

**Schedule 13**

**Department of Agriculture**

**Funding Request for The FY 2021-22 Budget Cycle**

Request Title

**NP-01 COE Program Financial Restructure**

Dept. Approval By: *Jill Schnathorst* \_\_\_\_\_

Supplemental FY 2020-21

OSPB Approval By: *L. Tetter* \_\_\_\_\_

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,964</b>	<b>\$4,964</b>
<b>Total of All Line Items Impacted by Change Request</b>	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$0	\$0	\$0	\$3,524	\$3,524
	CF	\$0	\$0	\$0	\$1,440	\$1,440
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,964</b>	<b>\$4,964</b>
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	\$0	\$0	\$0	\$3,524	\$3,524
Commissioner's Office and Administrative Services - Statewide	CF	\$0	\$0	\$0	\$1,440	\$1,440
Training	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

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

**Schedule 13**

**Department of Agriculture**

**Funding Request for The FY 2021-22 Budget Cycle**

Request Title

**NP-02 Annual Fleet Vehicle Request**

Dept. Approval By:

*Jill Schnathorst*

Supplemental FY 2020-21

OSPB Approval By:

*L Tuttle*

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	<b>\$292,563</b>	<b>\$0</b>	<b>\$292,563</b>	<b>\$131,888</b>	<b>\$0</b>
	FTE	0.0	0.0	0.0	0.0	0.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$116,982	\$0	\$116,982	\$51,436	\$0
	CF	\$171,385	\$0	\$171,385	\$80,452	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$4,196	\$0	\$4,196	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	<b>\$292,563</b>	<b>\$0</b>	<b>\$292,563</b>	<b>\$131,888</b>	<b>\$0</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A) Commissioner's Office and Administrative Services, (1) Commissioner's Office and Administrative Services - Vehicle Lease Payments	GF	\$116,982	\$0	\$116,982	\$51,436	\$0
	CF	\$171,385	\$0	\$171,385	\$80,452	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$4,196	\$0	\$4,196	\$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 2021-22 Budget Cycle**

Request Title

**NP-03 Extend Pause Annual Depreciation Lease Payment**

Dept. Approval By:

*Jill Schnathorst*

Supplemental FY 2020-21

OSPB Approval By:

*[Redacted Signature]*

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$461,617</b>	<b>(\$461,617)</b>	<b>\$0</b>
	FTE	0.0	0.0	0.0	0.0	0.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$461,617	(\$461,617)	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$461,617</b>	<b>(\$461,617)</b>	<b>\$0</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A) Commissioner's Office and Administrative Services, (1) Commissioner's Office and Administrative Services - Lab Depreciation	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$461,617	(\$461,617)	\$0
	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 2021-22 Budget Cycle

Request Title

NP-04 OIT\_FY22 Budget Request Package

Dept. Approval By: Jill Schnathorst

Supplemental FY 2020-21

OSPB Approval By: [Redacted Signature]

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	\$1,897,627	\$0	\$2,808,217	(\$107,429)	(\$107,429)
	FTE	0.0	0.0	0.0	0.0	0.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$1,364,653	\$0	\$2,019,492	(\$77,256)	(\$77,256)
	CF	\$532,974	\$0	\$788,725	(\$30,173)	(\$30,173)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	\$1,897,627	\$0	\$2,808,217	(\$107,429)	(\$107,429)
	FTE	0.0	0.0	0.0	0.0	0.0
U1. Commissioner's Office and Administrative Services, (A)	GF	\$1,364,653	\$0	\$2,019,492	(\$77,256)	(\$77,256)
Commissioner's Office and Administrative Services, (1)	CF	\$532,974	\$0	\$788,725	(\$30,173)	(\$30,173)
Commissioner's Office and Administrative Services - Payments to OIT	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 2021-22 Budget Cycle**

**Request Title**  
**R-01 Agricultural Climate Resilience Office**

Dept. Approval By: *Jill Schnathorst* \_\_\_\_\_ **Supplemental FY 2020-21**  
 OSPB Approval By: *L. Tott* \_\_\_\_\_ **Budget Amendment FY 2021-22**  
 \_\_\_\_\_ **X** \_\_\_\_\_ **Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$4,214,806</b>	<b>\$0</b>	<b>\$4,288,574</b>	<b>\$0</b>	<b>\$0</b>
FTE		18.6	0.0	19.6	0.0	0.0
GF		\$839,006	\$0	\$912,774	\$0	\$0
CF		\$1,849,496	\$0	\$1,849,496	\$0	\$0
RF		\$700,000	\$0	\$700,000	\$0	\$0
FF		\$826,304	\$0	\$826,304	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$3,714,806</b>	<b>\$0</b>	<b>\$3,788,574</b>	<b>\$500,000</b>	<b>\$500,000</b>
FTE		18.1	0.0	19.1	0.5	0.5
GF		\$839,006	\$0	\$912,774	\$0	\$0
CF		\$1,349,496	\$0	\$1,349,496	\$500,000	\$500,000
RF		\$700,000	\$0	\$700,000	\$0	\$0
FF		\$826,304	\$0	\$826,304	\$0	\$0

<b>Total</b>		<b>\$500,000</b>	<b>\$0</b>	<b>\$500,000</b>	<b>(\$500,000)</b>	<b>(\$500,000)</b>
FTE		0.5	0.0	0.5	(0.5)	(0.5)
GF		\$0	\$0	\$0	\$0	\$0
CF		\$500,000	\$0	\$500,000	(\$500,000)	(\$500,000)
RF		\$0	\$0	\$0	\$0	\$0
FF		\$0	\$0	\$0	\$0	\$0

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



**Department Priority: R-01**  
**Request Detail: Agricultural Climate Resilience Office**

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$500,000	\$500,000	\$0	\$0
FTE	0.5	0.5	0.0	0.0
General Fund	\$0	\$0	\$0	\$0
Cash Funds	\$500,000	\$500,000	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0

**Summary of Request:**

The Colorado Department of Agriculture (CDA) requests \$0 in ongoing total funds beginning FY 2021-22 to create an Agricultural Climate Resilience Office (ACRO) that would combat climate change, promote healthy soils, conserve resources, help absorb risk and provide technical support for Colorado agriculture facing significant climate-related threats. The request would create the administrative framework to help address the agricultural greenhouse gas (GHG) reduction targets for the Governor’s GHG Reduction State of Colorado Roadmap through voluntary, farmer- and rancher-led stewardship practices.

To create this Office, the Department would transfer existing funding and the position associated with the Advancing Colorado’s Renewable Energy and Energy Efficiency (ACRE3) program to the Conservation Services Division and make a number of legislative changes for which the Department will seek sponsorship. Those changes include: (1) flexibility to accept gifts, grants and donations for programs administered by the ACRO; (2) providing authority for the ACRO to administer climate related programs; and (3) reinstating a \$500,000 Severance Tax Cash Fund transfer to the ACRE3 Program, which would be deposited into a new agriculture climate resiliency cash fund.

This request is Step 1 on the evidence-based continuum scale. As the Department develops ACRO, the program would move up on the Continuum determining what datasets are available or could be



collected to measure those outcomes, creating outcome performance goals, and analyzing the effectiveness of the Office.

***Current Program:***

The Department currently has two distinct programs that directly address climate change and several others that indirectly address climate change. The Advancing Colorado's Renewable Energy and Energy Efficiency (ACRE3) program directly promotes the development and implementation of renewable energy and energy efficiency projects for Colorado's agricultural producers and processors under the direction of the Colorado Agricultural Value-Added Development Board. The 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's 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.

The ACRE3 program is governed by the Colorado Agriculture Value-Added Development Board and has 0.5 FTE appropriated 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 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 in FY 2016-17. The Severance Tax Cash Fund transfer reinstatement was proposed by the Department last legislative session. However, it was pulled by a sponsor due to timing issues related to the shortened session resulting from COVID-19. The sponsors offered to bring the bill next session.

Over the past year, CDA has been helping lead a Soil Health Initiative in coordination with stakeholders such as the Colorado Collaborative for Healthy Soils (CCHS), the Department of Natural Resources (DNR), the Colorado Energy Office (CEO) and the State Conservation Board who has authority to issue soil health related grants. The initiative has built the foundation for the Soil Health Program at CDA that will commence operations this fall. The program will provide technical assistance and grants to producers to implement soil health projects that benefit the environment while supporting farmers' and ranchers' bottom lines. The new initiative aligns with a growing number of public and private efforts throughout the United States and other parts of the world to mitigate climate change through the voluntary implementation of improved agricultural stewardship practices that simultaneously help mitigate risk and expand revenue opportunities for producers.

In September 2020 the Department received \$150,000 for 2 years from the Gates Family Foundation to adapt the STAR (Saving Tomorrow's Agricultural Resources) program framework for Colorado's agricultural systems and soil health. This grant will also cover 25% match for a Soil Health Specialist, 75% of which is provided by USDA-Natural Resources Conservation Service (NRCS) agreement to support the creation of the Soil Health Program. Planning is underway to apply for more grant funding through federal funding and private foundations. These partnerships indicate that the ACRO would also draw in federal and philanthropic dollars to help advance the state's goals.

Both of these programs advance the Department's Wildly Important Goal (WIG) #2 to increase voluntary farm and ranch participation in conservation activities through direct assistance from the Department.

***Problem or Opportunity:***

As the Department advances its work on climate change a number of administrative barriers have been identified that limit the Department's ability to continue existing programs and implement new ones as well as administer programs effectively. The ACRE3 Program and Soil Health Initiative operate under authority from two boards housed within separate Divisions at CDA. The staff for these programs operate independently of each other and have separate budgets though they have a similar goal, to reduce the impact of climate change and create farm and ranch resiliency. Given the program's current structure, the Commissioner has limited authority to engage in new, innovative climate change related programs or to modify current programs to maximize outcomes.

Additionally, funding for the ACRE3 program is at risk. All available reserves in the Cash Fund will be committed to projects by June 2020 and no additional revenue sources allow ACRE3 to feasibly continue. If legislation is not passed providing a transfer of funding to 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 program's current staff sustains projects by working closely with CEO, NRCS, and USDA's Rural Development to coordinate site visits, technical reports, project funding, contractors, designs, permitting, construction, and reimbursements. Without this support, federally funded projects benefiting Colorado's farmers and ranchers currently under contract are at risk of incompleteness and/or losing project funding.

Finally, the Department has the opportunity to move the needle on the GHG roadmaps goals without additional resources by consolidating current efforts.

***Proposed Solution:***

The Department requests to create the Agricultural Climate Resilience Office (ACRO) within the Conservation Services Division without additional funding by consolidating existing resources.



To create this Office, the Department would transfer existing funding and the 0.5 FTE position associated with the Advancing Colorado's Renewable Energy and Energy Efficiency (ACRE3) program to the Conservation Services Division line item. Consolidating this funding under the Conservation Services Division would allow the Department to administer ACRE3 grants while also using a portion of the spending authority for things like matching federal grant dollars that further support the program or other climate resilience work. As part of this transfer the Department requests to transfer any remaining ACRE3 cash funds into a newly created cash fund for the ACRO.

The office is necessary for the Department to provide the staff resources required to reduce GHG emissions from the agricultural sector by advancing voluntary agricultural stewardship. It will also provide the structure for the Department to scale up programs, funding and partnerships over time take advantage of organizational efficiencies. The outcome of this operational change would help the Department achieve its WIG to increase voluntary conservation activities from 44 to 119 farms or ranches.

Combining the programs would provide consistent leadership and help achieve efficiencies. For example, the Soil Health Initiative and ACRE3 Programs provide grants using two separate processes and separate staff. The consolidation of these programs would allow for one process using shared staff. The Department anticipates that existing staff could leverage these operational efficiencies to provide additional technical support to producers and take advantage of additional federal grant opportunities.

Successful consolidation of resources would also require a number of legislative changes including;

- the creation of a new cash fund to consolidate financial resources from the ACRE3 program into and allow the flexibility to accept gifts, grants and donations for programs administered by the ACRO
- provide authority for the ACRO to administer climate related programs, including a grant program and;
- reinstate a \$500,000 Severance Tax Cash Fund transfer to the newly created cash fund for the ACRO.

It is critical for the Department to lead on climate mitigation and adaptation in the agricultural sector because climate change poses a real, present, and serious threat to Colorado's farmers, ranchers, and ag workers, which in turn is a real, present, and serious threat to our food supply. At the same time, Colorado agriculture can provide immense leadership in building resilience to climate change, and the Department can provide support and technical assistance to producers leading the way. In addition, this work would allow the Department to drive federal resources to Colorado, coordinate efforts among partners, and help incorporate voluntary climate solutions into the fabric of agricultural operations. Private partners are not able to obtain the same federal funding as state agencies and often lack the authority within the sector needed for widespread adoption of

climate adaptation and mitigation strategies. The creation of the ACRO would bolster the Department's efforts to promote environmental stewardship and combat climate change while continuing to advance and strengthen Colorado agriculture.

***Anticipated Outcomes:***

Consolidating the existing ACRE3 Program into the Conservation Services Division and ACRO would create efficiencies in program operations that would allow for increased services within existing resources. The proposed structure of the office would provide for central reporting and accountability for climate-related programs that would lead to increased program effectiveness. Creating a responsible party for climate-related work would also facilitate coordination and collaboration with other state agencies and private partners. The new office would also put greater emphasis on climate change mitigation and adaptation programs through coordination with stakeholders, technical assistance and grants to support producers in implementing voluntary climate-related projects. It would also provide the Commissioner direct oversight and control of these programs resulting in the ability to direct staff resources to programs. The additional authority to engage in climate related work would allow the Department to be nimble and support emerging environmental issues benefit the future of Colorado's agriculture industry.

Finally, restoration of the severance tax transfer for the ACRO 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 that technical assistance, 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 2021-22 would be less than \$500,000, the certainty of a dedicated funding stream for the FTE would ensure the program's future.

The consolidation of these programs under one office provides the Department with the structure and tools to move the needle on the GHG roadmap's goals without additional resources. The new office and associated changes would bring a greater focus and higher profile to efforts to combat climate change in the agricultural sector and ensure the longevity of climate related programs at the Department.

***Assumptions and Calculations:***

For further detail on the proposed Long Bill structure and funding to shift into the new Office, see Appendix A on the following page.

***Supplemental, 1331 Supplemental or Budget Amendment Criteria:***

Not Applicable.

# Colorado Department of Agriculture

## Appendix A

### Tables 1.1 & 1.2: FY 2021-22 Summary of Line Item

Table 1.1 Summary by Line Item FY 2021-22								
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Notes/Calculations
A	(2) Agricultural Services; Conservation Services Division	\$500,000	0.5	\$0	\$500,000	\$0	\$0	Table 2.3 Row A
B	(3) Agricultural Markets Division; (A) Agricultural Markets; Agricultural Development Board	(\$500,000)	(0.5)	\$0	(\$500,000)	\$0	\$0	Table 2.3 Row B
<b>C</b>	<b>Total Request</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	Row A + Row B

Table 1.2 Summary by Line Item FY 2022-23								
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Notes/Calculations
A	(2) Agricultural Services; Conservation Services Division	\$500,000	0.5	\$0	\$500,000	\$0	\$0	Table 2.3 Row A
B	(3) Agricultural Markets Division; (A) Agricultural Markets; Agricultural Development Board	(\$500,000)	(0.5)	\$0	(\$500,000)	\$0	\$0	Table 2.3 Row B
<b>C</b>	<b>Total Request</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	Row A + Row B

### Tables 2.1 – 2.3: FY 2021-22 Calculation Summary

Table 2.1 - Current Budget Structure								
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Notes/Calculations
A	(2) Agricultural Services; Conservation Services Division	\$3,714,806	18.1	\$839,006	\$1,349,496	\$700,000	\$826,304	FY 2020-21 Long Bill
B	(3) Agricultural Markets Division; (A) Agricultural Markets; Agricultural Development Board	\$500,000	0.5	\$0	\$500,000	\$0	\$0	FY 2020-21 Long Bill
<b>C</b>	<b>Total</b>	<b>\$4,214,806</b>	<b>18.6</b>	<b>\$839,006</b>	<b>\$1,849,496</b>	<b>\$700,000</b>	<b>\$826,304</b>	Row A + Row B

Table 2.2 - Requested Budget Structure								
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Notes/Calculations
A	(2) Agricultural Services; Conservation Services Division	\$4,214,806	18.6	\$839,006	\$1,849,496	\$700,000	\$826,304	FY 2020-21 Long Bill
B	(3) Agricultural Markets Division; (A) Agricultural Markets; Agricultural Development Board	\$0	0	\$0	\$0	\$0	\$0	FY 2020-21 Long Bill
<b>C</b>	<b>Total</b>	<b>\$4,214,806</b>	<b>18.6</b>	<b>\$839,006</b>	<b>\$1,849,496</b>	<b>\$700,000</b>	<b>\$826,304</b>	Row A + Row B

Table 2.3 - Difference								
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Notes/Calculations
A	(2) Agricultural Services; Conservation Services Division	\$500,000	0.5	\$0	\$500,000	\$0	\$0	FY 2020-21 Long Bill
B	(3) Agricultural Markets Division; (A) Agricultural Markets; Agricultural Development Board	(\$500,000)	-0.5	\$0	(\$500,000)	\$0	\$0	FY 2020-21 Long Bill
<b>C</b>	<b>Total</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	Row A + Row B

**Schedule 13**

**Department of Agriculture**

**Funding Request for The FY 2021-22 Budget Cycle**

Request Title

**R-02 Industrial Hemp Enforcement FTE**

Dept. Approval By:

*Jill Schnathorst*

Supplemental FY 2020-21

OSPB Approval By:

*L. Titterton*

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$14,852,087</b>	<b>\$0</b>	<b>\$15,025,760</b>	<b>\$95,190</b>	<b>\$93,544</b>
FTE		72.4	0.0	72.4	1.0	1.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$1,690,779	\$0	\$2,403,617	\$0	\$0
	CF	\$10,662,483	\$0	\$10,123,318	\$87,826	\$85,925
	RF	\$1,323,925	\$0	\$1,323,925	\$7,363	\$7,618
	FF	\$1,174,900	\$0	\$1,174,900	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$2,045,943</b>	<b>\$0</b>	<b>\$2,045,943</b>	<b>\$7,363</b>	<b>\$7,618</b>
FTE		16.7	0.0	16.7	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$98,449	\$0	\$534,889	\$0	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$507,076	\$0	\$70,636	\$0	\$0
Commissioner's Office and Administrative Services - Personal Services	RF	\$1,323,925	\$0	\$1,323,925	\$7,363	\$7,618
	FF	\$116,493	\$0	\$116,493	\$0	\$0

<b>Total</b>		<b>\$2,961,065</b>	<b>\$0</b>	<b>\$3,379,751</b>	<b>\$10,042</b>	<b>\$10,042</b>
FTE		0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$552,409	\$0	\$860,151	\$0	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$2,408,656	\$0	\$2,519,600	\$10,042	\$10,042
Commissioner's Office and Administrative Services - Health, Life, and Dental	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	<b>Total</b>	<b>\$29,925</b>	<b>\$0</b>	<b>\$27,089</b>	<b>\$88</b>	<b>\$92</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$9,802	\$0	\$8,788	\$0	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$20,123	\$0	\$18,301	\$88	\$92
Commissioner's Office and Administrative Services - Short-term Disability	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	<b>Total</b>	<b>\$938,354</b>	<b>\$0</b>	<b>\$894,917</b>	<b>\$2,595</b>	<b>\$2,699</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$305,110	\$0	\$289,945	\$0	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$633,244	\$0	\$604,972	\$2,595	\$2,699
Commissioner's Office and Administrative Services - Amortization Equalization Disbursement	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	<b>Total</b>	<b>\$938,354</b>	<b>\$0</b>	<b>\$894,917</b>	<b>\$2,595</b>	<b>\$2,699</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$305,110	\$0	\$289,945	\$0	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$633,244	\$0	\$604,972	\$2,595	\$2,699
Commissioner's Office and Administrative Services - Supplemental Amortization Equalization Disbursement	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	<b>Total</b>	<b>\$6,588,706</b>	<b>\$0</b>	<b>\$6,433,403</b>	<b>\$65,144</b>	<b>\$62,776</b>
	FTE	55.7	0.0	55.7	1.0	1.0
02. Agriculture Services, (A)	GF	\$419,899	\$0	\$419,899	\$0	\$0
Agriculture Services, (1)	CF	\$5,366,951	\$0	\$5,211,648	\$65,143	\$62,775
Agriculture Services - Plant Industry Division	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$801,856	\$0	\$801,856	\$0	\$0

	<b>Total</b>	<b>\$1,349,740</b>	<b>\$0</b>	<b>\$1,349,740</b>	<b>\$7,363</b>	<b>\$7,618</b>
	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	\$1,093,189	\$0	\$1,093,189	\$7,363	\$7,618
Agriculture Services - Indirect Cost Assessment	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$256,551	\$0	\$256,551	\$0	\$0

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



**Department Priority: R-02**  
**Request Detail: Industrial Hemp Enforcement FTE**

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$1,283,193	\$1,200,396	\$95,189	\$93,543
FTE	7.6	8.6	0.96	1.0
General Fund	\$0	\$0	\$0	\$0
Cash Funds	\$1,283,193	\$1,200,396	\$87,826	\$85,925
Reappropriated Funds	\$0	\$0	\$7,363	\$7,608
Federal Funds	\$0	\$0	\$0	\$0

***Summary of Request:***

The Colorado Department of Agriculture (CDA) requests an increase of \$95,189 in total funds comprised of \$87,826 from the Industrial Hemp Registration Program Cash Fund created at 35-61-106(1) C.R.S. and \$7,363 in reappropriated funds in FY 2021-22 to hire 1.0 FTE as a Hemp Enforcement Specialist to investigate complaints and issue warnings and other enforcement actions against producers in violation of hemp rules and regulations. Violations include, but are not limited to, failure to report, cultivating without a valid registration, and crops exceeding allowable tetrahydrocannabinol (THC) levels. This amount annualizes to \$93,543 in ongoing total funds comprised of \$85,925 cash funds and \$7,608 reappropriated funds in FY 2022-23. This request provides CDA the flexibility to create a stable and sound regulatory environment, despite frequent changes at the federal level. Furthermore, it would maintain Colorado’s position as a national leader for economic development and regulatory guidance in the hemp industry.

While the Department currently engages in these actions, as a result of the Interim Final Rule (IFR) on hemp issued by the United States Department of Agriculture (USDA) and required to be implemented by October 1, 2021, the Department expects to see an increase in the number of investigations and enforcement actions as the State moves to 100 percent testing of THC for all registered hemp crops, as per the IFR. In addition, new Federal requirements lower the threshold for taking an enforcement action and will create a significant enforcement burden.

This request would move the Department’s Wildly Important Goal #3 to institutionalize streamlined, effective technologies, policies, and processes by increasing the number of improved systems from 19 to 25 by June 30, 2021. Adding enforcement resources would allow the Department to create a streamlined hemp enforcement program.



This program is currently a Step 3 on the evidence-based continuum. As the Department collects and evaluates data to determine if objectives for the program have been met, CDA expects this program to shift to a Step 4. Moving forward, analyses will be conducted and resulting outcomes will conclude the effectiveness of the program and additional FTE.

#### ***Current Program:***

The Colorado Department of Agriculture (CDA) regulates the cultivation of industrial hemp authorized through Title 35, Article 61 C.R.S. The Department established its industrial hemp program in 2015 and is responsible for creating the first certified seed program in the nation. Between FY 2016-17 and FY 2017-18, the Department saw a 104% growth in registrations of hemp producers, with an additional 159% increase between FY 2017-18 and FY 2018-19. However, through the FY 2019-20 registration process the number of registered acres decreased significantly, likely a result of the downturn in the economy from the COVID-19 pandemic. The Department anticipates that hemp production will increase again as the sale market expands and stabilizes and the regulatory environment is more secure. Notably, the Department does not have jurisdiction over the processing, sale, or distribution of industrial hemp. That oversight is provided by the Colorado Department of Public Health and Environment (CDPHE), pursuant to 35-61-108 C.R.S.

In order to cultivate industrial hemp in Colorado, producers must register annually with the Department, as required by 35-61-104 C.R.S. Registration fees are assessed by the Department by acreage and/or indoor square feet, pursuant to 35-61-106 (2) C.R.S., and are deposited in the Industrial Hemp Registration Program Cash Fund. Revenue from these fees is permitted to be spent on direct and indirect costs associated with implementing an industrial hemp program (35-61-106(1)) C.R.S.).

Current hemp producers are also subject to sampling by the Department to test for Delta 9 Tetrahydrocannabinol (THC) content before harvest, as established by rule by the Agency. In 2020, the Department sampled crops from approximately 36% of the 1,484 registered hemp producing areas. The Department currently tests these samples in its laboratory facilities in Broomfield, CO. Currently, CDA is working with the Office of Attorney General with enforcement of 103 violations of crops above the allowable THC percentage limit in FY 2019-20 with an estimated 22 percent of crops tested. The Department has identified at least 311 violations in FY 2019-20 of failure to submit required reports and is moving forward with enforcement letters.

On October 31, 2019, the USDA released Interim Final Rules on industrial hemp production that were to be implemented by November 1, 2021. These new rules include, but are not limited to:

- Regulations that require the Department to establish a procedure for accurate and effective sampling of all hemp production areas.
- Requirements to notify the USDA of any non-compliant plants and disposal of those plants.
- State Plan procedures for addressing felonies that provide for a 10-year restriction on industrial hemp production for persons with a State or Federal felony conviction relating to a controlled substance, with some exceptions.

Through the supplemental budget process, the Department requested and was approved funding to begin the process of bringing the Department into compliance with the interim final rules in FY 2019-20 and FY 2020-21. Funding to develop a sampling and lab program with CDPHE, development of a tracking and traceability system and additional support for the Department's laboratory were included in the Department's S-1, BA-1 "Industrial Hemp Compliance Funding" request. The Department also received funding to hire a contractor to establish a Center of Excellence for industrial hemp in Colorado through its S-2, BA-2 "Hemp Center of Excellence Funding" request. As another step towards compliance with the Interim Final Rules SB 20-197 "Aligning State and Federal Law on Hemp" was passed through the 2020 legislative process which codified and aligned Colorado statutes on hemp with federal law.

On September 30<sup>th</sup>, 2020 the federal government passed a Continuing Resolution which delayed the implementation of the Interim Final Rules until October 1, 2021. Though the delayed implementation gives the Department more time to align with the IFR, it still requires that enforcement processes and procedures are in place by the FY 2021-22 harvest season in order to meet the deadline while avoiding a process change in the middle of harvest.

***Problem or Opportunity:***

Though the Department was approved for funding to begin aligning hemp regulatory processes with the USDA Interim Final Rule in FY 2020-21 during the 2020 legislative session, additional steps and resources are needed to bring the Department fully into compliance. The next step in the process is to ensure the Department has enforcement resources in place by October 1, 2021 when the IFR must be implemented. This deadline occurs in the midst of harvest for the 2021 growing season, so all procedures must be implemented at the start of harvest in August 2021. The FTE is needed to enforce violations of failure of the registrant to respond to the Department, failure to pay inspection fees as well as ensuring any crop in violation of the THC percent requirements are destroyed. CDA cannot absorb this work with existing staff who are already taxed with keeping up with a rapidly growing and changing industry.

Exacerbating the need for additional resources, the Department is required to sample and test each of the varieties of hemp that a producer is growing. Given that the average hemp farm cultivates 2.5 varieties, the number of samples and tests required drastically increases with 100 percent testing. This also means the number of samples exceeding the allowable THC percent limit, and in turn, the number of other violations could increase significantly.

***Proposed Solution:***

The Department requests \$95,189 total funds and 1.0 FTE in FY 2021-22 and ongoing to hire a hemp enforcement specialist that would verify producer documentation on hemp production as well as investigate producers out of compliance with State and Federal law. Primary responsibilities would include enforcing the disposal of non-compliant and verifying destruction, issuing enforcement letters, working with the Office of Attorney General to issue stipulations or other enforcement actions and to provide guidance to field staff during investigations of complaints and potential violations.



***Anticipated Outcomes:***

With additional resources the Department would be able to meet the anticipated demand for industrial hemp production enforcement action and reporting requirements issued by the USDA Interim Final Rules. Additionally, the Department would be able to move the Department towards implementing its WIG #3 to institutionalize streamline processes by having dedicated resources to implement an effective hemp enforcement program.

***Assumptions and Calculations:***

The Department estimates that an FTE at the Administrator III level would be needed to provide the level of expertise to execute enforcement actions. This would allow the Department to hire someone with a background in administrative law or enforcement, conducting investigations, and directing field staff.

<b>Leading Indicator Measure</b>	<b>FY19 Actual</b>	<b>FY20 Actual</b>	<b>FY21 Goal</b>	<b>FY22 Goal</b>	<b>FY23 Goal</b>
% of application reviews completed within 30 days of receipt	65%	65%	100	100	100
% of certificates issued and distributed within 30 days of receipt of the application	55%	55%	95	95	95
% of samples selected for compliance testing	60%	60%	100%	100%	100%
% of applications received and processed online	0	0	75%	75%	75%

In addition to personnel costs, the Department requests funding for travel using existing fleet vehicles for enforcement research and action. The Department estimates this position would travel approximately 2,000 miles per fiscal year in order to complete investigations, verify producer documentation, etc. Because the amount of travel required for this position is minimal, the Department assumes the position would be able to utilize existing fleet vehicles as needed. The estimate also includes \$1,000 per fiscal year for associated travel costs including hotel and per diem costs for any multi-day work that may be required.

***Supplemental, 1331 Supplemental or Budget Amendment Criteria:***

Not Applicable.

# Colorado Department of Agriculture

## Appendix A

### Tables 1.1 & 1.2: FY 2021-22 Summary by Line Item

Table 1.1 Summary by Line Item FY 2021-22								
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds <sup>(1)</sup>	Reappropriated Funds	Federal Funds	Notes/Calculations
A	(1) Commissioner's Office and Administrative Services; Personal Services	\$7,363	0.0	\$0	\$0	\$7,363	\$0	FTE Calculation Table
B	(1) Commissioner's Office and Administrative Services; Health, Life, and Dental	\$10,042	0.0	\$0	\$10,042	\$0	\$0	FTE Calculation Table
C	(1) Commissioner's Office and Administrative Services; Short-term Disability	\$88	0.0	\$0	\$88	\$0	\$0	FTE Calculation Table
D	(1) Commissioner's Office and Administrative Services; S.B. 04-257 Amortization Equalization Disbursement	\$2,595	0.0	\$0	\$2,595	\$0	\$0	FTE Calculation Table
E	(1) Commissioner's Office and Administrative Services; S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$2,595	0.0	\$0	\$2,595	\$0	\$0	FTE Calculation Table
F	(2) Agricultural Services; Plant Industry Division	\$65,143	1.0	\$0	\$65,143	\$0	\$0	FTE Calculation Table
G	(2) Agricultural Services; Indirect Cost Assessment	\$7,363	0.0	\$0	\$7,363	\$0	\$0	FTE Calculation Table
<b>H</b>	<b>Total Request</b>	<b>\$95,189</b>	<b>1.0</b>	<b>\$0</b>	<b>\$87,826</b>	<b>\$7,363</b>	<b>\$0</b>	Sum of Rows A through G

Table 1.2 Summary by Line Item FY 2022-23								
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds <sup>(1)</sup>	Reappropriated Funds	Federal Funds	Notes/Calculations
A	(1) Commissioner's Office and Administrative Services; Personal Services	\$7,618	0.0	\$0	\$0	\$7,618	\$0	FTE Calculation Table
B	(1) Commissioner's Office and Administrative Services; Health, Life, and Dental	\$10,042	0.0	\$0	\$10,042	\$0	\$0	FTE Calculation Table
C	(1) Commissioner's Office and Administrative Services; Short-term Disability	\$92	0.0	\$0	\$92	\$0	\$0	FTE Calculation Table
D	(1) Commissioner's Office and Administrative Services; S.B. 04-257 Amortization Equalization Disbursement	\$2,699	0.0	\$0	\$2,699	\$0	\$0	FTE Calculation Table
E	(1) Commissioner's Office and Administrative Services; S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$2,699	0.0	\$0	\$2,699	\$0	\$0	FTE Calculation Table
F	(2) Agricultural Services; Plant Industry Division	\$62,775	1.0	\$0	\$62,775	\$0	\$0	FTE Calculation Table
G	(2) Agricultural Services; Indirect Cost Assessment	\$7,618	0.0	\$0	\$7,618	\$0	\$0	FTE Calculation Table
<b>H</b>	<b>Total Request</b>	<b>\$93,543</b>	<b>1.0</b>	<b>\$0</b>	<b>\$85,925</b>	<b>\$7,618</b>	<b>\$0</b>	Sum of Rows A through G

## FTE Calculation Table & Assumptions

### **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 2021-22		FY 2022-23		
<b><i>Personal Services:</i></b>					
Classification Title	Biweekly Salary	FTE	FTE		
Administrator III	\$2,076	1.0	\$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
<b>Subtotal Position 1, 1.0 FTE</b>		<b>1.0</b>	<b>\$73,630</b>	<b>1.0</b>	<b>\$76,177</b>
<b><i>Subtotal Personal Services</i></b>		<b>1.0</b>	<b>\$73,630</b>	<b>1.0</b>	<b>\$76,177</b>
<b><i>Operating Expenses:</i></b>					
		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	-	
Travel (Fleet Mileage)	\$0.09	2,000	\$180	2,000	\$180
Training	\$1,000	1.0	\$1,000	1.0	\$1,000
Indirect Costs	10%	73,630	\$7,363	76,177	\$7,618
Other					
<b><i>Subtotal Operating Expenses</i></b>			<b>\$14,196</b>		<b>\$9,748</b>
<b>TOTAL REQUEST</b>		<b>1.0</b>	<b>\$87,826</b>	<b>1.0</b>	<b>\$85,925</b>

**Schedule 13**

**Department of Agriculture**

**Funding Request for The FY 2021-22 Budget Cycle**

Request Title

**R-03 Budget and Operational Efficiencies**

Dept. Approval By:

*Jill Schnathorst*

Supplemental FY 2020-21

OSPB Approval By:

*L. Tiller*

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$30,919,043</b>	<b>\$0</b>	<b>\$31,276,859</b>	<b>(\$1,213,239)</b>	<b>(\$123,939)</b>
FTE		206.4	0.0	207.4	(1.0)	0.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$6,703,210	\$0	\$7,539,816	(\$261,942)	(\$172,642)
	CF	\$18,941,922	\$0	\$18,463,132	(\$951,297)	\$48,703
	RF	\$2,107,925	\$0	\$2,107,925	\$0	\$0
	FF	\$3,165,986	\$0	\$3,165,986	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$2,045,943</b>	<b>\$0</b>	<b>\$2,045,943</b>	<b>(\$10,000)</b>	<b>(\$10,000)</b>
FTE		16.7	0.0	16.7	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$98,449	\$0	\$534,889	(\$10,000)	(\$10,000)
Commissioner's Office and Administrative Services, (1)	CF	\$507,076	\$0	\$70,636	\$0	\$0
Commissioner's Office and Administrative Services - Personal Services	RF	\$1,323,925	\$0	\$1,323,925	\$0	\$0
	FF	\$116,493	\$0	\$116,493	\$0	\$0

<b>Total</b>		<b>\$2,961,065</b>	<b>\$0</b>	<b>\$3,379,751</b>	<b>(\$10,042)</b>	<b>\$0</b>
FTE		0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$552,409	\$0	\$860,151	(\$10,042)	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$2,408,656	\$0	\$2,519,600	\$0	\$0
Commissioner's Office and Administrative Services - Health, Life, and Dental	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

---

	<b>Total</b>	<b>\$29,925</b>	<b>\$0</b>	<b>\$27,089</b>	<b>(\$92)</b>	<b>\$0</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$9,802	\$0	\$8,788	(\$92)	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$20,123	\$0	\$18,301	\$0	\$0
Commissioner's Office and Administrative Services - Short-term Disability	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

---

	<b>Total</b>	<b>\$938,354</b>	<b>\$0</b>	<b>\$894,917</b>	<b>(\$2,699)</b>	<b>\$0</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$305,110	\$0	\$289,945	(\$2,699)	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$633,244	\$0	\$604,972	\$0	\$0
Commissioner's Office and Administrative Services - Amortization Equalization Disbursement	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

---

	<b>Total</b>	<b>\$938,354</b>	<b>\$0</b>	<b>\$894,917</b>	<b>(\$2,699)</b>	<b>\$0</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$305,110	\$0	\$289,945	(\$2,699)	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$633,244	\$0	\$604,972	\$0	\$0
Commissioner's Office and Administrative Services - Supplemental Amortization Equalization Disbursement	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

---

	<b>Total</b>	<b>\$101,872</b>	<b>\$0</b>	<b>\$101,872</b>	<b>(\$59,831)</b>	<b>(\$59,831)</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$42,041	\$0	\$42,041	\$0	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$59,831	\$0	\$59,831	(\$59,831)	(\$59,831)
Commissioner's Office and Administrative Services - Information Technology Asset Maintenance	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

---

	<b>Total</b>	<b>\$2,048,914</b>	<b>\$0</b>	<b>\$2,048,914</b>	<b>(\$1,000,000)</b>	<b>\$0</b>
	FTE	2.0	0.0	2.0	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	\$2,048,914	\$0	\$2,048,914	(\$1,000,000)	\$0
Commissioner's Office and Administrative Services - Agriculture Management Fund	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

---

	<b>Total</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$150,000</b>	<b>(\$150,000)</b>	<b>(\$150,000)</b>
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	\$0	\$0	\$0	\$0	\$0
Commissioner's Office and Administrative Services - Agriculture Leadership and Education Grants	CF	\$20,000	\$0	\$150,000	(\$150,000)	(\$150,000)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	<b>Total</b>	<b>\$3,176,093</b>	<b>\$0</b>	<b>\$3,106,468</b>	<b>(\$882,519)</b>	<b>(\$882,519)</b>
	FTE	28.1	0.0	28.1	(10.6)	(10.6)
02. Agriculture Services, (A)	GF	\$1,808,854	\$0	\$1,808,854	(\$167,092)	(\$167,092)
Agriculture Services, (1)	CF	\$1,189,979	\$0	\$1,120,354	(\$715,427)	(\$715,427)
Agriculture Services - Animal Industry Division	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$177,260	\$0	\$177,260	\$0	\$0
	<b>Total</b>	<b>\$6,588,706</b>	<b>\$0</b>	<b>\$6,433,403</b>	<b>(\$5,821)</b>	<b>(\$5,821)</b>
	FTE	55.7	0.0	55.7	0.0	0.0
02. Agriculture Services, (A)	GF	\$419,899	\$0	\$419,899	(\$29,355)	(\$29,355)
Agriculture Services, (1)	CF	\$5,366,951	\$0	\$5,211,648	\$23,534	\$23,534
Agriculture Services - Plant Industry Division	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$801,856	\$0	\$801,856	\$0	\$0
	<b>Total</b>	<b>\$4,126,736</b>	<b>\$0</b>	<b>\$4,126,736</b>	<b>\$845,876</b>	<b>\$845,876</b>
	FTE	45.6	0.0	45.6	10.6	10.6
02. Agriculture Services, (A)	GF	\$1,272,523	\$0	\$1,272,523	\$70,449	\$70,449
Agriculture Services, (1)	CF	\$2,454,370	\$0	\$2,454,370	\$775,427	\$775,427
Agriculture Services - Inspection and Consumer Services Division	RF	\$84,000	\$0	\$84,000	\$0	\$0
	FF	\$315,843	\$0	\$315,843	\$0	\$0
	<b>Total</b>	<b>\$3,714,806</b>	<b>\$0</b>	<b>\$3,788,574</b>	<b>(\$79,590)</b>	<b>(\$5,822)</b>
	FTE	18.1	0.0	19.1	(1.0)	0.0
02. Agriculture Services, (A)	GF	\$839,006	\$0	\$912,774	(\$94,590)	(\$20,822)
Agriculture Services, (1)	CF	\$1,349,496	\$0	\$1,349,496	\$15,000	\$15,000
Agriculture Services - Conservation Services Division	RF	\$700,000	\$0	\$700,000	\$0	\$0
	FF	\$826,304	\$0	\$826,304	\$0	\$0
	<b>Total</b>	<b>\$1,745,220</b>	<b>\$0</b>	<b>\$1,795,220</b>	<b>(\$5,822)</b>	<b>(\$5,822)</b>
	FTE	5.4	0.0	5.4	0.0	0.0
03. Agriculture Markets Division, (A) Agricultural Markets, (1)	GF	\$785,899	\$0	\$835,899	(\$5,822)	(\$5,822)
Agricultural Markets - Program Costs	CF	\$31,091	\$0	\$31,091	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$928,230	\$0	\$928,230	\$0	\$0

	<b>Total</b>	<b>\$64,108</b>	<b>\$0</b>	<b>\$64,108</b>	<b>\$150,000</b>	<b>\$150,000</b>
	FTE	0.3	0.0	0.3	0.0	0.0
03. Agriculture Markets Division, (A) Agricultural Markets, (1)	GF	\$64,108	\$0	\$64,108	\$0	\$0
Agricultural Markets - Agriculture Workforce Development Program	CF	\$0	\$0	\$0	\$150,000	\$150,000
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	<b>Total</b>	<b>\$2,418,947</b>	<b>\$0</b>	<b>\$2,418,947</b>	<b>\$0</b>	<b>\$0</b>
	FTE	34.5	0.0	34.5	0.0	0.0
03. Agriculture Markets Division, (B) Agricultural Products Inspection, (1) Agricultural Products Inspection - Program Costs	GF	\$200,000	\$0	\$200,000	(\$10,000)	(\$10,000)
	CF	\$2,218,947	\$0	\$2,218,947	\$10,000	\$10,000
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

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



**Department Priority: R-03**  
**Request Detail: Budget and Operational Efficiencies**

<b>Summary of Funding Change for FY 2021-22</b>				
	<b>Totals</b>		<b>Incremental Change</b>	
	<b>FY 2020-21 Appropriation</b>	<b>FY 2021-22 Base</b>	<b>FY 2021-22 Request</b>	<b>FY 2022-23 Request</b>
Total Funds	\$30,919,043	\$31,276,859	(\$1,213,239)	(\$123,939)
FTE	206.4	207.4	(1.0)	0.0
General Fund	\$6,703,922	\$7,539,816	(\$261,942)	(\$172,642)
Cash Funds	\$18,941,922	\$18,463,132	(\$951,297)	\$48,703
Reappropriated Funds	\$2,107,925	\$2,107,925	\$0	\$0
Federal Funds	\$3,165,986	\$3,165,986	\$0	\$0

***Summary of Request:***

The Department requests a reduction of \$1,213,239 total funds comprised of \$261,942 General Fund and \$951,297 cash funds to create both permanent efficiencies within the Department’s budget and one-time reductions to support statewide budget balancing needs.

Permanent adjustments include: (1) merging the Adult Agriculture Leadership Grant Program with the Agriculture Workforce Development Program (2) moving the Pet Animal Care Facility Act funding from the Animal Health Division to the Inspection and Consumer Services Division where it is managed, (3) reducing the appropriation for Information Technology (IT) Asset Maintenance to better reflect expected expenditure and (4) reducing the General Fund appropriation to the Department’s Divisions and backfilling some of that funding with cash fund spending authority. One-time reductions include: (5) the continuation of a one-time FTE funding reduction to the State Insectary and (6) a one-time reduction to the Department Agriculture Management Fund line item spending authority.

As this request is an administrative change it is not on the evidence-based continuum. However, as the Department evaluates the Agriculture leadership and workforce development programs, if



this request is approved, it would work to develop program objectives and data that could be collected to measure outcomes.

***Current Program:***

The current programs or payments have been identified by the Department as areas which could be reduced or consolidated in order to create operational efficiencies and better reflect expected expenditures moving forward:

*(1) The Adult Agriculture Leadership Grant Program and Agriculture Workforce Development Program*

The Department currently operates two programs that are focused on agricultural workforce and leadership development. The first is the Adult Agriculture Leadership Grant Program which is funded by the Agriculture Management Fund (35-1-106.9 C.R.S). This program primarily supports the Colorado Agricultural Leadership Program (CALP) through sponsorship and grants and was designed 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 typically issues grants to CALP in the amount of \$20,000 annually.

Given the historical spending on the program, the Department requested, and was approved, to reduce the appropriation for the program through its FY 2020-21 R-8 “Unused Spending Authority Adjustment”. The appropriation was reduced from \$300,000 to \$20,000 in FY 2020-21 and increased back to \$150,000 beginning in FY 2021-22 and ongoing.

The second program is the Agriculture Workforce Development Program which was established through SB 18-042 “Agricultural Workforce Development Program” and allows the Department to reimburse agricultural businesses up to 50 percent of the cost of internships provided at those businesses. The program incentivizes agricultural businesses to create internship opportunities for young and beginning farmers while also reducing barriers to entry for people trying to enter the field by creating education, training and real-world work experience to help build their careers. Statutorily, the internships must provide an intern with at least 130 hours of work experience over no more than six months. The Department was appropriated \$64,108 General Fund dollars and 0.3 FTE to manage the program and disperse grants through the bill.

(2) *The Pet Animal Care Facilities Act (PACFA) Program*

The 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. Facilities are required to renew their licenses on an annual basis for which the Department charges fees depending on the type of facility. In FY 2019-20 the program had a budget of \$802,143 composed of \$148,876 General Fund \$653,267 from the PACFA cash fund created at 35-80-116 C.R.S. and had 9.0 FTE dedicated to the program. The appropriation for the PACFA program currently resides within the Animal Health Division.

(3) *Information Technology Asset Maintenance*

The Department has an appropriation for Information Technology Asset Maintenance which was designed to support the Department's software and maintenance costs and computer infrastructure. The current appropriation is \$101,872 which includes \$42,041 in General Fund and \$59,831 in cash fund spending authority. The Department typically spends this appropriation on the Wireless Watchdogs contract supported through the Office of Information Technology and computer, server or other technology replacements needed.

(4) *Division General Fund Appropriations*

Each Division within the Department's Long Bill has a program line item that includes both Personal Services and Operating Costs consisting of a mix of General Fund and cash fund appropriations. For example, the Animal Industry Division and the Markets Division are both heavily General Funded programs as the work they do does not warrant fee collection from the industry. The Plant Industry and Inspection and Consumer Services Divisions, on the other hand, have significant cash fund appropriations as the programs generate revenue through registration and inspection fees.

(5) *The Colorado State Insectary*

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) through its R-1 "Biological Pest Control" budget

request to help combat invasive species such as Canada Thistle, Russian Knapweed, Hoary Cress, Emerald Ash Borer, and Japanese Beetle.

Rather than hire that position, the Department requested a one-time reduction to its budget through its R-9 “Implementing Budget Efficiencies” budget request because federal funding had been obtained to support the position through FY 2020-21.

*(6) Agriculture Management Fund Line Item*

Historically, the Department has utilized the Agriculture Management Fund line item to develop and implement projects that may not have otherwise been funded as well as support operational needs of the Department. This includes updating heating and ventilation systems, developing a system to monitor and track animal disease within state lines, supporting infrastructure at the State Fair, purchasing lab equipment, hiring one-time temporary positions and contracts to support program implementation and operations and many other initiatives. The Department has an annual appropriation in this line item of \$2,048,914. The line item also has roll forward authority.

***Problem or Opportunity:***

In reviewing the Department’s expenditure and operations, a number of areas were identified where a permanent change could create efficiencies, or a one-time reduction could support budget balancing efforts. These areas of analysis include: (1) workforce and leadership programs, (2) the PACFA program spending authority, (3) spending authority for the Department’s IT Asset Maintenance line item, (4) Division General Fund appropriations, (5) the Colorado State Insectary, and (6) the Department Agriculture Management Fund Line Item.

*(1) The Adult Agriculture Leadership Grant Program and Agriculture Workforce Development Program*

The two programs, Agricultural Leadership Grant Program and the Agricultural Workforce Development Program, are similar in their goal to support the next generation of farmers and ranchers around the state but bifurcated in their operations. The Leadership Grant Program is currently administered with no dedicated resources through the Commissioner’s Office. While the work associated with granting funds to CALP has been able to be absorbed by staff within the Office, the lack of designated oversight for the Leadership Grant Program has limited the Department in its ability to support the next generation of farmers and ranchers to the greatest extent possible, which has also led to historic under expenditure of the appropriation for the program. In contrast, the Workforce Development Program which has 0.3 FTE dedicated to the Program has been able to allocate nearly all of the funding in the first fiscal year it was in operation to provide

financial support to agricultural businesses offering internships. The Department has the opportunity to look at these programs and their funding collectively to determine the best way to support the development of the next generation of farmers and ranchers, the Department's first Wildly Important Goal, within the existing funding structure.

*(2) The Pet Animal Care Facilities Act (PACFA) Program*

Although the appropriation for the PACFA program resides in the Animal Health Division, the oversight and management of the program resides in the Inspection and Consumer Services (ICS) Division. Operationally, this creates additional work to manage the budget and track expenditures separately and does not allow much flexibility for the ICS Division to be able to shift funding around to meet programmatic needs.

*(3) Information Technology Asset Maintenance*

Historically the Department has not spent the full appropriation established for Information Technology (IT) Asset Maintenance as many computer or other technology replacement has been absorbed in division operating budgets. As such, the Department has the opportunity to better align the appropriation to actual expenditure.

*(4) Division General Fund Appropriations*

Through the FY 2020-21 Long Bill, all State Departments received a one-time five percent reduction to General Funded Personal Services realized through the Health Life and Dental line item. As the Department worked through identifying where to reduce the budget in order to meet that request, it was able to identify General Fund that could be removed from the budget permanently, but would require some cash fund spending authority to backfill those reductions in order to ensure programs remained operational and would not have a negative impact on the agriculture industry.

*(5) Colorado State Insectary*

Federal funding associated with invasive species control exists through the end of August 2022. The position will be supported largely through two federal grants awarded from the USDA National Institute of Food and Agriculture (NIFA). These funds are to advance the use of biological control against the noxious weed Canada thistle. The grants are: "Increasing the Efficacy and Integration of a Biocontrol Tool for Managing Canada Thistle in the Intermountain West" and "Developing Biological Control of Canada thistle for Colorado's Organic Producers using the Host Specific Rust Fungus *Puccinia punctiformis*". While the grant technically expired in the early portion of FY 2021-22, the Department anticipates being able to request a no-cost extension on the grant that would provide spending authority through the remainder of the fiscal year. Should that

request not be granted by the USDA, the Department would delay hiring the General Funded position or would look for other resources internally to fund the position.

*(6) Agriculture Management Fund Line Item*

The Department has the opportunity to decrease spending authority in the Agriculture Management Fund line item as it does not anticipate expenditures greater than the given appropriation in FY 2021-22 and could utilize the roll forward authority of the line item to manage any emergency funding need that could arise.

***Proposed Solution:***

The Department requests a reduction of \$1,213,239 consisting of a \$261,942 reduction to General Fund and \$951,297 from various cash funds to align appropriations with expected expenditures efficiencies within the Department of Agriculture. Those efficiencies include both permanent and one-time reductions.

***Permanent Adjustments include:***

*(1) The Adult Agriculture Leadership Grant Program and Agriculture Workforce Development Program*

Consolidating the Agriculture Leadership Grant Program with the Agriculture Workforce Development program into one line within the Markets Divisions budget. Consolidation would provide increased oversight of funding for the Agriculture Leadership Program and would provide more funding that could be distributed for internships in agriculture or to agriculture leadership programs around the State. As part of this consolidation the Department requests a footnote in the Long Bill to appropriate a minimum of \$64,108 to the Workforce Development Program in order directly appropriate that funding for the internship programs. The Department also requests to continue the roll forward authority that both line items currently have to allow internship contracts to span multiple fiscal years and ensure funding can be spent to support the next generation of farmers and ranchers.

*(2) The Pet Animal Care Facilities Act (PACFA) Program*

Transferring spending authority for the PACFA program from the Animal Health Division to the Inspection and Consumer Services Division to bring into line the budget with oversight of the program. The PACFA program is currently managed within the ICS Division. As such, there are certain shared costs between PACFA and the other ICS programs such as the division of supervisor salaries, operating etc. Combining the programs would allow for easier management in allocating those costs across the programs. Removing the spending authority of the PACFA program from the Animals Division

would also allow for the Animals Division to have a more accurate accounting of their spending authority and better manage their budget and programs.

(3) *Information Technology Asset Maintenance*

Reducing the appropriation for IT Asset Maintenance to better reflect expected expenditure and meet budget reduction targets.

(4) *Division General Fund Appropriations*

Reducing Division program lines by \$172,642 General Fund and increasing cash fund spending authority by \$108,534. This adjustment would allow the Department to support state-wide budget balancing efforts while also supporting the regulatory program that ensure Colorado's food supply is safe.

***One-time Reductions include:***

(5) *Colorado State Insectary*

Continuation of the \$89,300 reduction to the State Insectary General Fund budget to combat invasive species in Colorado. Because the Department has federal funding for the position for one more fiscal year, the reduction in spending authority can continue through FY 2021-22. After the expiration of the grant, and even if the grant is extended, the Department requests the spending authority for the position be reinstated to continue the work started on combating invasive plant and insect species. The demand for biological control continues to increase as invasive species, including pest insects and exotic weeds, become more widespread and problematic. Agricultural producers, weed managers, and the public increasingly search for effective and chemical-free control methods. The Insectary is a long-term investment in the future of agriculture and natural resources management in Colorado.

(6) *Agriculture Management Fund Line Item*

Reducing the Agriculture Management Fund line item spending authority one-time by \$1,000,000 in FY 2021-22. Typically, the Department spends at or less than the total appropriation for this line item each year. Given that the line item has roll forward authority, the Department anticipates that it could reduce spending authority for one fiscal year and still meet its needs through the actual and roll forward appropriation. The Department aims to reserve a minimum of \$1.25 to \$1.5 million in spending authority and funding in the cash fund reserve to pay for emergency situations that may arise at any point in the fiscal year. This could include mitigation efforts or reacting to natural disaster or animal disease outbreak, etc. By reducing spending authority one-time in the Agriculture Management Fund line item by \$1,000,000 it would allow the Department to continue to

utilize the Fund to support the Department’s operational needs and special projects as well as hold a reserve for emergency situations.

***Anticipated Outcomes:***

Approving the requested permanent modifications above would allow the Department to realize efficiencies in its management. These permanent adjustments would better align the Department’s budget to expenditure. Additionally, combining the agriculture leadership and workforce development programs would drive the Department’s Wildly Important Goal (WIG) #1 to Support the Next Generation of Farmers and Ranchers forward by enabling the Department to issue more grants to leadership development programs as well as additional grants for internships to provide valuable work experience in the agricultural sector for people interested in farming and ranching.

**Table I: Measurable Strategies to Accomplish WIG #1**

Measurements that Define Success	Division	Major Program Area	Baseline	FY 20-21 Goal	FY 21-22 Goal	FY 22-23 Goal
Build voluntary participation in the Saving Tomorrow’s Agricultural Resources (STAR) program or equivalent from 0 to 75 by June 30, 2021.	Conservation	Soil Health Program	N/A	75	150	300
Increase enrollment of Hemp operations participation in the Saving Tomorrow’s Agricultural Resources (STAR) program or equivalent from 0 to 7.	Conservation/ Plant Industry	Soil Health Program and Plant Program	N/A	7	20	25
Increase soil, water and climate stewardship projects from 31 to 50.	Conservation	ACRO	31	50	70	90

One-time adjustments would support statewide budget balancing efforts by making spending adjustments in the short-term. Federal funding is available to support the Insectary FTE for which State funding would be eliminated for an additional fiscal year. As such, there would be limited impact to the Department in that it could not use the federal funding to hire additional positions or pay for other invasive species control activities.

There would also be a minimal impact to the Department by reducing the spending authority in the Agriculture Management Fund line item for one fiscal year to fund statewide priorities. The reduction would limit the Department in its ability to fund other priorities or emergencies to the full extent of the current appropriation; however, given the roll forward authority in the line item any unexpected expense could likely be covered through anticipated roll forward funding.

If this request is not approved the Department would continue to operate as it currently does which, in some instances, may result in spending authority reversions.

***Assumptions and Calculations:***

To calculate the requested reductions or budget adjustments the Department reviewed current and historical expenditure as well as expected expenditure to determine the appropriate adjustment. For further detail see Appendix A beginning on the following page.

***Supplemental, 1331 Supplemental or Budget Amendment Criteria:***

Not Applicable.

---



**Colorado Department of Agriculture**

**Appendix A**

**Tables 1.1 & 1.2: FY 2021-22 Summary by Line Item**

Table 1.1 Summary by Line Item FY 2021-22								
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds <sup>(1)</sup>	Reappropriated Funds	Federal Funds	Notes/Calculations
A	(1) Commissioner's Office and Administrative Services; Personal Services	(\$10,000)	0.0	(\$10,000)	\$0	\$0	\$0	Table 5.1 Row A
B	(1) Commissioner's Office and Administrative Services; Health, Life, and Dental	(\$10,042)	0.0	(\$10,042)	\$0	\$0	\$0	FY 2020-21 R-9 Appendix A Summary by Line Item Table
C	(1) Commissioner's Office and Administrative Services; Short-term Disability	(\$92)	0.0	(\$92)	\$0	\$0	\$0	FY 2020-21 R-9 Appendix A Summary by Line Item Table
D	(1) Commissioner's Office and Administrative Services; S.B. 04-257 Amortization Equalization Disbursement	(\$2,699)	0.0	(\$2,699)	\$0	\$0	\$0	FY 2020-21 R-9 Appendix A Summary by Line Item Table
E	(1) Commissioner's Office and Administrative Services; S.B. 06-235 Supplemental Amortization Equalization Disbursement	(\$2,699)	0.0	(\$2,699)	\$0	\$0	\$0	FY 2020-21 R-9 Appendix A Summary by Line Item Table
F	(1) Commissioner's Office and Administrative Services; IT Asset Maintenance	(\$59,831)	0.0	\$0	(\$59,831)	\$0	\$0	FY 2020-21 Long Bill
G	(1) Commissioner's Office and Administrative Services; Adult Agriculture Leadership Grant Program	(\$150,000)	0.0	\$0	(\$150,000)	\$0	\$0	Table 3.3 Row A
H	(1) Commissioner's Office and Administrative Services; Agriculture Management Fund	(\$1,000,000)	0.0	\$0	(\$1,000,000)	\$0	\$0	Table 2.1 Row F
I	(2) Agricultural Services; Animal Industry Division	(\$882,519)	(10.6)	(\$167,092)	(\$715,427)	\$0	\$0	Table 4.1 Row C + Table 5.1 Row B
J	(2) Agricultural Services; Plant Industry Division	(\$5,821)	0.0	(\$29,355)	\$23,534	\$0	\$0	Table 5.1 Row C
K	(2) Agricultural Services; Inspection and Consumer Services Division	\$845,876	10.6	\$70,449	\$775,427	\$0	\$0	Table 4.1 Row C + Table 5.1 Row D
L	(2) Agricultural Services; Conservation Services Division	(\$79,590)	(1.0)	(\$94,590)	\$15,000	\$0	\$0	FY 2020-21 R-9 Appendix A Summary by Line Item Table + Table 5.1 Row E
M	(3) Agricultural Markets Division; (A) Agricultural Markets; Program Costs	(\$5,822)	0.0	(\$5,822)	\$0	\$0	\$0	Table 5.1 Row F
N	(3) Agricultural Markets Division; (A) Agricultural Markets; Agricultural Workforce Development Program	\$150,000	0.0	\$0	\$150,000	\$0	\$0	Table 3.3 Row B
O	(3) Agricultural Markets Division; (B) Agricultural Products Inspection; Program Costs	\$0	0.0	(\$10,000)	\$10,000	\$0	\$0	Table 5.1 Row F
<b>P</b>	<b>Total Request</b>	<b>(\$1,213,239)</b>	<b>(1.0)</b>	<b>(\$261,942)</b>	<b>(\$951,297)</b>	<b>\$0</b>	<b>\$0</b>	Sum of Rows A through E

Table 1.2 Summary by Line Item FY 2022-23								
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds <sup>(1)</sup>	Reappropriated Funds	Federal Funds	Notes/Calculations
A	(1) Commissioner's Office and Administrative Services; Personal Services	(\$10,000)	0.0	(\$10,000)	\$0	\$0	\$0	Table 5.1 Row A
B	(1) Commissioner's Office and Administrative Services; Health, Life, and Dental	\$0	0.0	\$0	\$0	\$0	\$0	FY 2020-21 R-9 Appendix A Summary by Line Item Table
C	(1) Commissioner's Office and Administrative Services; Short-term Disability	\$0	0.0	\$0	\$0	\$0	\$0	FY 2020-21 R-9 Appendix A Summary by Line Item Table
D	(1) Commissioner's Office and Administrative Services; S.B. 04-257 Amortization Equalization Disbursement	\$0	0.0	\$0	\$0	\$0	\$0	FY 2020-21 R-9 Appendix A Summary by Line Item Table
E	(1) Commissioner's Office and Administrative Services; S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$0	0.0	\$0	\$0	\$0	\$0	FY 2020-21 R-9 Appendix A Summary by Line Item Table
F	(1) Commissioner's Office and Administrative Services; IT Asset Maintenance	(\$59,831)	0.0	\$0	(\$59,831)	\$0	\$0	FY 2020-21 Long Bill
G	(1) Commissioner's Office and Administrative Services; Adult Agriculture Leadership Grant Program	(\$150,000)	0.0	\$0	(\$150,000)	\$0	\$0	Table 3.3 Row A
H	(1) Commissioner's Office and Administrative Services; Agriculture Management Fund	\$0	0.0	\$0	\$0	\$0	\$0	Table 2.2 Row F
I	(2) Agricultural Services; Animal Industry Division	(\$882,519)	(10.6)	(\$167,092)	(\$715,427)	\$0	\$0	Table 4.1 Row C + Table 5.1 Row B
J	(2) Agricultural Services; Plant Industry Division	(\$5,821)	0.0	(\$29,355)	\$23,534	\$0	\$0	Table 5.1 Row C
K	(2) Agricultural Services; Inspection and Consumer Services Division	\$845,876	10.6	\$70,449	\$775,427	\$0	\$0	Table 4.1 Row C + Table 5.1 Row D
L	(2) Agricultural Services; Conservation Services Division	(\$5,822)	0.0	(\$20,822)	\$15,000	\$0	\$0	FY 2020-21 R-9 Appendix A Summary by Line Item Table + Table 5.1 Row E
M	(3) Agricultural Markets Division; (A) Agricultural Markets; Program Costs	(\$5,822)	0.0	(\$5,822)	\$0	\$0	\$0	Table 5.1 Row F
N	(3) Agricultural Markets Division; (A) Agricultural Markets; Agricultural Workforce Development Program	\$150,000	0.0	\$0	\$150,000	\$0	\$0	Table 3.3 Row B
O	(3) Agricultural Markets Division; (B) Agricultural Products Inspection; Program Costs	\$0	0.0	(\$10,000)	\$10,000	\$0	\$0	Table 5.1 Row F
P	<b>Total Request</b>	<b>(\$123,939)</b>	<b>0.0</b>	<b>(\$172,642)</b>	<b>\$48,703</b>	<b>\$0</b>	<b>\$0</b>	<b>Sum of Rows A through E</b>

## Tables 2.1 & 2.2: FY 2021-22 Summary by Initiative

Table 2.1 Summary by Initiative FY 2021-22								
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Notes/Calculations
A	Merge Leadership and Workforce Grant Programs	\$0	0.0	\$0	\$0	\$0	\$0	Table 3.3. Row C
B	Move Pet Animal Care Facilities Act Funding to Inspection and Consumer Services Division	\$0	0.0	\$0	\$0	\$0	\$0	Detail in Table 4.1 through 4.4, net zero impact
C	Reduce IT Asset Maintenance Appropriation	(\$59,831)	0.0	\$0	(\$59,831)	\$0	\$0	FY 2020-21 Long Bill
D	Reduction to Divisions	(\$64,108)	0.0	(\$172,642)	\$108,534	\$0	\$0	Table 5.1 Row G
E	Continuation of Insectary Position Reduction	(\$89,300)	(1.0)	(\$89,300)	\$0	\$0	\$0	FY 2020-21 R-9 Appendix A Summary by Line Item Table
F	Reduction to the Agriculture Management Fund Line Item	(\$1,000,000)	0.0	\$0	(\$1,000,000)	\$0	\$0	Estimate - See Narrative for further detail
G	<b>Total Request</b>	<b>(\$1,213,239)</b>	<b>(1.0)</b>	<b>(\$261,942)</b>	<b>(\$951,297)</b>	<b>\$0</b>	<b>\$0</b>	<b>Sum of Rows A through C</b>

Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Notes/Calculations
A	Merge Leadership and Workforce Grant Programs	\$0	0.0	\$0	\$0	\$0	\$0	Table 3.3. Row C
B	Move Pet Animal Care Facilities Act Funding to Inspection and Consumer Services Division	\$0	0.0	\$0	\$0	\$0	\$0	Detail in Table 4.1 through 4.4, net zero impact
C	Reduce IT Asset Maintenance Appropriation	(\$59,831)	0.0	\$0	(\$59,831)	\$0	\$0	FY 2020-21 Long Bill
D	Reduction to Divisions	(\$64,108)	0.0	(\$172,642)	\$108,534	\$0	\$0	Table 5.1 Row G
E	Continuation of Insectary Position Reduction	\$0	0.0	\$0	\$0	\$0	\$0	Adjusted for one-time nature
F	Reduction to the Agriculture Management Fund Line Item	\$0	0.0	\$0	\$0	\$0	\$0	Adjusted for one-time nature
G	<b>Total Request</b>	<b>(\$123,939)</b>	<b>0.0</b>	<b>(\$172,642)</b>	<b>\$48,703</b>	<b>\$0</b>	<b>\$0</b>	<b>Sum of Rows A through C</b>

### Tables 3.1 - 3.3: FY 2021-22 Grant Shift

Row	Item	Total Funds	FTE	General Fund	Cash Fund	Reappropriated Funds	Federal Funds	Source/Calculation
A	Agriculture Adult Leadership Grant Program Appropriation	\$150,000	0.0	\$0	\$150,000	\$0	\$0	FY 2020-21 Long Bill
B	Agriculture Workforce Development Program Appropriation	\$64,108	0.3	\$64,108	\$0	\$0	\$0	FY 2020-21 Long Bill
C	<b>Total</b>	<b>\$214,108</b>	<b>0.3</b>	<b>\$64,108</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>Row A + Row B</b>

Row	Item	Total Funds	FTE	General Fund	Cash Fund	Reappropriated Funds	Federal Funds	Source/Calculation
A	Agriculture Adult Leadership Grant Program Appropriation	\$0	0.0	\$0	\$0	\$0	\$0	Assumes full shift of the Program
B	Agriculture Workforce Development Program Appropriation	\$214,108	0.3	\$64,108	\$150,000	\$0	\$0	Table 3.1 Row C
C	<b>Total</b>	<b>\$214,108</b>	<b>0.3</b>	<b>\$64,108</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>Row A + Row B</b>

Row	Item	Total Funds	FTE	General Fund	Cash Fund	Reappropriated Funds	Federal Funds	Source/Calculation
A	Agriculture Adult Leadership Grant Program Appropriation	(\$150,000)	0.0	\$0	(\$150,000)	\$0	\$0	Table 3.2 Row A - Table 3.1 Row A
B	Agriculture Workforce Development Program Appropriation	\$150,000	0.0	\$0	\$150,000	\$0	\$0	Table 3.2 Row B - Table 3.1 Row B
C	<b>Total</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>Row A + Row B</b>

### Tables 4.1 - 4.4: FY 2021-22 PACFA Impacts

Row	Item	Total Funds	FTE	General Fund	PACFA Cash Fund	Reappropriated Funds	Federal Funds	Source/Calculation
A	Estimated Personnel Budget	\$779,388	10.6	\$121,386	\$658,002	\$0	\$0	Table 4.2 Row G
B	Estimated Operating Budget	\$72,309	0.0	\$4,884	\$67,425	\$0	\$0	Table 4.3 Row F
C	<b>Total FY 2021-22 Budget</b>	<b>\$851,697</b>	<b>10.6</b>	<b>\$126,270</b>	<b>\$725,427</b>	<b>\$0</b>	<b>\$0</b>	<b>Row A + Row B</b>

**Table 4.2 - Estimated PACFA Personnel Budget**

Row	Item	Total Funds	FTE	General Fund	PACFA Cash Fund	Reappropriated Funds	Federal Funds	Source/Calculation
A	FY 2019-20 Estimated Cash Fund FTE Budget	\$593,267	9.0	\$0	\$593,267	\$0	\$0	Adopted CORE Budget
B	SB 19-158 "Sunset Pet Animal Care and Facilities Act" FY 2020-21 Appropriation	\$143,992	2.0	\$143,992	\$0	\$0	\$0	Fiscal Note
C	FY2020-21 PACFA TA-5 "Salary Survey Base Adjustment"	\$67,998	0.0	\$3,263	\$64,735	\$0	\$0	Table 4.4
D	JBC Adjustment to PACFA Sunset Annualization	(\$25,869)	(0.4)	(\$25,869)	\$0	\$0	\$0	JBC Hearing Documentation
E	Total FY 2020-21 PACFA FTE Budget	\$779,388	10.6	\$121,386	\$658,002	\$0	\$0	Sum of Row A through D
F	Estimated FY 2021-22 Adjustments	\$0	0.0	\$0	\$0	\$0	\$0	Assumed
<b>G</b>	<b>Estimated FY 2021-22 Personnel Budget</b>	<b>\$779,388</b>	<b>10.6</b>	<b>\$121,386</b>	<b>\$658,002</b>	<b>\$0</b>	<b>\$0</b>	<b>Row E + Row F</b>

**Table 4.3 - Estimated PACFA Operating Budget**

Row	Item	Total Funds	FTE	General Fund	PACFA Cash Fund	Reappropriated Funds	Federal Funds	Source/Calculation
A	FY 2019-20 Cash Fund Operating Budget	\$60,000	0.0	\$0	\$60,000	\$0	\$0	Adopted CORE Budget
B	SB 19-158 "Sunset Pet Animal Care and Facilities Act" FY 2020-21 Appropriation	\$4,884	0.0	\$4,884	\$0	\$0	\$0	Fiscal Note
C	FY2020-21 R-5 "PACFA Licensing Requirements"	\$77,050	0.0	\$0	\$77,050	\$0	\$0	JBC Hearing Documents
D	Total FY 2020-21 PACFA Operating Budget	\$141,934	0.0	\$4,884	\$137,050	\$0	\$0	Sum of Row A through Row C
E	Annualization of FY2020-21 R-5 "PACFA Licensing Requirements"	(\$69,625)	0.0	\$0	(\$69,625)	\$0	\$0	Request Annualization
<b>F</b>	<b>Estimated FY 2021-22 Operating Budget</b>	<b>\$72,309</b>	<b>0.0</b>	<b>\$4,884</b>	<b>\$67,425</b>	<b>\$0</b>	<b>\$0</b>	<b>Row D + Row E</b>

Table 4.4 - FY 2020-21 PACFA TA-5 "Salary Survey Base Adjustment" Calculation			
Item	Total Funds	General Fund	Cash Funds
FY 2019-20 Animal Health Division Total Appropriation	\$2,653,335	\$1,640,748	\$1,012,587
PACFA FY 2019-20 Budget	\$766,940	\$113,673	\$653,267
Percent PACFA	29%	7%	65%
FY 2020-21 Salary Survey Base Adjustment	\$147,441	\$47,099	\$100,342
<b>PACFA Portion</b>	<b>\$67,998</b>	<b>\$3,263</b>	<b>\$64,735</b>

### Tables 5.1: FY 2021-22 Division Budget Reductions

Table 5.1 - Reduction to Division Spending Authority								
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
A	Commissioner's Office	(\$10,000)	0.0	(\$10,000)	\$0	\$0	\$0	See Narrative for Further Detail
B	Animal Industry Division	(\$30,822)	0.0	(\$40,822)	\$10,000	\$0	\$0	See Narrative for Further Detail
C	Plants Division	(\$5,821)	0.0	(\$29,355)	\$23,534	\$0	\$0	See Narrative for Further Detail
D	Inspection and Consumer Services Division	(\$5,821)	0.0	(\$55,821)	\$50,000	\$0	\$0	See Narrative for Further Detail
E	Conservation Division	(\$5,822)	0.0	(\$20,822)	\$15,000	\$0	\$0	See Narrative for Further Detail
F	Markets Division	(\$5,822)	0.0	(\$15,822)	\$10,000	\$0	\$0	See Narrative for Further Detail
G	<b>Total</b>	<b>(\$64,108)</b>	<b>0.0</b>	<b>(\$172,642)</b>	<b>\$108,534</b>	<b>\$0</b>	<b>\$0</b>	<b>Sum of Row A through F</b>