Exam	\$1.50	\$1.50	\$1.50	OIT Estimate
B	Qualifying Exams	1,100	1,350	250	Current Licensees spread across two years; 250 new licensees annually
C	Continued Competency Exams	0	0	1,100	Continued Competency exam required every other year
D	Total Exams	1,100	1,350	1,350	Row B + Row C
E	Total Cost of Exams	\$1,650	\$2,025	\$2,025	Row A * Row D

Colorado Department of Agriculture
FY 2020-21 R-5 Pet Animal Care Facilities Licensing Requirements Budget Request
Appendix A

FTE Calculation Assumptions:						
Operating Expenses -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.						
Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).						
General Fund FTE -- Beginning July 1, 2019, new employees will be paid on a bi-weekly pay schedule; therefore new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE to account for the pay-date shift (25/26 weeks of pay). This applies to personal services costs only; operating costs are not subject to the pay-date shift.						
Expenditure Detail	FY 2020-21			FY 2021-22		
Personal Services:						
	Classification Title	Biweekly Salary	FTE		FTE	
	Administrator IV	\$2,579	0.9615	\$64,475	1.0	\$67,057
	PERA			\$7,028		\$7,309
	AED			\$3,224		\$3,353
	SAED			\$3,224		\$3,353
	Medicare			\$935		\$972
	STD			\$110		\$114
	Health-Life-Dental			\$10,042		\$10,042
	Subtotal Position 2, 1.0 FTE		0.9615	\$89,038	1.0	\$92,200
	Subtotal Personal Services		0.9615	\$89,038	1.0	\$92,200
Operating Expenses:						
			FTE		FTE	
	Regular FTE Operating	\$500	1.0	\$500	1.0	\$500
	Telephone Expenses	\$450	1.0	\$450	1.0	\$450
	PC, One-Time	\$1,230	1.0	\$1,230	-	\$0
	Office Furniture, One-Time	\$3,473	1.0	\$3,473	-	\$0
	Subtotal Operating Expenses			\$5,653		\$950
TOTAL REQUEST						
	<i>General Fund:</i>		<i>0.9615</i>	<i>\$94,691</i>	<i>1.0</i>	<i>\$93,150</i>
	<i>Cash funds:</i>					
	<i>Reappropriated Funds:</i>					
	<i>Federal Funds:</i>					

Schedule 13

Department of Agriculture

Funding Request for The FY 2020-21 Budget Cycle

Request Title
R-6 Lab Equipment Maintenance Agreement Funding

Dept. Approval By:		_____	Supplemental FY 2019-20
OSPB Approval By:		_____	Budget Amendment FY 2020-21
		X	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,936,887	\$0	\$4,119,219	\$48,000	\$48,000
	FTE	45.6	0.0	45.6	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$1,246,915	\$0	\$1,272,523	\$0	\$0
	CF	\$2,275,129	\$0	\$2,431,853	\$48,000	\$48,000
	RF	\$99,000	\$0	\$99,000	\$0	\$0
	FF	\$315,843	\$0	\$315,843	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,936,887	\$0	\$4,119,219	\$48,000	\$48,000
	FTE	45.6	0.0	45.6	0.0	0.0
02. Agriculture Services, (A)	GF	\$1,246,915	\$0	\$1,272,523	\$0	\$0
Agriculture Services, (I)	CF	\$2,275,129	\$0	\$2,431,853	\$48,000	\$48,000
Agriculture Services - Inspection and Consumer Services Division	RF	\$99,000	\$0	\$99,000	\$0	\$0
	FF	\$315,843	\$0	\$315,843	\$0	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Agriculture Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact



Department Priority: R-6
Request Detail: Lab Equipment Maintenance Agreement Funding

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$48,000	\$48,000
FTE	0.0	0.0	0.0
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$48,000	\$48,000
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department requests \$48,000 in ongoing cash funds from the Marijuana Tax Cash Fund created at 39-28.8-501 C.R.S. to support the ongoing maintenance of critical marijuana pesticide testing instrumentation. This laboratory equipment has previously been serviced per a service agreement that expired in August 2019. The Department would like to enter into an annual service agreement for maintenance on the equipment to avoid considerable downtime and variable expenses associated with any necessary maintenance.

Current Program:

The Department is required by Executive Order D 2015-015 to test for the presence of pesticide residue on marijuana. To do so, it was appropriated \$860,000 from the Marijuana Tax Cash Fund in H.B. 16-1252 “Supplemental Appropriation Department of Capital Construction” for the purchase of marijuana pesticide testing equipment including Liquid Chromatography / Mass Spectrometry and Time of Flight Mass Spectrometry instruments. The equipment was purchased with an extended service warranty, which expired in August 2019.

Problem or Opportunity:

Marijuana pesticide compliance testing conducted by the Department relies on highly sophisticated instrumentation. Current funding is only sufficient to provide annual service coverage on the Liquid Chromatograph / Mass Spectrometer. The extended two-year warranty and yearly service contract for the Time of Flight mass spectrometer expired in August 2019. The Department was able to identify funding to cover the cost of the contract for FY 2019-20 but does not have ongoing appropriations to continue regular maintenance on the equipment. It is critical that a service contract be maintained for this system to avoid considerable equipment downtime and maintain timely marijuana pesticide enforcement.

Proposed Solution:

The Department requests \$48,000 from the Marijuana Tax Cash Fund to contract for yearly maintenance of the Time of Flight mass spectrometer which would provide certainty of uninterrupted operational capabilities and would help the Department ensure timely detection of illegal pesticides on marijuana.

If the request is not approved, the Department would be at risk for mechanical failure or malfunction without support. This outcome would likely be costlier than a yearly maintenance contract, as the equipment may need to be replaced or repaired and could result in more downtime of the equipment. This is the Department’s only marijuana pesticide testing equipment so any delay in testing delays enforcement and regulation of pesticides.

Anticipated Outcomes:

Maintaining the sophisticated instrumentation required to confirm the presence of illegal pesticide residues in marijuana products is critical to the Department’s pesticide regulatory efforts. Service contracts ensure timely testing and reporting of violations to support the enforcement of the regulation. Significant down time from equipment wear would be avoided and instrumentation would be operating at optimal sensitivity if maintained by an annual service contract.

Assumptions and Calculations:

The yearly maintenance cost estimate was provided to the Department by Agilent Technologies, the current instrument manufacturer. Coverage includes all-inclusive repair, scheduled preventative maintenance, real-time remote diagnostics and predictive support technology.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

Not Applicable.

**Colorado Department of Agriculture
 FY 2020-21 R-6 Lab Equipment Maintenance Agreement Funding Budget Request
 Appendix A**

FY 2020-21 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds
(2) Agricultural Services; Inspection and Consumer Services Division	\$48,000	0.0	\$0	\$48,000	\$0	\$0
Total	\$48,000	0.0	\$0	\$48,000	\$0	\$0

(1) An estimated \$48,000 shall be from the Marijuana Tax Cash Fund created at 39-28.8-501 C.R.S.

FY 2021-22 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds
(3) Agricultural Markets Division; Agricultural Markets; Agricultural Development Board	\$48,000	0.0	\$0	\$48,000	\$0	\$0
Total	\$48,000	0.0	\$0	\$48,000	\$0	\$0

(1) An estimated \$48,000 shall be from the Marijuana Tax Cash Fund created at 39-28.8-501 C.R.S.

Schedule 13

Department of Agriculture

Funding Request for The FY 2020-21 Budget Cycle

Request Title
R-7 Indirect Cost Recovery Adjustment

Dept. Approval By: _____	Supplemental FY 2019-20
OSPB Approval By: _____	Budget Amendment FY 2020-21
X	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$3,199,233	\$0	\$3,564,759	\$226,930	\$226,930
FTE		16.7	0.0	16.7	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$486,440	\$0	\$584,889	\$0	\$0
	CF	\$998,026	\$0	\$1,213,094	\$113,465	\$113,465
	RF	\$1,379,247	\$0	\$1,393,732	\$113,465	\$113,465
	FF	\$335,520	\$0	\$373,044	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$1,793,406	\$0	\$1,976,976	\$70,404	\$70,404
FTE		16.7	0.0	16.7	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$436,440	\$0	\$534,889	\$0	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$8,165	\$0	\$78,801	\$0	\$0
Commissioner's Office and Administrative Services - Personal Services	RF	\$1,232,308	\$0	\$1,246,793	\$70,404	\$70,404
	FF	\$116,493	\$0	\$116,493	\$0	\$0
Total		\$196,939	\$0	\$196,939	\$43,061	\$43,061
FTE		0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$50,000	\$0	\$50,000	\$0	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$0	\$0	\$0	\$0	\$0
Commissioner's Office and Administrative Services - Utilities	RF	\$146,939	\$0	\$146,939	\$43,061	\$43,061
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$103,181	\$0	\$118,236	\$43,061	\$43,061
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$0	\$0	\$0	\$0	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$103,181	\$0	\$118,236	\$43,061	\$43,061
Commissioner's Office and Administrative Services - Indirect Cost Assessment	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$1,105,707	\$0	\$1,272,608	\$70,404	\$70,404
	FTE	0.0	0.0	0.0	0.0	0.0
02. Agriculture Services, (A)	GF	\$0	\$0	\$0	\$0	\$0
Agriculture Services, (1)	CF	\$886,680	\$0	\$1,016,057	\$70,404	\$70,404
Agriculture Services - Indirect Cost Assessment	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$219,027	\$0	\$256,551	\$0	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Agriculture Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency impact



Department Priority: R-7
Request Detail: Indirect Cost Recovery Adjustment

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$226,930	\$226,930
FTE	0.0	0.0	0.0
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$113,465	\$113,465
Reappropriated Funds	\$0	\$113,465	\$113,465
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department requests \$226,930 total funds comprised of \$113,465 from various cash funds and \$113,465 reappropriated funds in FY 2020-21 and ongoing to increase indirect cost recoveries from the Department's cash funds. The Department will utilize these cash funds and reappropriated funds to pay for increased personal services and increased utilities costs across various Department locations, consistent with its utilization of those funds in the past.

Current Program:

The Commissioner's Office within the Department is partially funded through reappropriated funds for Personal Services, Operating Expenses, CORE Operations, and Utilities. These line items are funded by departmental indirect cost recoveries for both federal and cash-funded programs within the Department. The reappropriated funding for the Commissioner's Office is set annually through the budget submission process and is reflected in the Long Bill. For FY 2019-20, this amounts to \$1,652,093.

Departmental indirect cost recoveries are collected on federal agreements through a federal indirect cost rate agreement, which is negotiated annually with the United States Department of the Interior. This rate is used against personnel and fringe costs expended on federal agreements. For FY 2019-20, the negotiated federal rate is 24.58%.

State agencies that receive cash funds based on fees charged to users are required to compute an indirect cost allocation that identifies and allocates all indirect costs from the cash funded programs. While the Department follows the de minimis indirect cost rate as the indirect cost allocation methodology on cash programs, the actual amount collected is dependent on: expenses incurred by the cash fund; statutory or letternote restrictions on amounts to collect by cash fund; amount of federal indirect recoveries collected annually; and reappropriated funding for the Commissioner's Office requiring indirect recoveries. In FY 2018-19, the average indirect cost recovery rate was 6% on cash funds that did not have statutory indirect cost caps. The cash funds in the Department that do have a statutory indirect cost cap are as follows: Brand Inspection Fund (3.6%), Brand Estray Fund (3.6%), Alternative Livestock Fund (3.6%), and Agriculture Products Inspection Fund (5%).

Problem or Opportunity:

Prior to the 2019 legislative session, the Department had been using contracted legislative monitoring services. However, this arrangement reduced the Department's ability to have staff resources available to pursue and fulfill the Department's legislative agenda annually, and therefore hampered its ability to pursue and execute the statutory mandates required for its programs to operate effectively and to address changing industry climates. In response, the Department hired a full time Policy Advisor and Legislative Liaison, a non-classified Amendment S position, within the Commissioner's Office in 2019. This new position allows the Department to plan for and address policy and legislative issues in close coordination with Department staff, to navigate through sunset review legislation, to continually evaluate the effectiveness of the Department's programs, to develop strategies and policies to achieve the Department's goals, and to coordinate the Department's responses to federal policy issues. The Department paid for part of the FTE costs through contract savings, but also requires an appropriation of indirect cost recoveries to the Commissioner's Office to support the position on an ongoing basis.

Additionally, in FY 2019-20, the Department completed the second phase of the Office Consolidation capital construction project (BAAA14-001LAB). The new laboratory building, located at 300 S. Technology Court, Broomfield, CO, was occupied on April 1, 2019. Since this building has been occupied, the Department has seen an increase in utility costs that has placed pressure on the existing utilities budget. The Department has also seen an increase in utility costs

for the Insectary office in Palisade, CO. The Department believes this increase in cost is multifaceted, but primarily a result of additions in laboratory equipment and higher capacity HVAC systems to better control humidity conditions at the new laboratory building for measurement standard calibration. Further, Xcel Energy-Colorado announced in May 2019 that it will be pursuing a rate increase of roughly 6% effective January 2020. As a result, the Department anticipates utility costs will continue to increase and is proactively seeking this adjustment to cover those costs.

Proposed Solution:

The Department requests \$226,930 total funds comprised of \$113,465 cash funds and \$113,465 reappropriated funds in FY 2020-21 and ongoing to increase indirect cost recoveries from the Department's cash funds and federal agreements in order to cover the increase in utilities and personnel costs at the Department.

The Department recently received \$872,180 in cash funds appropriations from the Industrial Hemp Registration Program Cash Fund created at 35-61-106 C.R.S. and the Plant Health, Pest Control, and Environmental Protection Fund created at 35-1-106.3 C.R.S. This funding was approved through S.B. 19-186 (Expand Agricultural Chemical Management Program Protect Surface Water) and S.B. 19-220 (Hemp Regulation Alignment with 2018 Federal Farm Bill). These cash funds are under the purview of the Department's indirect cost allocation plan for cash programs. At an estimated 8.1% indirect cost recovery rate for FY 2020-21, these special bills would account for \$70,404 of the \$113,465 cash fund indirect request. The remaining \$43,061 is requested to be funded through an increase to the Agriculture Management Fund indirect recovery rate (35-1-106.9 C.R.S.) This adjustment would allow the Department to collect indirect cost recoveries on this fund consistent with other cash funds. Currently the Department collects approximately 3% from the Agriculture Management Cash Fund compared to other cash funds average of 6%.

In addition, the Department requests those funds be reappropriated to the Commissioner's Office Personal Services and Utilities lines from the Indirect Costs Excess Recovery Fund created at 24-75-1401 (2) C.R.S. This funding would be utilized to pay for the Policy Advisor and Legislative Liaison FTE costs as well as the increase in utilities.

If this request is not approved the Department would be required to forgo expenditures on other Department priorities in order to cover the increases in personnel and utility costs.

Anticipated Outcomes:

With approval of this request, the Department would be able to fund the ongoing cost of the Policy Advisor and Legislative Liaison position and utilities costs through the indirect cost recoveries identified above. This would reduce the burden on other Departmental cash funds and programs while allowing the Department to proactively plan for and address policy and legislative issues critical to fulfilling its mission.

Assumptions and Calculations:

For detailed forecast and calculation including historical appropriation and expenditure please see Appendix A

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

NA

Colorado Department of Agriculture
FY 2020-21 R-7 Indirect Cost Recovery Adjustment Budget Request
Appendix A

FY 2020-21 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds ⁽²⁾	Federal Funds
(1) Commissioner's Office and Administrative Services; Personal Services	\$70,404	0.0	\$0	\$0	\$70,404	\$0
(1) Commissioner's Office and Administrative Services; Utilities	\$43,061	0.0	\$0	\$0	\$43,061	\$0
(1) Commissioner's Office and Administrative Services; Indirect Cost Assessment	\$43,061	0.0	\$0	\$43,061	\$0	\$0
(2) Agricultural Services; Indirect Cost Assessment	\$70,404	0.0	\$0	\$70,404	\$0	\$0
Total	\$226,930	0.0	\$0	\$113,465	\$113,465	\$0

(1) An estimated \$43,061 shall be from Agriculture Management Fund created at 35-1-106.9 C.R.S., an estimated \$34,189 shall be from the Industrial Hemp Registration Program Cash Fund created at 35-61-106 C.R.S. and an estimated \$36,215 shall be from the Plant Health, Pest Control and Environmental Protection Fund created at 35-1-106.3 C.R.S.

(2) Of these amounts, an estimated \$113,465 shall be from departmental indirect cost recoveries or the Indirect Costs Excess Recovery Fund created at 24-75-1401 (2) C.R.S.

FY 2021-22 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds
(1) Commissioner's Office and Administrative Services; Personal Services	\$70,404	0.0	\$0	\$0	\$70,404	\$0
(1) Commissioner's Office and Administrative Services; Utilities	\$43,061	0.0	\$0	\$0	\$43,061	\$0
(1) Commissioner's Office and Administrative Services; Indirect Cost Assessment	\$43,061	0.0	\$0	\$43,061	\$0	\$0
(2) Agricultural Services; Indirect Cost Assessment	\$70,404	0.0	\$0	\$70,404	\$0	\$0
Total	\$226,930	0.0	\$0	\$113,465	\$113,465	\$0



(1) An estimated \$43,061 shall be from Agriculture Management Fund created at 35-1-106.9 C.R.S., an estimated \$34,189 shall be from the Industrial Hemp Registration Program Cash Fund created at 35-61-106 C.R.S. and an estimated \$36,215 shall be from the Plant Health, Pest Control and Environmental Protection Fund created at 35-1-106.3 (1) C.R.S.

(2) Of these amounts, an estimated \$113,465 shall be from departmental indirect cost recoveries or the Indirect Costs Excess Recovery Fund created at 24-75-1401 (2) C.R.S.

Schedule 13

Department of Agriculture

Funding Request for The FY 2020-21 Budget Cycle

Request Title	R-8 Unused Spending Authority Adjustment		
Dept. Approval By: 	_____		Supplemental FY 2019-20
OSPB Approval By: 	_____		Budget Amendment FY 2020-21
		X	Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$7,888,900	\$0	\$8,270,778	(\$382,528)	(\$252,528)
Total of All Line Items Impacted by Change Request	FTE	67.7	0.0	67.7	0.0	0.0
	GF	\$2,503,278	\$0	\$2,643,311	\$0	\$0
	CF	\$2,648,748	\$0	\$2,876,108	(\$322,528)	(\$192,528)
	RF	\$1,376,308	\$0	\$1,390,793	(\$60,000)	(\$60,000)
	FF	\$1,360,566	\$0	\$1,360,566	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$1,793,406	\$0	\$1,976,976	(\$8,165)	(\$8,165)
01. Commissioner's Office and Administrative Services, (A)	FTE	16.7	0.0	16.7	0.0	0.0
Commissioner's Office and Administrative Services, (1) Commissioner's Office and Administrative Services - Personal Services	GF	\$436,440	\$0	\$534,889	\$0	\$0
	CF	\$8,165	\$0	\$78,801	(\$8,165)	(\$8,165)
	RF	\$1,232,308	\$0	\$1,246,793	\$0	\$0
	FF	\$116,493	\$0	\$116,493	\$0	\$0

Total		\$15,000	\$0	\$15,000	(\$15,000)	(\$15,000)
01. Commissioner's Office and Administrative Services, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Commissioner's Office and Administrative Services, (1) Commissioner's Office and Administrative Services - Agricultural Statistics	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$15,000	\$0	\$15,000	(\$15,000)	(\$15,000)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$300,000	\$0	\$300,000	(\$280,000)	(\$150,000)
01. Commissioner's Office and Administrative Services, (A)	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
Commissioner's Office and Administrative Services, (1) Commissioner's Office and Administrative Services - Agriculture Leadership and Education Grants	CF	\$300,000	\$0	\$300,000	(\$280,000)	(\$150,000)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$3,936,887	\$0	\$4,119,219	(\$15,000)	(\$15,000)
02. Agriculture Services, (A) Agriculture Services, (1) Agriculture Services - Inspection and Consumer Services Division	FTE	45.6	0.0	45.6	0.0	0.0
	GF	\$1,246,915	\$0	\$1,272,523	\$0	\$0
	CF	\$2,275,129	\$0	\$2,431,853	\$0	\$0
	RF	\$99,000	\$0	\$99,000	(\$15,000)	(\$15,000)
	FF	\$315,843	\$0	\$315,843	\$0	\$0

	Total	\$1,798,607	\$0	\$1,814,583	(\$19,363)	(\$19,363)
03. Agriculture Markets Division, (A) Agricultural Markets, (1) Agricultural Markets - Program Costs	FTE	5.4	0.0	5.4	0.0	0.0
	GF	\$819,923	\$0	\$835,899	\$0	\$0
	CF	\$50,454	\$0	\$50,454	(\$19,363)	(\$19,363)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$928,230	\$0	\$928,230	\$0	\$0

	Total	\$45,000	\$0	\$45,000	(\$45,000)	(\$45,000)
03. Agriculture Markets Division, (A) Agricultural Markets, (1) Agricultural Markets - Economic Development Grants	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$45,000	\$0	\$45,000	(\$45,000)	(\$45,000)
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Agriculture Prioritized Request	Interagency Approval or Related Schedule 13s:	Impacts Other Agency



Department Priority: R-8
Request Detail: Unused Spending Authority Adjustment

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	(\$382,528)	(\$252,528)
FTE	0.0	0.0	0.0
General Fund	\$0	\$0	\$0
Cash Funds	\$0	(\$322,528)	(\$192,528)
Reappropriated Funds	\$0	(\$60,000)	(\$60,000)
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department requests a reduction of \$382,528 total funds comprised of \$322,528 from various cash funds and \$60,000 reappropriated funds in FY 2020-21 to remove unused spending authority within its budget. The funding would create reductions in the Department’s appropriations that are expected to be unused in FY 2020-21. These reductions include (1) a reduction to Colorado Proud and publications spending authority, (2) a reduction to the state trade expansion reappropriation, (3) a reduction to the agriculture statistics spending authority, (4) a reduction to the Agriculture Leadership Program spending authority, (5) a reduction to the personal services spending authority in the Commissioner’s Office and (6) a reduction to a marijuana sampling program reappropriation. This reduction will annualize to \$252,528 total funds comprised of \$192,528 cash funds and \$60,000 reappropriated funds in FY 2021-22 and ongoing.

Current Program:

The Department has identified a number of appropriations that have historically been underspent or are no longer needed. Those appropriations are as follows:

(1) The Colorado Proud and Publications programs promote products that are grown, raised and processed in Colorado with a Colorado Proud logo at grocery stores. The Colorado Proud label helps consumers identify and support local products and support Colorado's economy, local farmers, ranchers, greenhouses, manufacturers and processors. The program generates revenue from the sale of Colorado Proud labels and various publication listing fees (including the Farm Fresh and Hay Directories).

(2) The Department receives reappropriated funding from the Office of Economic Development and International Trade (OEDIT). This funding is a pass-through of federal funding for programs such as the State Trade Expansion Program (STEP) from the Small Business Administration (SBA). The STEP is a financial assistance program for aspiring and current Colorado exporters entering into new global markets. Previously, the Department was funded and reimbursed for this program through reappropriated funding. Since FY 2016-17, STEP has been treated as a pass-through of federal funding and treated as a federal grant, removing the need for this line item to continue.

(3) The Agriculture Statistics Program has historically been funded from surveys and services provided by the United States Department of Agriculture (USDA) National Agricultural Statistics Service. The Program, in collaboration with USDA, has contributed toward the generation and publication of surveys and agriculture statistics pertinent to Colorado agriculture. However, this cash funded program has not generated any revenue since April 2014 and any revenue generated prior to then was from industry for specific surveys. Since FY 2015-16, this program has been funded by the Agriculture Management Fund (35-1-106.9 C.R.S).

(4) The Agriculture Leadership and Education Grant Program is funded by the Agriculture Management Fund (35-1-106.9 C.R.S). This program supports the Colorado Agricultural Leadership Program (CALP), through sponsorship and grants, to develop and enhance the leadership capabilities of diverse men and women committed to the future of Colorado's agricultural and rural communities. The Department issued grants to CALP in the amount of \$20,000 annually for Fiscal Years 2017-18 and 2018-19 and does not anticipate granting the full amount of funding in the future. As such, the Department could reduce the spending authority without having a significant impact on the Department's program.

(5) The Commissioner's Office receives funding for personal services through General Fund, cash funds, reappropriated indirect funds and federal funds. These particular cash funds were appropriated for the Food Systems Advisory Council (24-37.3-105 C.R.S.), which was relocated to Colorado State University during the 2019 legislative session via HB 19-1202.

(6) The Department receives \$15,000 in reappropriated funds from the Colorado Department of Public Health and the Environment (CDPHE) for the purpose of pesticide homogeneity testing on marijuana. In FY 2018-19, CDPHE did not submit any samples for testing and does not plan to

send samples to the Department in the future. Therefore, this appropriation is no longer needed to support the work.

Problem or Opportunity:

The Department has identified a number of reductions that could be made to its budget in order to more accurately reflect the spending authority needed to operate its programs or provide reductions in order to fund other priorities.

Proposed Solution:

The Department requests a reduction of \$382,528 total funds comprised of \$322,528 cash funds and \$60,000 reappropriated funds in FY 2020-21, and a reduction of \$252,528 total funds comprised of \$192,528 cash funds and \$60,000 reappropriated funds in FY 2021-22 and ongoing. The funding would create reductions in the Department's budget in appropriations that historically have been, or are anticipated to be, unused in FY 2020-21. These reductions include:

(1) an ongoing reduction of \$19,363 from various sources of cash funds for the Colorado Proud and publication funds. After financial analysis, the Department estimates that \$19,363 could be removed from the appropriation while leaving enough funding in the appropriation to meet the needs of the program;

(2) an ongoing \$45,000 reduction in reappropriated funds to economic development funding that would eliminate the unused appropriation;

(3) an ongoing reduction of \$15,000 from surveys and services provided by the USDA National Agricultural Statistics Service that would eliminate the unused appropriation for agriculture statistics, as the program has not generated revenue since 2014. This reduction would not eliminate the program as the Department continues to collaborate with the USDA and issue surveys and statistics at no cost to the industry;

(4) a one-time reduction of \$280,000 from the Agriculture Management Fund created at 35-1-106.9 C.R.S for the Agriculture Leadership Program with an ongoing reduction of \$150,000 to better align the Department's appropriation to its historical grant awards. In FY 2017-18 and FY 2018-19, expenditures from this line to CALP have been \$20,000 while the Adult Agricultural Leadership line item is appropriated \$300,000 annually. The Department believes the impact of this reduction would not be significant while it reevaluates how to most effectively leverage these funds;

(5) an ongoing reduction of \$8,165 from various sources of cash funds for the personal services budget in the Commissioner's Office that would remove unused and unplanned spending authority; and

(6) an ongoing \$15,000 reduction to unused reappropriated funds from CDPHE for marijuana pesticide testing. The Department nor CDPHE anticipate the need for additional marijuana testing at this point which enables the reduction to spending authority.

If this request is not approved, the Department would continue to operate as it currently does but would likely revert spending authority in the areas identified above.

Anticipated Outcomes:

The Department anticipates that the proposed reductions would bring its budget closer in line with anticipated expenditure with minimal impact to the programs reduced.

Assumptions and Calculations:

For further detail of line item impacts please see Appendix A.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

NA

**Colorado Department of Agriculture
FY 2020-21 R-8 Unused Spending Authority Budget Request
Appendix A**

FY 2020-21 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds ⁽²⁾	Federal Funds
(1) Commissioner's Office and Administrative Services; Personal Services	(\$8,165)	0.0	\$0	(\$8,165)	\$0	\$0
(1) Commissioner's Office and Administrative Services; Agricultural Statistics	(\$15,000)	0.0	\$0	(\$15,000)	\$0	\$0
(1) Commissioner's Office and Administrative Services; Adult Agriculture Leadership Grant Program	(\$280,000)	0.0	\$0	(\$280,000)	\$0	\$0
(2) Agricultural Services; Inspection and Consumer Services Division	(\$15,000)	0.0	\$0	\$0	(\$15,000)	\$0
(3) Agricultural Markets Division; (A) Agricultural Markets; Program Costs	(\$19,363)	0.0	\$0	(\$19,363)	\$0	\$0
(3) Agricultural Markets Division; (A) Agricultural Markets; Economic Development Grants	(\$45,000)	0.0	\$0	\$0	(\$45,000)	\$0
Total	(\$382,528)	0.0	\$0	(\$322,528)	(\$60,000)	\$0

(1) Of this amount, an estimated \$27,528 shall be from various sources of cash fund, \$15,000 shall be from surveys and services provided by the USDA National Agricultural Statistics Service, and \$280,000 shall be from the Agriculture Management Fund created at 35-1-106.9 C.R.S.

(2) Of this amount, \$45,000 shall be transferred from the Office of the Governor from the Economic Development Commission - General Economic Incentives and Marketing line item in the Economic Development Program Section and \$15,000 shall be transferred from the Department of Public Health and Environment from the Certification line item appropriation in the Laboratory Services Division.

FY 2021-22 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds ⁽²⁾	Federal Funds
(1) Commissioner's Office and Administrative Services; Personal Services	(\$8,165)	0.0	\$0	(\$8,165)	\$0	\$0
(1) Commissioner's Office and Administrative Services; Agricultural Statistics	(\$15,000)	0.0	\$0	(\$15,000)	\$0	\$0
(1) Commissioner's Office and Administrative Services; Adult Agriculture Leadership Grant Program	(\$150,000)	0.0	\$0	(\$150,000)	\$0	\$0
(2) Agricultural Services; Inspection and Consumer Services Division	(\$15,000)	0.0	\$0	\$0	(\$15,000)	\$0
(3) Agricultural Markets Division; (A) Agricultural Markets; Program Costs	(\$19,363)	0.0	\$0	(\$19,363)	\$0	\$0
(3) Agricultural Markets Division; (A) Agricultural Markets; Economic Development Grants	(\$45,000)	0.0	\$0	\$0	(\$45,000)	\$0
Total	(\$252,528)	0.0	\$0	(\$192,528)	(\$60,000)	\$0

(1) Of this amount, an estimated \$27,528 shall be from various sources of cash fund, \$15,000 shall be from surveys and services provided by the USDA National Agricultural Statistics Service, and \$150,000 shall be from the Agriculture Management Fund created at 35-1-106.9 C.R.S.

(2) Of this amount, \$45,000 shall be transferred from the Office of the Governor from the Economic Development Commission - General Economic Incentives and Marketing line item in the Economic Development Program Section and \$15,000 shall be transferred from the Department of Public Health and Environment from the Certification line item appropriation in the Laboratory Services Division.

**Colorado Department of Agriculture
FY 2020-21 R-8 Unused Spending Authority Budget Request
Appendix A**

FY 2020-21 Summary by Initiative					
Item	Total Funds	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds ⁽²⁾	Federal Funds
Colorado Proud and Publication Funds	(\$19,363)	\$0	(\$19,363)	\$0	\$0
Economic Development Pass through Funding	(\$45,000)	\$0	\$0	(\$45,000)	\$0
Agriculture Statistics	(\$15,000)	\$0	(\$15,000)	\$0	\$0
Agriculture Leadership Program	(\$280,000)	\$0	(\$280,000)	\$0	\$0
Personal Services	(\$8,165)	\$0	(\$8,165)	\$0	\$0
CDPHE Samples Testing	(\$15,000)	\$0	\$0	(\$15,000)	\$0
Total	(\$382,528)	\$0	(\$322,528)	(\$60,000)	\$0

(1) Of this amount, an estimated \$27,528 shall be from various sources of cash fund, \$15,000 shall be from surveys and services provided by the USDA National Agricultural Statistics Service, and \$280,000 shall be from the Agriculture Management Fund created at 35-1-106.9 C.R.S.

(2) Of this amount, \$45,000 shall be transferred from the Office of the Governor from the Economic Development Commission - General Economic Incentives and Marketing line item in the Economic Development Program Section and \$15,000 shall be transferred from the Department of Public Health and Environment from the Certification line item appropriation in the Laboratory Services Division.

FY 2021-22 Summary by Initiative					
Item	Total Funds	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds ⁽²⁾	Federal Funds
Colorado Proud and Publication Funds	(\$19,363)	\$0	(\$19,363)	\$0	\$0
Economic Development Pass through Funding	(\$45,000)	\$0	\$0	(\$45,000)	\$0
Agriculture Statistics	(\$15,000)	\$0	(\$15,000)	\$0	\$0
Agriculture Leadership Program	(\$150,000)	\$0	(\$150,000)	\$0	\$0
Personal Services	(\$8,165)	\$0	(\$8,165)	\$0	\$0
CDPHE Samples Testing	(\$15,000)	\$0	\$0	(\$15,000)	\$0
Total	(\$252,528)	\$0	(\$192,528)	(\$60,000)	\$0

(1) Of this amount, an estimated \$27,528 shall be from various sources of cash fund, \$15,000 shall be from surveys and services provided by the USDA National Agricultural Statistics Service, and \$150,000 shall be from the Agriculture Management Fund created at 35-1-106.9 C.R.S.

(2) Of this amount, \$45,000 shall be transferred from the Office of the Governor from the Economic Development Commission - General Economic Incentives and Marketing line item in the Economic Development Program Section and \$15,000 shall be transferred from the Department of Public Health and Environment from the Certification line item appropriation in the Laboratory Services Division.

Schedule 13

Department of Agriculture

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-9 Implementing Budget Efficiencies

Dept. Approval By: 

Supplemental FY 2019-20

OSPB Approval By: 

Budget Amendment FY 2020-21

X

Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$12,532,101	\$0	\$13,259,120	(\$214,143)	(\$25,483)
Total of All Line Items Impacted by Change Request	FTE	63.3	0.0	64.7	(1.0)	0.0
	GF	\$3,485,943	\$0	\$3,730,971	(\$89,300)	\$0
	CF	\$7,105,011	\$0	\$7,587,002	(\$124,843)	(\$25,483)
	RF	\$799,000	\$0	\$799,000	\$0	\$0
	FF	\$1,142,147	\$0	\$1,142,147	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$2,906,815	\$0	\$3,306,349	(\$10,042)	\$0
01. Commissioner's Office and Administrative Services, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Commissioner's Office and Administrative Services, (1) Commissioner's Office and Administrative Services - Health, Life, and Dental	GF	\$784,033	\$0	\$907,735	(\$10,042)	\$0
	CF	\$2,122,782	\$0	\$2,398,614	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Total		\$28,518	\$0	\$30,526	(\$92)	\$0
01. Commissioner's Office and Administrative Services, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Commissioner's Office and Administrative Services, (1) Commissioner's Office and Administrative Services - Short-term Disability	GF	\$7,595	\$0	\$9,999	(\$92)	\$0
	CF	\$20,923	\$0	\$20,527	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$1,086,911	\$0	\$957,546	(\$2,699)	\$0
01. Commissioner's Office and Administrative Services, (A)	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$282,636	\$0	\$313,970	(\$2,699)	\$0
Commissioner's Office and Administrative Services, (1) Commissioner's Office and Administrative Services - Amortization	CF	\$804,275	\$0	\$643,576	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
Equalization Disbursement	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$1,086,911	\$0	\$957,546	(\$2,699)	\$0
01. Commissioner's Office and Administrative Services, (A)	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$282,636	\$0	\$313,970	(\$2,699)	\$0
Commissioner's Office and Administrative Services, (1) Commissioner's Office and Administrative Services - Supplemental Amortization	CF	\$804,275	\$0	\$643,576	\$0	\$0
Equalization Disbursement	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$3,936,887	\$0	\$4,119,219	(\$25,483)	(\$25,483)
02. Agriculture Services, (A) Agriculture Services, (1) Agriculture Services - Inspection and Consumer Services Division	FTE	45.6	0.0	45.6	0.0	0.0
	GF	\$1,246,915	\$0	\$1,272,523	\$0	\$0
	CF	\$2,275,129	\$0	\$2,431,853	(\$25,483)	(\$25,483)
	RF	\$99,000	\$0	\$99,000	\$0	\$0
	FF	\$315,843	\$0	\$315,843	\$0	\$0

	Total	\$3,386,699	\$0	\$3,788,574	(\$73,768)	\$0
02. Agriculture Services, (A) Agriculture Services, (1) Agriculture Services - Conservation Services Division	FTE	17.7	0.0	19.1	(1.0)	0.0
	GF	\$882,128	\$0	\$912,774	(\$73,768)	\$0
	CF	\$978,267	\$0	\$1,349,496	\$0	\$0
	RF	\$700,000	\$0	\$700,000	\$0	\$0
	FF	\$826,304	\$0	\$826,304	\$0	\$0

	Total	\$99,360	\$0	\$99,360	(\$99,360)	\$0
02. Agriculture Services,	FTE	0.0	0.0	0.0	0.0	0.0
(A) Agriculture Services,	GF	\$0	\$0	\$0	\$0	\$0
(1) Agriculture Services -	CF	\$99,360	\$0	\$99,360	(\$99,360)	\$0
Lease Purchase Lab	RF	\$0	\$0	\$0	\$0	\$0
Equipment	FF	\$0	\$0	\$0	\$0	\$0

		Auxiliary Data	
Requires Legislation?	NO		
Type of Request?	Department of Agriculture Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact



Department Priority: R-9
Request Detail: Implementing Budget Efficiencies

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	(\$214,143)	(\$25,483)
FTE	0.0	(1.0)	0.0
General Fund	\$0	(\$89,300)	\$0
Cash Funds	\$0	(\$124,843)	(\$25,483)
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department requests a reduction of \$214,143 total funds comprised of \$89,300 General Fund and \$124,843 from various cash funds in FY 2020-21 to create three efficiencies in the Department's budget. These reductions include (1) the renegotiation of laboratory equipment maintenance contracts, (2) a one-time reduction to equipment leasing and a (3) one-time FTE funding reduction to the State Insectary. This request annualizes to a reduction of \$25,483 cash funds in FY 2021-22 and ongoing.

Current Program:

In April 2019, the Department completed Phase II of its office consolidation project that created a state-of-the art facility for the Inspection and Consumer Services division, Biochemistry Laboratory, Metrology Laboratory, and the Rocky Mountain Regional Animal Health Laboratory. The project met the Department's goal of consolidating staff from five Denver metro offices into a single property in Broomfield's Interlocken Business Park. The data the Department produces through the laboratories serves many agriculture industries, law enforcement, veterinarians, and consumers in addition to supporting the regulatory efforts of the Department's divisions. Laboratory activities include timely and legally defensible chemical, microbiological and instrumental analysis of animal health samples, pesticides, fertilizers, animal feeds, ground and surface waters, industrial hemp, and marijuana. It also serves as the primary source of measurement standards for the Department and providing volume and mass calibrations for the Department's field inspectors, the Department of Labor and Employment, and other external customers.

The Colorado State Insectary imports, rears, establishes, and colonizes new beneficial organisms for control of specific plant and insect pests. Successful biological pest control reduces production costs, decreases amounts of chemicals entering the environment, and establishes colonies of beneficial insects offering a natural permanent pest control solution for the state of Colorado and surrounding regions. During the 2019 legislative session, the Department requested and received one General Funded FTE (LIF/SOC SCI RSRCH/SCI III) to help combat invasive species such as Canada Thistle, Russian Knapweed, Hoary Cress, Emerald Ash Borer, and Japanese Beetle.

Problem or Opportunity:

The Department has a number of appropriations related to laboratory equipment and maintenance and the State Insectary that would not be expended in FY 2020-21. Rather than reverting General Fund or cash fund spending authority the Department has the opportunity to reduce its budget in order to support various statewide priorities.

Proposed Solution:

The Department requests a reduction of \$214,143 total funds comprised of \$89,300 General Fund and \$124,843 cash funds in FY 2020-21 and a reduction of \$25,483 cash funds in FY 2021-22 and ongoing to create three efficiencies in the Department's budget.

First, (1) the Department requests a reduction of \$25,483 from the Inspection and Consumer Services Cash Fund created at 35-1-106.5 C.R.S. in FY 2020-21 and ongoing from renegotiation of laboratory service contracts. As part of the office consolidation, the Department conducted an analysis of existing maintenance agreements on laboratory equipment and identified an opportunity to consolidate individual agreements into a prime agreement with vendors to reduce cost and continue necessary maintenance and service on equipment. As a result, the Department does not need an appropriation at the same level as prior years.

Next, (2) the Department requests a one-time reduction of \$99,360 from various sources of cash funds from the Lease Purchase Lab Equipment line item. FY 2019-20 will be the final year of the current lease laboratory equipment purchase. The lab is in a position to extend the next equipment purchase out a year.

Finally, (3) the Department requests a one-time \$89,300 General Fund and 1.0 FTE reduction to the Insectary. The Insectary currently has enough federal funds from grants to staff the required FTE to help combat the invasive species mentioned above through August 2021. This one-time reduction can be managed through federal resources until FY 2021-22.

If this request is not approved, it is likely that the Department would revert the proposed General Fund and cash fund appropriations associated with the contracts, programs and FTE mentioned above.

Anticipated Outcomes:

(1) The Department anticipates being able to absorb the reduction of maintenance agreements into the next round of agreements in an attempt to maintain the same level of service. Any variance between the proposed reduction and savings in new maintenance agreements would result in nominal impact to the Feed and Fertilizer Programs. As such the reduction can be used to fund statewide priorities.

(2) Delaying the next laboratory equipment agreement is not anticipated to impact operations. While the next piece of equipment (Sequential ICP-OES) to be replaced through this line item will no longer be supported by the manufacturer, it is currently in good working condition and we do not anticipate any issues delaying this purchase by one year.

(3) Finally, because federal funding is available to support the Insectary FTE for which State funding would be eliminated for one year, there would be limited impact to the Department in that it could not use the federal funding for other activities.

Assumptions and Calculations:

For a detailed cost by initiative and associated Long Bill line item, see Appendix A.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

NA

Colorado Department of Agriculture
FY 2020-21 R-9 Implementing Budget Efficiencies Budget Request
Appendix A

FY 2020-21 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds
(1) Commissioner's Office and Administrative Services; Health, Life, and Dental	(\$10,042)	(1.0)	(\$10,042)	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; Short-term Disability	(\$92)	0.0	(\$92)	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 04-257 Amortization Equalization Disbursement	(\$2,699)	0.0	(\$2,699)	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 06-235 Supplemental Amortization Equalization Disbursement	(\$2,699)	0.0	(\$2,699)	\$0	\$0	\$0
(2) Agricultural Services; Inspection and Consumer Services Division	(\$25,483)	0.0	\$0	(\$25,483)	\$0	\$0
(2) Agricultural Services; Conservation Services Division	(\$73,768)	0.0	(\$73,768)	\$0	\$0	\$0
(2) Agricultural Services; Lease Purchase Lab Equipment	(\$99,360)	0.0	\$0	(\$99,360)	\$0	\$0
Total	(\$214,143)	(1.0)	(\$89,300)	(\$124,843)	\$0	\$0

(1) Of this amount, an estimated \$25,483 shall be from the Inspection and Consumer Services Cash Fund (35-1-106.5 C.R.S.) and \$99,360 shall be from various cash fund sources.

FY 2021-22 Summary by Line Item						
Item	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds
(1) Commissioner's Office and Administrative Services; Health, Life, and Dental	\$0	0.0	\$0	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; Short-term Disability	\$0	0.0	\$0	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 04-257 Amortization Equalization Disbursement	\$0	0.0	\$0	\$0	\$0	\$0
(1) Commissioner's Office and Administrative Services; S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$0	0.0	\$0	\$0	\$0	\$0
(2) Agricultural Services; Inspection and Consumer Services Division	(\$25,483)	0.0	\$0	(\$25,483)	\$0	\$0
(2) Agricultural Services; Conservation Services Division	\$0	0.0	\$0	\$0	\$0	\$0
(2) Agricultural Services; Lease Purchase Lab Equipment	\$0	0.0	\$0	\$0	\$0	\$0
Total	(\$25,483)	0.0	\$0	(\$25,483)	\$0	\$0

(1) Of this amount, an estimated \$25,483 shall be from the Inspection and Consumer Services Cash Fund (35-1-106.5 C.R.S.).

Colorado Department of Agriculture
FY 2020-21 R-9 Implementing Budget Efficiencies Budget Request
Appendix A

FY 2020-21 Summary by Initiative					
Item	Total Funds	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds
Renegotiation of Service Contracts	(\$25,483)	\$0	(\$25,483)	\$0	\$0
One Time Equipment Lease Reductions	(\$99,360)	\$0	(\$99,360)	\$0	\$0
Insectary Federal Funds Alignment	(\$89,300)	(\$89,300)	\$0	\$0	\$0
Total	(\$214,143)	(\$89,300)	(\$124,843)	\$0	\$0

(1) Of this amount, an estimated \$25,483 shall be from the Inspection and Consumer Services Cash Fund (35-1-106.5) and \$99,360 shall be from various cash fund sources.

FY 2021-22 Summary by Initiative					
Item	Total Funds	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds
Renegotiation of Service Contracts	(\$25,483)	\$0	(\$25,483)	\$0	\$0
One Time Equipment Lease Reductions	\$0	\$0	\$0	\$0	\$0
Insectary Federal Funds Alignment	\$0	\$0	\$0	\$0	\$0
Total	(\$25,483)	\$0	(\$25,483)	\$0	\$0

(1) Of this amount, an estimated \$25,483 shall be from the Inspection and Consumer Services Cash Fund (35-1-106.5).