

Department of Agriculture

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-01 Agriculture Emergency Coordinator

Dept. Approval By:

Jill Schnathorst

Supplemental FY 2021-22

OSPB Approval By:

Budget Amendment FY 2022-23

X

Change Request FY 2022-23

Summary Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$9,740,657	\$0	\$10,103,374	\$167,821	\$171,771
	FTE	17.6	0.0	17.6	0.9	1.0
Total of All Line Items Impacted by Change Request	GF	\$2,230,340	\$0	\$2,409,901	\$101,200	\$101,202
	CF	\$5,540,454	\$0	\$5,713,860	\$36,751	\$38,981
	RF	\$1,589,903	\$0	\$1,602,666	\$29,870	\$31,588
	FF	\$379,960	\$0	\$376,947	\$0	\$0

Line Item Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$2,077,943	\$0	\$2,108,248	\$92,333	\$100,726
	FTE	17.6	0.0	17.6	0.9	1.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$630,162	\$0	\$647,704	\$67,735	\$72,716
Commissioner's Office and Administrative Services, (1)	CF	\$0	\$0	\$0	\$0	\$0
Commissioner's Office and Administrative Services - Personal Services	RF	\$1,331,288	\$0	\$1,344,051	\$24,598	\$28,010
	FF	\$116,493	\$0	\$116,493	\$0	\$0

	Total	\$3,286,160	\$0	\$3,399,159	\$14,086	\$14,086
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$825,627	\$0	\$936,662	\$10,334	\$10,169
Commissioner's Office and Administrative Services, (1)	CF	\$2,460,533	\$0	\$2,462,497	\$3,752	\$3,917
Commissioner's Office and Administrative Services - Health, Life, and Dental	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$27,806	\$0	\$29,224	\$131	\$143
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$8,956	\$0	\$9,930	\$96	\$104
Commissioner's Office and Administrative Services, (1)	CF	\$18,850	\$0	\$19,294	\$35	\$39
Commissioner's Office and Administrative Services - Short-term Disability	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$918,971	\$0	\$954,351	\$4,109	\$4,483
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	\$295,862	\$0	\$323,967	\$3,014	\$3,236
Commissioner's Office and Administrative Services - Amortization Equalization Disbursement	CF	\$623,109	\$0	\$630,384	\$1,095	\$1,247
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$918,971	\$0	\$954,351	\$4,109	\$4,483
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	\$295,862	\$0	\$323,967	\$3,014	\$3,236
Commissioner's Office and Administrative Services - Supplemental Amortization Equalization Disbursement	CF	\$623,109	\$0	\$630,384	\$1,095	\$1,247
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$267,115	\$0	\$260,915	\$19,791	\$12,870
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	\$7,550	\$0	\$1,350	\$14,519	\$9,292
Commissioner's Office and Administrative Services - Operating Expenses	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$258,615	\$0	\$258,615	\$5,272	\$3,578
	FF	\$950	\$0	\$950	\$0	\$0

	Total	\$415,955	\$0	\$415,955	\$3,392	\$3,392
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	\$166,321	\$0	\$166,321	\$2,488	\$2,449
Commissioner's Office and Administrative Services - Vehicle Lease Payments	CF	\$243,668	\$0	\$243,668	\$904	\$943
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$5,966	\$0	\$5,966	\$0	\$0

	Total	\$1,357,103	\$0	\$1,466,463	\$5,682	\$6,009
02. Agriculture Services, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Agriculture Services, (1)	GF	\$0	\$0	\$0	\$0	\$0
Agriculture Services - Indirect Cost Assessment	CF	\$1,100,552	\$0	\$1,212,925	\$5,682	\$6,009
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$256,551	\$0	\$253,538	\$0	\$0

	Total	\$122,613	\$0	\$134,096	\$6,301	\$6,664
03. Agriculture Markets Division,	FTE	0.0	0.0	0.0	0.0	0.0
(B) Agricultural Products	GF	\$0	\$0	\$0	\$0	\$0
Inspection, (1) Agricultural	CF	\$122,613	\$0	\$134,096	\$6,301	\$6,664
Products Inspection - Indirect Cost	RF	\$0	\$0	\$0	\$0	\$0
Assessment	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$220,015	\$0	\$240,619	\$11,308	\$11,958
	FTE	0.0	0.0	0.0	0.0	0.0
04. Brand Board, (A) Brand Board,	GF	\$0	\$0	\$0	\$0	\$0
(1) Brand Board - Indirect Cost	CF	\$220,015	\$0	\$240,619	\$11,308	\$11,958
Assessment	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$128,005	\$0	\$139,993	\$6,579	\$6,957
	FTE	0.0	0.0	0.0	0.0	0.0
05. Colorado State Fair, (A)	GF	\$0	\$0	\$0	\$0	\$0
Colorado State Fair, (1) Colorado	CF	\$128,005	\$0	\$139,993	\$6,579	\$6,957
State Fair - Indirect Cost	RF	\$0	\$0	\$0	\$0	\$0
Assessment	FF	\$0	\$0	\$0	\$0	\$0

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



Department Priority: R-01
Request Detail: Agriculture Emergency Coordinator

Summary of Funding Change for FY 2022-23			
		Incremental Change	
	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2023-24 Request
Total Funds	\$1,984,160	\$167,821	\$171,771
FTE	16.7	0.9	1.0
General Fund	\$536,379	\$101,200	\$101,202
Cash Funds	\$0	\$36,751	\$38,981
Reappropriated Funds	\$1,331,288	\$29,870	\$31,588
Federal Funds	\$116,493	\$0	\$0

Summary of Request

The Colorado Department of Agriculture (CDA) requests \$167,821 total funds including \$101,200 General Fund, \$36,751 from various sources of cash funds, \$29,870 in reappropriated funds, and 0.9 FTE in FY 2022-23, and \$171,771 total funds comprised of \$101,202 General Fund, \$38,981 from various sources of cash funds, \$31,588 in reappropriated funds and 1.0 FTE in FY 2023-24 and ongoing, to hire an Emergency Preparedness and Communications Specialist V to oversee agriculture emergency management preparedness and response activities for the department and support agricultural emergencies statewide. With emergencies, such as wildfire, impacting agriculture and requiring a response from the agricultural community becoming more frequent, this new position would enable CDA to initiate effective planning and improve the response when incidents do occur, thereby supporting the agriculture sector's resiliency.

Current Program

CDA is designated in the State Emergency Operations Plan to fulfill the Emergency Support Function (ESF) #11 role at the State Emergency Operations Center (SEOC) for agriculture and livestock needs during an emergency. Once the plan is activated, all state departments and offices are mandated under the authority of the Colorado Disaster Emergency Act (pursuant to Section 24-33.5-701, C.R.S.) to carry out assigned activities related to mitigating effects of an emergency or disaster and to cooperate fully with each other, the Office of Emergency Management, and with other political subdivisions in providing emergency assistance. CDA's ESF #11 role includes five primary response functions:

- respond to livestock and agricultural health issues in the face of a disease outbreak affecting agriculture,
- provide technical expertise, coordination, and support of livestock and agricultural emergency management when agriculture is impacted by disasters,
- ensure the safety and security of Colorado's commercial agricultural food supply,
- coordinate protection of natural and cultural resources and historic properties through the Department of Natural Resources, and
- support ESF #6 in providing nutritional assistance and sheltering needs for companion animals.

For over eight years, CDA has not had a full time position dedicated to oversee responsibilities as a state support agency to address the agriculture impacts when there are natural disasters such as wildfires, blizzards, flooding and tornadoes. In the time of a significant disease event affecting livestock or crops, CDA is the lead agency and works closely with other supporting state agencies, as well as local emergency management and the livestock industry. In recent years, these duties have been divided among different individuals across the department who already have other full-time duties.

The Colorado Division of Homeland Security and Emergency Management (DHSEM) and the SEOC relies on CDA to respond to emergencies and represent Colorado agriculture. During the COVID-19 pandemic, to meet this obligation, the department established a rotation system in which leadership around the department, including division directors and the Procurement Director, filled the ESF#11 role for a quarter of the fiscal year. Prior to that, the Assistant State Veterinarian served in the role after the previous FTE position - which was a grant-funded, term-limited position - had been abolished.

As a result of this splintered responsibility, CDA has not always been able to respond as expeditiously or comprehensively as would be the case if a full-time Emergency Preparedness Specialist is brought on board.

Problem or Opportunity

The Colorado Department of Agriculture has a need for a dedicated full-time agriculture emergency coordinator to oversee the agriculture emergency management preparedness and response activities for the department and serve as the ESF #11 agriculture representative.

Over the past several years, the number of all-hazards events requiring agricultural emergency management has increased and the department is increasingly responding to multiple emergencies simultaneously. In 2020 alone, Colorado saw its three largest wildfires in state history, all of which impacted agriculture and livestock. Because the department does not have an FTE dedicated to emergency management, it has had to be reactionary to emergencies and has not been able to dedicate time nor resources towards emergency planning or training.

With the threats that are continuing to impact the agriculture and livestock community, including drought, wildfires, foreign and emerging animal diseases and other all hazards events, it is imperative that the department have an FTE to dedicate to increasing preparedness across the state for agriculture and livestock communities. By increasing our preparedness, the department could increase the capabilities and initiate effective planning and response when incidents do occur, thereby supporting the agriculture sector's resiliency in a crisis.

In addition, while the department's strategy to rotate ESF #11 leads have been successful during the COVID-19 pandemic, continuing to manage the position this way risks gaps in the continuity of agricultural response and communication. It also limits CDA's ability to respond to multiple emergencies at the same time. Each of the rotating leads serve a critical leadership position at CDA, and increasing pressure for more agriculture representation in statewide emergency response cannot continue to be absorbed without other departmental programs and initiatives suffering.

The department has been successful in outreach to bring awareness to the significant agricultural impacts during disaster or disease events, and as a result CDA serves on many additional state emergency planning teams and committees including:

- Agriculture Impact Drought Task Force,
- Colorado Homeland Security State Strategy Plan,
- Colorado Mitigation and Hazard Plan,
- State Emergency Operations Plan,
- State Recovery Task Force,
- Colorado Resiliency Institutionalization Project, and
- Agriculture Liaison Program.

The Colorado agriculture industry greatly supports the local economy, contributing approximately \$47 billion each year and employing more than 195,000 people, not to mention international exports, which total around \$2 billion annually. Having a full-time Agriculture

Emergency Coordinator position to support this significant economic driver in our state is a critical need.

Proposed Solution

To better meet the increasing need for agriculture emergency preparedness and response, the department requests \$167,821 total funds and 0.9 FTE in FY 2022-23, and \$171,771 total funds and 1.0 FTE in FY 2023-24 and ongoing to hire an Emergency Preparedness and Communications Specialist V.

This position will not only respond to incidents and emergencies as they occur, but will also take part in planning and exercising throughout the year, which has not been able to effectively happen without a full-time position.

Some responsibilities of this position will include:

- coordinating emergency preparedness and response activities across all CDA divisions;
- assessing current and potential natural and man-made disaster events to determine agriculture and livestock impacts;
- ensuring agriculture and animal disease preparedness and response programs are integrated with other agencies critical to the state's emergency response;
- coordinating and delivering emergency preparedness and response education and training to CDA employees, state and local emergency management, and the state's agriculture and livestock industries;
- managing the Agriculture Liaison program to provide agriculture and livestock assistance in the event of an emergency;
- serving as the ESF #11 lead at the State Emergency Operations Center and fulfilling all duties associated with that role;
- participating in state planning activities and quarterly exercises;
- serving on statewide committees supporting agriculture and livestock emergency preparedness and response;
- developing, maintaining, and exercising emergency response plans for agriculture and livestock;
- coordinating agroterrorism preparedness and response that might impact the plant and livestock industries;
- developing and maintaining memorandums of understanding with state and federal partners for agricultural emergency preparedness and response; and
- leading and coordinating recovery efforts across the state for agriculture impacted by all hazards events.

If this request is not approved, the department will have to continue to stretch its resources to meet emergency response obligations and ESF #11 representation which is currently not meeting the needs of the agricultural community.

Theory of Change	Adding an emergency response FTE at CDA will improve agriculture emergency response across the state.		
Program Objective	Proactively plan for, and respond to agriculture emergencies in Colorado.		
Outputs being measured	Events responded to and trainings given.		
Outcomes being measured	None at this time.		
Cost/Benefit ratio	None at this time.		
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation	N/A	N/A	N/A
Continuum Level	Step 1		

Anticipated Outcomes

By having a full-time position dedicated to serving in this role, CDA will be able to meet the needs of the department, partner agencies, and particularly serve the needs of agriculture stakeholders during a critical time of need. The dedicated FTE will ensure continuity in response, training and communication with our community partners which would result in more effective emergency response. A full-time, dedicated Agriculture Emergency Coordinator will help ensure that animals and livelihoods are saved when emergencies arise in Colorado’s agricultural communities.

To evaluate the success of the additional FTE, the department will routinely evaluate and monitor the response and success in meeting the agriculture and livestock needs during all hazards events, as well as evaluate the effectiveness of emergency response plans, training, exercises, and coordination with other state and federal partners.

Assumptions and Calculations

To estimate the cost of the Agriculture Emergency Coordinator, the department assumes it will need to hire at the Emergency Preparedness and Communications Specialist V level in order to recruit someone with expertise in the field. The department also assumes it will need to hire potentially 10% above the minimum to attract emergency management expertise. See Table 3 in the Appendix for further detail.

In addition to FTE costs, the department included costs associated with a 4x4 hybrid fleet vehicle to allow for off road emergency response, travel, maintenance, lodging, and per diem. For further detail see the Appendix.

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Appendix A

Table 1.1 - FY 2022-23 Summary by Line Item							
Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
(1) Commissioner's Office and Administrative Services; Personal Services	\$92,333	0.9	\$67,735	\$0	\$24,598	\$0	Table 3 and Table 4
(1) Commissioner's Office and Administrative Services; Health, Life and Dental	\$14,086	0.0	\$10,334	\$3,752	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; SB 04-257 Amortization Equalization Disbursement	\$4,109	0.0	\$3,014	\$1,095	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; SB 06-235 Supplemental Amortization Equalization Disbursement	\$4,109	0.0	\$3,014	\$1,095	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; Short Term Disability	\$131	0.0	\$96	\$35	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; Operating Expenses	\$19,791	0.0	\$14,519	\$0	\$5,272	\$0	Table 3
(1) Commissioner's Office and Administrative Services; Vehicle Lease Payments	\$3,392	0.0	\$2,488	\$904	\$0	\$0	Table 4
(2) Agricultural Services; Indirect Cost Assessment	\$5,682	0.0	\$0	\$5,682	\$0	\$0	Indirect Cost Collection for Reappropriated Funds
(3) Agricultural Markets Division; (B) Agricultural Products Inspection; Indirect Cost Assessment	\$6,301	0.0	\$0	\$6,301	\$0	\$0	Indirect Cost Collection for Reappropriated Funds
(4) Brand Board; Indirect Cost Assessment	\$11,308	0.0	\$0	\$11,308	\$0	\$0	Indirect Cost Collection for Reappropriated Funds
(5) Colorado State Fair; Indirect Cost Assessment	\$6,579	0.0	\$0	\$6,579	\$0	\$0	Indirect Cost Collection for Reappropriated Funds
Total Cost	\$167,821	0.9	\$101,200	\$36,751	\$29,870	\$0	

Table 1.2 - FY 2023-24 Summary by Line Item							
Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
(1) Commissioner's Office and Administrative Services; Personal Services	\$100,726	1.0	\$72,716	\$0	\$28,010	\$0	Table 3
(1) Commissioner's Office and Administrative Services; Health, Life and Dental	\$14,086	0.0	\$10,169	\$3,917	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; SB 04-257 Amortization Equalization Disbursement	\$4,483	0.0	\$3,236	\$1,247	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; SB 06-235 Supplemental Amortization Equalization Disbursement	\$4,483	0.0	\$3,236	\$1,247	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; Short Term Disability	\$143	0.0	\$104	\$39	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; Operating Expenses	\$12,870	0.0	\$9,292	\$0	\$3,578	\$0	Table 3

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(1) Commissioner's Office and Administrative Services; Vehicle Lease Payments	\$3,392	0.0	\$2,449	\$943	\$0	\$0	Table 4
(2) Agricultural Services; Indirect Cost Assessment	\$6,009	0.0	\$0	\$6,009	\$0	\$0	Indirect Cost Collection for Reappropriated Funds
(3) Agricultural Markets Division; (B) Agricultural Products Inspection; Indirect Cost Assessment	\$6,664	0.0	\$0	\$6,664	\$0	\$0	Indirect Cost Collection for Reappropriated Funds
(4) Brand Board; Indirect Cost Assessment	\$11,958	0.0	\$0	\$11,958	\$0	\$0	Indirect Cost Collection for Reappropriated Funds
(5) Colorado State Fair; Indirect Cost Assessment	\$6,957	0.0	\$0	\$6,957	\$0	\$0	Indirect Cost Collection for Reappropriated Funds
Total Cost	\$171,771	1.0	\$101,202	\$38,981	\$31,588	\$0	

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Appendix A

Table 2.1 - FY 2022-23 Summary by Initiative			
Row	Item	Total Funds	Source/Calculation
A	Emergency Response FTE	\$114,768	Table 3
B	Operating Costs	\$16,811	Table 3
C	Travel and Fleet Vehicle	\$6,372	Table 4 Row G
D	Total	\$137,951	Sum of Row A through C

Table 2.2 - FY 2023-24 Summary by Initiative			
Row	Item	Total Funds	Source/Calculation
A	Emergency Response FTE	\$123,921	Table 3
B	Operating Costs	\$9,890	Table 3
C	Travel and Fleet Vehicle	\$6,372	Table 4 Row G
D	Total	\$140,183	Sum of Row A through C

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Table 3 - 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 (\$1,410), docking station and monitors (\$260), Office Suite Software (\$330), and office furniture (\$3,473).

General Fund FTE -- Beginning July 1, 2020, 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 2022-23		FY 2023-24		
Personal Services:					
Classification Title	Monthly Salary	FTE	FTE		
EMER PREP & COMM SPEC V	\$7,471	0.9	\$82,183	1.0	\$89,654
PERA			\$8,958		\$9,772
AED			\$4,109		\$4,483
SAED			\$4,109		\$4,483
Medicare			\$1,192		\$1,300
STD			\$131		\$143
Health-Life-Dental			\$14,086		\$14,086
Subtotal Position 1, 1.0 FTE		0.9	\$114,768	1.0	\$123,921
Subtotal Personal Services		0.9	\$114,768	1.0	\$123,921
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating Expenses	\$500	0.9	\$458	1.0	\$500
Telephone Expenses	\$450	0.9	\$413	1.0	\$450
PC, One-Time	\$2,000	1.0	\$2,000	-	\$0
Office Furniture, One-Time	\$5,000	1.0	\$5,000	-	\$0
Training	\$1,500	1.0	\$1,500	1.0	\$1,500
Hotel and Lodging	\$4,800	1.0	\$4,800	1.0	\$4,800

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Per Diem	\$2,640	1.0	\$2,640	1.0	\$2,640
<i>Subtotal Operating Expenses</i>			\$16,811		\$9,890
<u>TOTAL REQUEST</u>		0.9	<u>\$131,579</u>	1.0	<u>\$133,811</u>

	FY 2022-23	FY 2023-24
PERA	10.90%	10.90%
AED	5.00%	5.00%
SAED	5.00%	5.00%
Medicare	1.45%	1.45%
STD	0.16%	0.16%
Health-Life-Dental	\$14,086	\$14,086

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Table 4 - Emergency Response FTE Estimated Fleet Cost			
Row	Item	Estimate	Source/Calculation
A	Monthly Vehicle Charge	\$282.68	Estimate based on current payment for Hybrid 4x4 SUV
B	Number of Vehicles	1	Assumes one vehicle for new FTE
C	Total Monthly Payments	\$3,392	Row A * Row B * 12
D	Estimated Miles	10,000	Assumes 10,000 miles per vehicle
E	Mileage/Maintenance Rate	\$0.30	Estimate based on current rate
F	Estimated Mileage/Maintenance Cost	\$2,980	Row D * Row E
G	Total Fleet Cost	\$6,372	Row C + Row F

Department of Agriculture

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-02 Enhancing Resources for Bureau of Animal Protection

Dept. Approval By:

Jill Schnathorst

Supplemental FY 2021-22

OSPB Approval By:

Budget Amendment FY 2022-23

X

Change Request FY 2022-23

Summary Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$7,845,715	\$0	\$8,050,355	\$418,350	\$437,540
	FTE	17.5	0.0	17.5	2.8	3.0
Total of All Line Items Impacted by Change Request	GF	\$3,288,182	\$0	\$3,475,745	\$418,350	\$437,540
	CF	\$4,374,307	\$0	\$4,391,384	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$183,226	\$0	\$183,226	\$0	\$0

Line Item Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,286,160	\$0	\$3,399,159	\$42,258	\$42,258
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	\$825,627	\$0	\$936,662	\$42,258	\$42,258
Commissioner's Office and Administrative Services - Health, Life, and Dental	CF	\$2,460,533	\$0	\$2,462,497	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$27,806	\$0	\$29,224	\$315	\$344
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	\$8,956	\$0	\$9,930	\$315	\$344
Commissioner's Office and Administrative Services - Short-term Disability	CF	\$18,850	\$0	\$19,294	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$918,971	\$0	\$954,351	\$9,856	\$10,751
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	\$295,862	\$0	\$323,967	\$9,856	\$10,751
Commissioner's Office and Administrative Services - Amortization Equalization Disbursement	CF	\$623,109	\$0	\$630,384	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$918,971	\$0	\$954,351	\$9,856	\$10,751
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	\$295,862	\$0	\$323,967	\$9,856	\$10,751
Commissioner's Office and Administrative Services - Supplemental Amortization Equalization Disbursement	CF	\$623,109	\$0	\$630,384	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$415,955	\$0	\$415,955	\$11,007	\$11,007
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	\$166,321	\$0	\$166,321	\$11,007	\$11,007
Commissioner's Office and Administrative Services - Vehicle Lease Payments	CF	\$243,668	\$0	\$243,668	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$5,966	\$0	\$5,966	\$0	\$0

	Total	\$2,277,852	\$0	\$2,297,315	\$345,058	\$362,429
02. Agriculture Services, (A)	FTE	17.5	0.0	17.5	2.8	3.0
Agriculture Services, (1) Agriculture Services - Animal Industry Division	GF	\$1,695,554	\$0	\$1,714,898	\$345,058	\$362,429
	CF	\$405,038	\$0	\$405,157	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$177,260	\$0	\$177,260	\$0	\$0

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

**Department Priority: R-02****Request Detail: Enhancing Resources for Bureau of Animal Protection**

Summary of Funding Change for FY 2022-23			
		Incremental Change	
	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2023-24 Request
Total Funds	\$2,277,852	\$418,350	\$437,540
FTE	17.5	2.8	3.0
General Fund	\$1,695,554	\$418,350	\$437,540
Cash Funds	\$405,038	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$177,260	\$0	\$0

Summary of Request

The Colorado Department of Agriculture (CDA) requests \$418,350 General Fund and 2.8 FTE in FY 2022-23, and \$437,540 General Fund and 3.0 FTE in FY 2023-24 and ongoing to provide additional support to the Bureau of Animal Protection (BAP) Program through a Veterinary Forensic Specialist, two BAP investigators, and a Local Veterinarian Network to assist local authorities with initial BAP site assessments and investigations. This funding will help the department meet increasing demand for program support in the field and ensure the department can execute its statutory obligations as the designated oversight agency.

Current Program

The Animal Protection Act of 1990 created the Bureau of Animal Protection (BAP). BAP serves as a support mechanism to local law enforcement agencies in conducting animal cruelty and neglect investigations. As authorized through Section 35-42-106 C.R.S., the Commissioner of the Colorado Department of Agriculture (CDA) appoints BAP agents. These agents, spread throughout the state, are employees of the state (*specifically CDA*), Colorado-based non-profits, municipal corporations, counties, cities, cities and counties, or any other local government entity or political subdivision of the state (pursuant to Section 35-42-107 (2) C.R.S.

Agents are classified by their employment type as either CDA, nonprofit, local government, or law enforcement agents. The latter are not necessarily fully certified peace officers but instead are employed either by a sheriff's office or a police department. However, all commissioned agents are vested with at least one peace officer authority, specifically, the power to investigate and enforce misdemeanor criminal violations of the state's cruelty to animals statute. This criminal authority compliments whatever authorities their employer has vested in them.

Although all agent types may investigate alleged abuse of companion animals, only agents employed by CDA or a sheriff's department have the authority to investigate livestock abuse complaints. The Animal Protection Act additionally provides CDA's Commissioner with a myriad of civil remedies for incidents of animal neglect, mistreatment, or abandonment, some of which agents may exercise independently.

As of October 2021 there are 97 agents, only one of which is a CDA employee, and this official is rarely free for field response due to competing work responsibilities. In order to become a BAP agent, applicants must complete at minimum 40 hours of pertinent training followed by 32 hours of continuing education every two years; have one year of experience in regulatory or code enforcement, animal care and control, or animal cruelty Investigations; and attend CDA's most current Scope and Range of BAP Agent Authority Training.

The BAP currently has one dedicated FTE: a program manager who regularly supports law enforcement by providing remote guidance or by occasionally responding with them during animal cruelty investigations as one of the two agents employed by CDA. The Program Manager also refers complaints from the public to appropriate local authorities, oversees BAP agents, maintains associated BAP records, and develops as well as presents BAP training to agents, law enforcement, and deputy district attorneys.

In addition, a field veterinarian from the Animal Health Division will often accompany the Program Manager and provide veterinary subject matter expertise when the department assists law enforcement in the field.

Problem or Opportunity

The BAP program does not have sufficient resources to meet the demand to support external BAP agents in the investigation of animal cruelty allegations. The state currently does not take advantage of the full spectrum of criminal and civil authorities granted to CDA's Commissioner by the Animal Protection Act due to resource challenges.

At the close of the 2020 legislative session, CDA conducted stakeholder meetings as part of a BAP rulemaking process. The stakeholder group agreed that in order for the department to do more to protect animals in Colorado, additional resources would be needed.

Funding additional state resources and initiatives will create the means for CDA to fully actualize the Animal Protection Act. There are animal protection authorities unique to the Commissioner that can measurably augment the effectiveness of local authority response to incidents of animal neglect, mistreatment, and abandonment. The remedies offered by the Animal Protection Act are not currently being fully utilized by CDA. To unlock these tools for the benefit of all animals throughout Colorado, CDA will require additional resources.

Proposed Solution

To address increasing demand on the BAP program, the department requests \$418,350 General Fund and 2.8 FTE in FY 2022-23, and \$437,540 and 3.0 FTE in FY 2023-24 and ongoing to provide additional support through a Veterinary Forensic Specialist, two BAP investigators, and building a Local Veterinarian Network to assist local authorities with initial BAP site assessments and investigations.

First, the department requests \$126,012 in FY 2022-23 to hire a Veterinary Forensic Specialist to provide vital professional forensic services to agents and local authorities during animal neglect, mistreatment and/or cruelty investigations. The success of animal neglect, mistreatment and/or cruelty prosecutions hinges on credible testimony from a veterinary subject matter expert. This position will fill a current statewide void and at the same time free up CDA field veterinarians who are assigned other primary duties and lack specialized forensic training.

Next, the department requests \$157,731 in FY 2022-23 to hire 1.8 FTE as BAP Investigators. Currently, CDA does not employ agents who are solely dedicated and appropriately equipped for first response statewide to citizen complaints of animal neglect, mistreatment, or abuse. However, as CDA employees, these FTE are not only granted an additional authority to

investigate livestock cases, but as agents employed by CDA, they are fully accountable to the Commissioner, can tap an array of Animal Health Division resources, and have direct access to CDA's legal counsel for both criminal and civil investigations conducted pursuant to the Animal Protection Act. In addition to the first response, the positions will provide field support to BAP agents and local authorities during complex criminal investigations and take the lead on civil investigations. When not handling BAP incidents, the two FTE will develop BAP related training for local presentations, raise local authorities' awareness of what BAP has to offer, and enlist new agents along with additional agencies willing to employ BAP agents.

As part of this portion of the request, the department requests funding to reallocate the existing program manager to provide oversight and management of not only the BAP program but also supervision of the FTE added through this request. The current position does not have supervisory responsibility. This position will also administer the Local Veterinarian Network requested below.

Finally, the department requests \$36,000 in FY 2022-23, and \$54,000 in FY 2023-24 and ongoing to create a fund to compensate a network of local private practice veterinarians for providing immediate assistance to local law enforcement during the initial assessment of an animal abuse report, case follow ups, and emergencies, such as traffic accidents involving livestock. Having BAP coordinate and provide this resource as needs arise statewide will expedite interventions wherein animals are suffering and CDA staff response time is delayed. This will resolve the typically encountered difficulty of finding a local veterinarian, particularly a large animal/livestock veterinarian, to accompany first responders including BAP agents, in outlying rural counties. The Program Manager will oversee the creation of this network, which includes handling the selection, vetting, training, as well as the deployment of these fairly compensated experts in lieu of CDA staff for urgent reports and for less complex incidents involving both companion animals and livestock.

Theory of Change	Additional resources in the BAP program will improve response to, and prevention of, animal abuse and neglect cases.
Program Objective	Respond quickly and thoroughly to animal abuse, mistreatment and neglect cases to advance animal welfare.
Outputs Being Measured	Number of cases new staff respond to and requests for veterinary support.
Outcomes Being Measured	<ol style="list-style-type: none"> 1. Quicker turn-round time for case response and investigation. 2. Increased level of communication and shared response with law enforcement and other co-response agencies. <p>Once the FTE are in place and are supporting BAP agents, the department can develop additional strategies to measure the success of the resources through BAP agent surveys, training, etc.</p>

Cost/Benefit Ratio	None at this time.		
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation	N/A	N/A	N/A
Continuum Level	Step 2		

Anticipated Outcomes

With approval of this request, the department will have the staffing of both paid and contracted experts to actively respond in concert with local authorities and BAP agents to reports of animal abuse, mistreatment, and neglect anywhere in the state, instead of remotely assisting or referring complaints. This request helps advance animal welfare and will provide CDA with the capacity to better utilize its authorities set forth by the Animal Protection Act, even in those areas of Colorado where local resources are minimal or non-existent. It also ensures a fair and accurate investigation of animal cruelty investigations. In addition, CDA veterinary staff that currently have to step away from their work to assist in these cases will be able to work solely on animal disease response and other duties requiring veterinary expertise.

Assumptions and Calculations

The three parts of this request include a number of assumptions within each calculation.

First, to calculate the cost of the Veterinary Forensic Specialist, the department assumes the position will need to be hired at the Veterinarian II classification in order to find a candidate that is able to respond and investigate cases independently. The department typically hires at 5% above the minimum which was also included in the calculation. In order to respond to statewide forensic investigations, the position will need a truck fleet vehicle to enable offroad response and mileage costs built into the budget. Additionally, the truck will need to be equipped with a veterinary box that will include medication and supplies to enable the Forensic Veterinarian to provide immediate veterinary care in the field. Responding to cases is also likely to require some overnight stays. To estimate this cost, the CDA assumes the FTE will spend an average of 3 nights per month in the field at \$200 per night and \$55 per diem for 6 days per month. The department also estimates this position will be required to take continuous training to ensure expertise in veterinary response which will cost approximately \$2,000 per year.

Next, the department calculated the cost for the two BAP Investigators by reviewing and aligning the estimate to the Pet Animal Care Facility Act (PACFA) Program Investigators. The

BAP Investigators will be doing similar work so CDA believes it will be valuable to align the positions. PACFA Investigators are typically at the Compliance Specialist III classification with a salary at 10% above the minimum. As such, a commensurate salary is included in the calculation of this request. In addition to FTE costs, each of the Investigators will need a fleet vehicle that is capable of off road driving. For this estimate, the department assumes a 4x4 hybrid SUV will be an appropriate vehicle to add to the fleet. CDA estimates that each of the FTE will drive approximately 16,524 miles per year based on the current average experience of CDA veterinarians in the field. Responding to cases is also likely to require some overnight stays. To estimate this cost, the department assumes the FTE will spend an average of 3 nights per month in the field at \$200 per night and \$55 per diem for 6 days per month. The department also estimates this position will be required to take continuous training to ensure expertise in animal welfare response which will cost approximately \$2,000 per year.

As part of this portion of the request, CDA calculated the reclassification of the current FTE administering the BAP program to account for the oversight and management of the BAP Investigators. To estimate this cost, the department assumes the current position, which is classified as an Administrator IV, will be promoted to an Administrator V at a salary 5% above the minimum of the classification to align with current departmental practices.

Finally, the department calculated the cost to create a Local Veterinarian Network to assist local authorities with BAP initial inspections. The department assumes that there will be a one year ramp up period in which information is disseminated about the availability of the veterinarians to assist with BAP incidents around the state. In estimating the network cost for FY 2022-23, the CDA assumes that approximately 3 veterinarians will be enrolled in the referral network and that they will respond approximately 80 hours each during the first year of the referral program. This assumption is based on FY 2020-21 response and driving hours provided by the department's two current veterinarians responding to BAP cases. These estimated hours do not include legal testimony for FY 2020-21. However, given that the department expects a ramp up period, CDA assumes 80 hours per veterinarian to be appropriate.

To estimate the cost for the FY 2023-24 BAP Local Veterinary Network, and ongoing, the department assumes an additional 40 hours will be added to each responding veterinarian's workload, for a total of 120 hours, to accommodate legal testimony that is likely and additional calls for their expertise once the program is fully operational.

For both fiscal years, and ongoing, the department assumes it will pay responding veterinarians from the BAP Local Veterinary Network \$150 per hour to accommodate their expertise, benefits, time away from their practices, travel and per diem.

Colorado Department of Agriculture
R-02 Enhancing Resources for Bureau of Animal Protection
Appendix A

Table 1.1 - FY 2022-23 Summary by Line Item							
Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
(1) Commissioner's Office and Administrative Services; Health, Life and Dental	\$42,258	0.0	\$42,258	\$0	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; SB 04-257 Amortization Equalization Disbursement	\$9,856	0.0	\$9,856	\$0	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; SB 06-235 Supplemental Amortization Equalization Disbursement	\$9,856	0.0	\$9,856	\$0	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; Short Term Disability	\$315	0.0	\$315	\$0	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; Vehicle Lease Payments	\$11,007	0.0	\$11,007	\$0	\$0	\$0	Table 4.1 Row A
(2) Agricultural Services; Animal Industry Division	\$345,058	2.8	\$345,058	\$0	\$0	\$0	Table 3, Table 4.1 Row B and C, Table 5 Row H, Table 6.1 Row D
Total Cost	\$418,350	2.8	\$418,350	\$0	\$0	\$0	

Table 1.2 - FY 2023-24 Summary by Line Item							
Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
(1) Commissioner's Office and Administrative Services; Health, Life and Dental	\$42,258	0.0	\$42,258	\$0	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; SB 04-257 Amortization Equalization Disbursement	\$10,751	0.0	\$10,751	\$0	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; SB 06-235 Supplemental Amortization Equalization Disbursement	\$10,751	0.0	\$10,751	\$0	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; Short Term Disability	\$344	0.0	\$344	\$0	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; Vehicle Lease Payments	\$11,007	0.0	\$11,007	\$0	\$0	\$0	Table 4.1 Row A
(2) Agricultural Services; Animal Industry Division	\$362,429	3.0	\$362,429	\$0	\$0	\$0	Table 3, Table 4.1 Row B and C, Table 5 Row H, Table 6.2 Row D
Total Cost	\$437,540	3.0	\$437,540	\$0	\$0	\$0	

Colorado Department of Agriculture
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Appendix A

Table 2.1 - FY 2022-23 Summary by Initiative								
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
A	Veterinary Forensic Specialist	\$126,012	0.9	\$126,012	\$0	\$0	\$0	Table 3
B	Investigator FTEs	\$157,731	1.8	\$157,731	\$0	\$0	\$0	Table 3
C	Management Reclassification	\$8,935	0.0	\$8,935	\$0	\$0	\$0	Table 5 Row H
D	Operating	\$63,093	0.0	\$63,093	\$0	\$0	\$0	Table 3
E	Travel and Fleet Vehicles	\$26,579	0.0	\$26,579	\$0	\$0	\$0	Table 4.1 Row D
F	Veterinary Inspection Network	\$36,000	0.0	\$36,000	\$0	\$0	\$0	Table 6.1 Row D
G	Total	\$418,350	2.8	\$418,350	\$0	\$0	\$0	Sum of Row A through F

Table 2.2 - FY 2023-24 Summary by Initiative								
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
A	Veterinary Forensic Specialist	\$136,186	1.0	\$136,186	\$0	\$0	\$0	Table 3
B	Investigator FTEs	\$169,509	2.0	\$169,509	\$0	\$0	\$0	Table 3
C	Management Reclassification	\$8,935	0.0	\$8,935	\$0	\$0	\$0	Table 5 Row H
D	Operating	\$42,330	0.0	\$42,330	\$0	\$0	\$0	Table 3
E	Travel and Fleet Vehicles	\$26,579	0.0	\$26,579	\$0	\$0	\$0	Table 4.1 Row D
F	Veterinary Inspection Network	\$54,000	0.0	\$54,000	\$0	\$0	\$0	Table 6.1 Row D
G	Total	\$437,540	3.0	\$437,540	\$0	\$0	\$0	Sum of Row A through F

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Table 3 - 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 (\$1,410), docking station and monitors (\$260), Office Suite Software (\$330), and office furniture (\$3,473).

General Fund FTE -- Beginning July 1, 2020, 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 2022-23		FY 2023-24		
<i>Personal Services:</i>					
Classification Title	Monthly Salary	FTE	FTE		
Veterinarian II	\$8,306	0.9	\$91,361	1.0	\$99,666
PERA			\$9,958		\$10,864
AED			\$4,568		\$4,983
SAED			\$4,568		\$4,983
Medicare			\$1,325		\$1,445
STD			\$146		\$159
Health-Life-Dental			\$14,086		\$14,086
Subtotal Position 1, 1.0 FTE		0.9	\$126,012	1.0	\$136,186
Classification Title	Monthly Salary	FTE	FTE		
Compliance Specialist III	\$4,807	1.8	\$105,754	2.0	\$115,368
PERA			\$11,527		\$12,575
AED			\$5,288		\$5,768
SAED			\$5,288		\$5,768
Medicare			\$1,533		\$1,673
STD			\$169		\$185
Health-Life-Dental			\$28,172		\$28,172
Subtotal Position 2, 2.0 FTE		1.8	\$157,731	2.0	\$169,509
Subtotal Personal Services		2.8	\$283,743	3.0	\$169,509

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Operating Expenses:					
		FTE		FTE	
Regular FTE Operating Expenses	\$500	2.8	\$1,375	3.0	\$1,500
Telephone Expenses	\$450	2.8	\$1,238	3.0	\$1,350
PC, One-Time	\$2,000	3.0	\$6,000	-	\$0
Office Furniture, One-Time	\$5,000	3.0	\$15,000	-	\$0
Lodging	\$7,200	3.0	\$21,600	3.0	\$21,600
Per Diem	\$3,960	3.0	\$11,880	3.0	\$11,880
Training	\$2,000	3.0	\$6,000	3.0	\$6,000
Subtotal Operating Expenses			\$63,093		\$42,330
<u>TOTAL REQUEST</u>		2.8	<u>\$346,836</u>	3.0	<u>\$211,839</u>
	<i>General Fund:</i>	2.8	\$346,836	3.0	\$211,839
	<i>Cash funds:</i>	-	\$0	-	\$0
	<i>Reappropriated Funds:</i>	-	\$0	-	\$0
	<i>Federal Funds:</i>	-	\$0	-	\$0

	FY 2022-23	FY 2023-24
PERA	10.90%	10.90%
AED	5.00%	5.00%
SAED	5.00%	5.00%
Medicare	1.45%	1.45%
STD	0.16%	0.16%
Health-Life-Dental	\$14,086	\$14,086

Colorado Department of Agriculture
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Appendix A

Table 4.1 - Bureau of Animal Protection FY 2022-23 and Ongoing Estimated Fleet Cost			
Row	Item	Estimate	Source/Calculation
A	Total Monthly Vehicle Payments	\$11,007	Table 4.2 Row C + Table 4.3 Row C
B	Total Estimated Mileage Costs	\$14,772	Table 4.2 Row F + Table 4.3 Row F
C	Vet Box Purchase and Installation	\$800	Estimate, see narrative
D	Total Estimated Fleet Cost	\$26,579	Sum of Row A through C

Table 4.2 - Bureau of Animal Protection FY 2022-23 and Ongoing Forensic Veterinarian Estimated Fleet Cost			
Row	Item	Estimate	Source/Calculation
A	Monthly Vehicle Charge	\$351.89	Estimate based on current estimated payment for a 4x4 trucks
B	Number of Vehicles	1	One vehicle for veterinarian
C	Total Monthly Payments	\$4,223	Row A * Row B * 12
D	Estimated Yearly Miles	16,524	Table X Row C
E	Mileage/Maintenance Rate	\$0.30	Estimate based on current rate
F	Estimated Mileage/Maintenance Cost	\$4,924	Row D * Row E
G	Total Fleet Cost	\$9,147	Row C + Row F

Table 4.3 - Bureau of Animal Protection FY 2022-23 and Ongoing Investigator Estimated Fleet Cost			
Row	Item	Estimate	Source/Calculation
A	Monthly Vehicle Charge	\$282.68	Estimate based on current payment for Hybrid 4x4 SUV
B	Number of Vehicles	2	Assumes one vehicle per new FTE
C	Total Monthly Payments	\$6,784	Row A * Row B * 12
D	Estimated Yearly Miles	33,048	Table X Row C * Row B
E	Mileage/Maintenance Rate	\$0.30	Estimate based on current rate
F	Estimated Mileage/Maintenance Cost	\$9,848	Row D * Row E
G	Total Investigator Fleet Cost	\$16,632	Row C + Row F

Table 4.4 - Estimated BAP Vehicle Mileage			
Row	Item	Estimate	Source/Calculation
A	FY 2019-20 Average Monthly Mileage	1,377	Based on two current veterinarian travel rates
B	Number of Months	12	Assumes full year of response
C	Total Yearly Mileage per Vehicle	16,524	Row A * Row B

Colorado Department of Agriculture
R-02 Enhancing Resources for Bureau of Animal Protection
Appendix A

Table 5 - Bureau of Animal Protection Oversight Reallocation Estimate			
Row	Item	Estimate	Source/Calculation
A	Current FTE Salary (Administrator IV)	\$6,469	Includes FY 2020-21 Salary + 3% for FY 2021-22 Salary Survey
B	Benefits	\$799	12.35% (PERA and Medicare)
C	Total Current Cost	\$7,268	Row A + Row B
D	Administrator V Reclassification	\$7,132	FY 2021-22 base plus 5%
E	Benefits	\$881	12.35% (PERA and Medicare)
F	Total Reallocation Cost	\$8,013	Row D + Row E
G	Total Monthly Request	\$745	Row F - Row C
H	Total Annual Request	\$8,935	Row G * 12

Colorado Department of Agriculture
R-02 Enhancing Resources for Bureau of Animal Protection
Appendix A

Table 6.1 - FY 2022-23 Bureau of Animal Protection Veterinary Investigation Network Estimate			
Row	Item	Estimated Cost	Source/Calculation
A	Estimated Number of Veterinarians	3	Based on current veterinarians providing support to the program, see narrative for further detail
B	Hourly Rate	\$150	See narrative for further detail
C	Estimated Annual Hours	240	Assumes 80 hours per year per veterinarian, see narrative for further detail
D	Total Estimated Cost	\$36,000	Row A * Row B * Row C

Table 6.2 - FY 2023-24 Bureau of Animal Protection Veterinary Investigation Network Estimate			
Row	Item	Estimated Cost	Source/Calculation
A	Estimated Number of Veterinarians	3	Based on current veterinarians providing support to the program, see narrative for further detail
B	Hourly Rate	\$150	See narrative for further detail
C	Estimated Annual Hours	360	Assumes 120 hours per year per veterinarian, see narrative for further detail
D	Total Estimated Cost	\$54,000	Row A * Row B * Row C

Department of Agriculture

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-03 Colorado Hemp Decortication

Dept. Approval By:

Jill Schnathorst

Supplemental FY 2021-22

OSPB Approval By:

Budget Amendment FY 2022-23

X

Change Request FY 2022-23

Summary Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$6,958,792	\$0	\$7,150,965	\$5,072,735	\$0
	FTE	5.4	0.0	5.4	0.8	0.0
Total of All Line Items	GF	\$2,273,870	\$0	\$2,449,085	\$0	\$0
Impacted by Change Request	CF	\$3,756,692	\$0	\$3,773,650	\$5,072,735	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$928,230	\$0	\$928,230	\$0	\$0

Line Item Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,286,160	\$0	\$3,399,159	\$14,086	\$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)	GF	\$825,627	\$0	\$936,662	\$0	\$0
Commissioner's Office and Administrative Services - Health, Life, and Dental	CF	\$2,460,533	\$0	\$2,462,497	\$14,086	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$27,806	\$0	\$29,224	\$66	\$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)	GF	\$8,956	\$0	\$9,930	\$0	\$0
Commissioner's Office and Administrative Services - Short-term Disability	CF	\$18,850	\$0	\$19,294	\$66	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$918,971	\$0	\$954,351	\$2,065	\$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)	GF	\$295,862	\$0	\$323,967	\$0	\$0
Commissioner's Office and Administrative Services - Amortization Equalization Disbursement	CF	\$623,109	\$0	\$630,384	\$2,065	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$918,971	\$0	\$954,351	\$2,065	\$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)	GF	\$295,862	\$0	\$323,967	\$0	\$0
Commissioner's Office and Administrative Services - Supplemental Amortization Equalization Disbursement	CF	\$623,109	\$0	\$630,384	\$2,065	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$1,806,884	\$0	\$1,813,880	\$5,054,453	\$0
03. Agriculture Markets Division, (A) Agricultural Markets, (1) Agricultural Markets - Program Costs	FTE	5.4	0.0	5.4	0.8	0.0
	GF	\$847,563	\$0	\$854,559	\$0	\$0
	CF	\$31,091	\$0	\$31,091	\$5,054,453	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$928,230	\$0	\$928,230	\$0	\$0

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



Department Priority: R-03
Request Detail: Colorado Hemp Decortication

Summary of Funding Change for FY 2022-23			
		Incremental Change	
	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2023-24 Request
Total Funds	\$0	\$5,072,735	\$0
FTE	0.0	0.8	0.0
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$5,072,735	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request

The Colorado Department of Agriculture (CDA) requests \$5,072,735 total funds from the Marijuana Tax Cash Fund created at Section 39-28.8-501(1), C.R.S. to expand hemp decortication in Colorado by offering a one-time grant program through CDA. As part of this request, the department also seeks rollforward authority on the appropriation in order to ensure projects are complete and paid for within a reasonable timeframe.

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. In order to cultivate industrial hemp in Colorado, producers must register annually with the CDA, as required by Section 35-61-104, C.R.S. Registration fees are assessed by the department by acreage and/or indoor square feet, pursuant to Section 35-61-106 (2), C.R.S. Between FY 2016-17 and FY 2017-18, the department saw an 82% growth in registrations of hemp producers, with an additional 168% increase between FY 2017-18 and FY 2018-19. However, through the FY 2019-20 and FY 2020-21 registration process the number of registered acres decreased significantly, likely a result of initial market saturation following the legalization of hemp production in the 2018 Farm Bill and the lack of a suitable, reliable market for the product.

Currently, in Colorado, most hemp is grown to be processed into cannabidiol (CBD) oil that is used as an ingredient in various types of health and beauty products. To make this oil, only the flower is utilized. The hemp is shipped to a processor within the state or to a neighboring state and the raw oil is extracted for sale. In many cases, the remainder of the plant biomass is discarded, leaving much of the beneficial use of the plant unrealized. The initial surge in demand for growing hemp at the early stages of the program's development was fueled by the popular CBD market during this time period. This demand saw many dubious actors enter the business and left many farmers empty handed. As such, it has been essential for Colorado to look at the practical uses for hemp outside of CBD and look at the long term viability of the market and the multiple uses whereby growers can get value for the crop by the multiple sales channels for their product. Despite the downturn in industrial hemp cultivation in FY 2019-20 and FY 2020-21, Colorado remains the largest industrial hemp producing state by both planted and harvested acreage in the United States.

Problem or Opportunity

Colorado industrial hemp farmers and producers are in need of diversified market opportunities in order to make hemp a profitable product. Growers are growing hemp for uses outside the production of the traditional CBD market.

CDA has ascertained that growers can reduce waste and see multiple revenue streams from the sale of their hemp crop by utilizing different parts of the plant. However, the processing needed to do this is not widely available in Colorado, neighboring states, or even in other parts of the United States. There is growing demand for hemp products derived from parts of the plant that are currently being discarded from the stalk, such as fiber and hurd. In industrial hemp the hurd (the woody innermost part of the stalk) is increasingly used for construction and building materials, animal bedding, cosmetics, and as an alternative to plastics. The fiber

surrounding the hurd in the stalk can be used for textiles, other yarn applications, construction, and more. An additional use for the grain is for it to be processed into foods such as hemp hearts, flour, cooking oil, and other ingredients.

In order to use the plant materials in these different ways, it must first be processed through a decortication machine which runs the stalks through giant rollers and sifters that strip the fiber from the hurd to separate the two. Once the crop is decorticated, it directly increases the value and potential avenues for hemp use that do not otherwise exist. From there, it can be used immediately or be sold to be processed further to meet demand in multiple markets. If done well, farmers and processors will be able to get multiple applications from one plant and will not have to solely rely on one use.

Colorado is seen as an innovator in the hemp industry, but if it cannot decorticate hemp and provide growers and manufacturers with a way to process hemp for diverse markets, the state is likely to start falling behind the market.

Proposed Solution

CDA requests \$5,072,735 total funds, from the Marijuana Tax Cash Fund created at Section 39-28.8-501(1) C.R.S. to expand hemp decortication in Colorado by offering a one-time grant program. CDA will operate the grant program under the authority provided to the department in Section 35-1.2-103(1)(b), C.R.S. as part of the Colorado Agricultural Future Loan Program (which authorizes the department to provide grants in addition to loans). The additional funds provided to this program specifically to develop hemp processing will allow significant market development for hemp producers while allowing the department to focus dollars allocated by the legislature in 2021 for the processing of other agricultural products and commodities, such as small and regional meat processors. As part of this request the department also seeks rollforward authority on the appropriation in order to ensure projects are complete and paid for within a reasonable timeframe.

The department will develop an application and review process that will allow private businesses interested in bringing hemp decortication to Colorado to apply for matching funding to build their business. The applicants will decide where their desired facility is located, which machine to purchase, and all other business decisions. Given the high start-up cost to establish a decortication facility, the department anticipates it will make up to four awards through the grant process. As part of the award process, the department will prioritize projects that create access to decortication statewide. This will ensure that state dollars are used to support the broader industry rather than an individual producer. The department will also prioritize projects that can be implemented on an accelerated timeline in order to meet processing demand in a timely manner.

As part of the grant program, the department also requests administrative support through a temporary employee at the Grant Specialist III classification. This FTE will be responsible for identifying grant eligibility and review criteria, organizing a review committee and facilitating the review process, issuing grant notices, and working with awardees. Once the award is made the FTE will be responsible for following up with awardees to ensure the work is completed within the scope of the grant award. CDA estimates this process will take approximately nine months to complete and that any follow-up work to close out the grant process can be done with existing staff.

Theory of Change	Colorado industrial hemp farmers and producers are in need of market opportunity through expansion of additional types of hemp processing in order to make it a profitable commodity.		
Program Objective	To promote economic diversity and resilience in the agricultural industry, specifically in the hemp sector, through grants to promote job creation and economic opportunity for producers.		
Outputs Being Measured	Number of possible interested hemp producers within the state.		
Outcomes Being Measured	None at this time.		
Cost/Benefit Ratio	None at this time.		
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation	N/A	N/A	N/A
Continuum Level	Step 1		

Anticipated Outcomes

With the implementation of a grant program for hemp decortication, CDA will help foster the development of new kinds of hemp processing in Colorado. CDA has already begun and will continue finding new markets and building the demand and customer interest for hemp fiber and hurd. The opportunities for multiple uses in this young industry are growing fast and have the potential to provide a sustainable market for hemp growers. Providing growers with access to decortication will support growers in diversifying their supply channels and allow them to see more revenue streams out of the same crop. CDA anticipates that Colorado growers and producers will provide high quality hemp products to customers and manufacturers all over the world.

Assumptions and Calculations

To estimate the cost of a decortication grant program, CDA assumes it will need a temporary FTE at the Grants Specialist III classification to facilitate the application process and monitor

the development of the project. The department typically hires at 5% above the minimum of the classification range and includes that adjustment in the cost estimate. In addition to salary and benefit costs, the department assumes the FTE will need to travel to verify the development of the projects. CDA estimates this will require one overnight stay per month and associated per diem costs. For further detail see Table 3 in the Appendix.

To estimate the appropriate amount to request for a decortication grant program the department analyzed a number of decortication machines that ranged in cost from \$600,000 to \$3,000,000 depending on the type and quality of product the machine aims to produce. The department determined that providing \$5,000,000 in grant funding will support approximately three firms with decortication processing development in Colorado while still likely requiring applicants to share in the cost.

Colorado Department of Agriculture
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Appendix A

Table 1.1 - FY 2022-23 Summary by Line Item							
Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
(1) Commissioner's Office and Administrative Services; Health, Life and Dental	\$14,086	0.0	\$0	\$14,086	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; SB 04-257 Amortization Equalization Disbursement	\$2,065	0.0	\$0	\$2,065	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; SB 06-235 Supplemental Amortization Equalization Disbursement	\$2,065	0.0	\$0	\$2,065	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; Short Term Disability	\$66	0.0	\$0	\$66	\$0	\$0	Table 3
(3) Agricultural Markets Division; (A) Agricultural Markets; Program Costs	\$5,054,453	0.8	\$0	\$5,054,453	\$0	\$0	Table 3 and Table 2.1 Row C
Total Cost	\$5,072,735	0.8	\$0	\$5,072,735	\$0	\$0	

Table 1.2 - FY 2023-24 Summary by Line Item							
Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
(1) Commissioner's Office and Administrative Services; Health, Life and Dental	\$0	0.0	\$0	\$0	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; SB 04-257 Amortization Equalization Disbursement	\$0	0.0	\$0	\$0	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; SB 06-235 Supplemental Amortization Equalization Disbursement	\$0	0.0	\$0	\$0	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; Short Term Disability	\$0	0.0	\$0	\$0	\$0	\$0	Table 3
(3) Agricultural Markets Division; (A) Agricultural Markets; Program Costs	\$0	0.0	\$0	\$0	\$0	\$0	Table 3
Total Cost	\$0	0.0	\$0	\$0	\$0	\$0	

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Appendix A

Table 2.1 - FY 2022-23 Summary by Initiative

Row	Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
A	Grant Management FTE	\$64,679	\$0	\$64,679	\$0	\$0	Table 3
B	Operating and Travel Costs	\$8,056	\$0	\$8,056	\$0	\$0	Table 3
C	Decortication Grant Funding	\$5,000,000	\$0	\$5,000,000	\$0	\$0	See narrative for further detail
D	Total	\$5,072,735	\$0	\$5,072,735	\$0	\$0	Sum of Row A through C

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Table 3 - 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 (\$1,410), docking station and monitors (\$260), Office Suite Software (\$330), and office furniture (\$3,473).

General Fund FTE -- Beginning July 1, 2020, 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 2022-23		FY 2023-24		
Personal Services:					
Classification Title	Monthly Salary	FTE	FTE		
GRANTS SPECIALIST III	\$4,589	0.8	\$41,297	-	\$0
PERA			\$4,501		\$0
AED			\$2,065		\$0
SAED			\$2,065		\$0
Medicare			\$599		\$0
STD			\$66		\$0
Health-Life-Dental			\$14,086		\$0
Subtotal Position 1, 1.0 FTE		0.8	\$64,679	-	\$0
Subtotal Personal Services		0.8	\$64,679	-	\$0
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating Expenses	\$500	0.8	\$375	-	\$0
Telephone Expenses	\$450	0.8	\$338	-	\$0
PC, One-Time	\$2,000	0.8	\$1,500	-	\$0
Office Furniture, One-Time	\$5,000	0.8	\$3,750	-	\$0
Hotel and Lodging	\$1,800	0.8	\$1,350	-	\$0
Per Diem	\$990	0.8	\$743	-	\$0
Subtotal Operating Expenses			\$8,056		\$0

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Appendix A

<u>TOTAL REQUEST</u>	0.8	<u>\$72,735</u>	-	<u>\$0</u>
<i>General Fund:</i>	0.8	\$0	-	\$0
<i>Cash funds:</i>	-	\$72,735	-	\$0
<i>Reappropriated Funds:</i>	-	\$0	-	\$0
<i>Federal Funds:</i>	-	\$0	-	\$0

	FY 2022-23	FY 2023-24
PERA	10.90%	10.90%
AED	5.00%	5.00%
SAED	5.00%	5.00%
Medicare	1.45%	1.45%
STD	0.16%	0.16%
Health-Life-Dental	\$14,086	\$14,086

Department of Agriculture

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-04 State Fair Spending Authority Increase

Dept. Approval By: Jill Schnathorst

OSPB Approval By: _____

Supplemental FY 2021-22
 Budget Amendment FY 2022-23
 X
 Change Request FY 2022-23

Summary Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$9,493,742	\$0	\$9,509,182	\$647,281	\$647,281
Total of All Line Items Impacted by Change Request	FTE	26.9	0.0	26.9	0.0	0.0
	GF	\$750,000	\$0	\$750,000	\$0	\$0
	CF	\$8,743,742	\$0	\$8,759,182	\$647,281	\$647,281
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$9,193,742	\$0	\$9,209,182	\$517,789	\$517,789
05. Colorado State Fair, (A) Colorado State Fair, (1) Colorado State Fair - Program Costs	FTE	26.9	0.0	26.9	0.0	0.0
	GF	\$450,000	\$0	\$450,000	\$0	\$0
	CF	\$8,743,742	\$0	\$8,759,182	\$517,789	\$517,789
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$300,000	\$0	\$300,000	\$129,492	\$129,492
05. Colorado State Fair, (A) Colorado State Fair, (1) Colorado State Fair - State Fair Facilities Maintenance	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$300,000	\$0	\$300,000	\$0	\$0
	CF	\$0	\$0	\$0	\$129,492	\$129,492
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Agriculture Prioritized Request Interagency Approval or Related Schedule 13s: No Other Agency Impact



Department Priority: R-04
Request Detail: State Fair Spending Authority Increase

Summary of Funding Change for FY 2022-23			
		Incremental Change	
	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2023-24 Request
Total Funds	\$9,493,742	\$647,281	\$647,281
FTE	26.9	0.0	0.0
General Fund	\$750,000	\$0	\$0
Cash Funds	\$8,743,742	\$647,281	\$647,281
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request

The Colorado Department of Agriculture (CDA) and State Fair Board request an increase of \$647,281 in cash fund spending authority from the Colorado State Fair Authority Cash Fund created at Section 35-65-107 (1), C.R.S. in FY 2022-23 and ongoing. This funding will support the State Fair by addressing audit concerns about revenue and enterprise status, and increase the State Fair's budget to properly maintain the fairgrounds and temporary staffing levels necessary to operate events.

Current Program

The Colorado State Fair, which began October 9, 1872, has been a focal point for Colorado Agriculture for decades. Today the Colorado State Fair resides on 102 acres of land in Pueblo, Colorado, and has been host to countless celebrity concerts and is used throughout the year for community events. Every year there are new activities and educational opportunities for Coloradans and visitors to enjoy.

The State Fair is managed by the State Fair Board Authority whose responsibility is to direct, supervise, and operate the state-owned asset in a fiscally effective and efficient manner to (a) host the Colorado State Fair and Industrial Exposition, and (b) manage the fairgrounds to provide a year-round, multi-use facility to serve local, regional, and state needs. The State Fair also receives oversight from the CDA Commissioner.

State funding for the State Fair includes a mix of General Fund and revenues from ticket sales, rent from concessionaires and vendors, entry fees, sponsorships, and facility rentals. A history of the appropriation as outlined in the Long Bill can be seen in the table below. The majority of minor increases in the budget are from statewide salary survey adjustments. While these increases help support the State Fair in maintaining full-time regular employees, the adjustments do not include funding for temporary employees paid hourly wages.

Item	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Program Costs	\$9,000,143	\$9,014,000	\$9,014,000	\$9,138,601	\$9,193,742
FFA and 4H Funding	\$550,000	\$550,000	\$550,000	\$275,000	\$550,000
State Fair Facilities Maintenance	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Indirect Cost Assessment	\$111,705	\$111,705	\$111,705	\$128,005	\$128,005
Total	\$9,961,848	\$9,975,705	\$9,975,705	\$9,841,606	\$10,171,747

In addition to Long Bill appropriations, the State Fair has received capital construction funding to complete building projects or to bring the dated buildings and fairgrounds into compliance with building and safety codes.

Through a FY 2019-20 performance audit, the Office of the State Auditor made a number of recommendations to improve the operation and success of the State Fair. For the past 20 months the State Fair has worked diligently to respond to these audit recommendations and was able to partially or fully implement all of the 27 recommendations. One of these recommendations (3C) suggested:

“The Board of the Authority should manage the Authority in a strategic manner that is responsive to the challenges and risks the Authority faces by: C. Including in its strategic plan a goal to operate an enterprise, as directed in statute, and identifying and implementing strategies to reach the goal.”

In response to this suggestion, the Fair Board developed the Ends-Based Strategic Plan which states achieving enterprise status as one of its goals. The Plan states that the most feasible long-term solution for achieving enterprise status is through growth of Authority-generated revenue, not decreasing expenses. This could potentially be accomplished by self-promoting year-round consumer shows and promoting higher-level concerts during the State Fair. To move this work forward, the Fair Board carved out \$320,000 in its FY 2021-22 budget to increase funding for higher level acts during the State Fair and to host a non-fair home show on the fairgrounds.

Each year, the State Fair hires approximately 600 temporary staff to manage the day-to-day activities during fair-time including: issuing and redeeming tickets, event setup, maintaining fairgrounds, providing security, and competition facilitation. These employees are essential to ensuring visitors have a positive experience on the fairgrounds and want to return to future events. This work amounts to approximately \$830,000 per year.

The State Fair receives an annual General Fund appropriation of \$300,000 for maintenance on the fairgrounds. This funding is typically used for improving the conditions of the buildings and grounds. The State Fair also spent an annual average of \$563,280 from FY 2017-18 through FY 2019-20 from the Program Costs line item to support maintenance activities. FY 2020-21 was significantly impacted by the COVID-19 pandemic, which resulted in the State Fair spending \$251,634 from the operating budget on maintenance activities.

Problem or Opportunity

As demonstrated in Table 1, the ongoing budget for the State Fair has not increased significantly in the recent past. While this budget has afforded the State Fair its current activities, recent and likely ongoing financial pressure from responding to audit recommendations, as well as increases in temporary staffing and maintenance costs, can no longer continue to be absorbed.

First, through the FY 2019-20 performance audit, the State Fair received recommendations to develop a plan to move towards enterprise status, which requires, as defined at Section 24-77-102, C.R.S., ten percent or less of the State Fair’s revenues to be from state and local governments. In the December 2020 status report, both the department and Legislative Audit Committee recognized that in order to move the State Fair towards enterprise status, revenues need to increase, which will likely require an increase in cash fund spending authority.¹ For FY

¹ Appendix A, Audit Recommendation Status Report, page 6.

2021-22, the Fair Board allocated \$250,000 to bring in more popular acts to increase revenue during fairtime, and \$70,000 for a new home show that the State Fair will be hosting and promoting in the spring. While the cost of this activity was absorbable for FY 2021-22, the State Fair cannot continue to support this cost without additional appropriations moving forward. Continuing this expenditure is imperative to increasing revenue and driving the State Fair towards enterprise status.

Secondly, there is continued pressure on the State Fair to increase temporary worker wages. Since the passage of Amendment 70 to the Colorado Constitution, which increased the minimum wage, and in order to remain competitive within the Pueblo market, the State Fair has had to increase the wages offered to temporary employees significantly within the past three years without an increase in spending authority. See Table 2 for further detail.

Table 2: Summary of State Fair Temporary Staff Hourly Rate		
Fiscal Year	Temporary Staff Average Hourly Rate	Percent Change
FY 2017-18	\$14.07	
FY 2018-19	\$15.16	7.73%
FY 2019-20	\$17.51	15.47%

This increase in cost per employee has required the State Fair to hire fewer and fewer employees to help operate events and remain within the allotted budget.

Finally, increasing materials and maintenance labor costs have put significant pressure on the State Fair budget. The \$300,000 appropriation for maintenance in the Long Bill has not changed in more than five years. At the same time the budget has remained stagnant, costs for materials and labor continue to increase, especially in recent years with supply chain slow downs and shortages as a result of the COVID-19 pandemic. For example, at the end of FY 2019-20 the State Fair received an insurance payment of \$149,300 to replace the roof on the grandstand, which was damaged by a windstorm. During FY 2020-21 the State Fair issued a request for proposal to complete this project; however, the estimate to replace the roof had increased to \$220,000 (nearly 48%) within months. To date, the State Fair has absorbed these increased maintenance costs within the program budget line item by reducing expenses in other areas. However, the State Fair cannot continue to do so because there is no more room to make reductions without diminishing the quality of the State Fair, which will likely lead to

long term losses in revenue. A summary of additional maintenance expenditures absorbed in the program budget from FY 2017-18 to FY 2020-21 can be seen in Table 5.2 in the Appendix.

Proposed Solution

The Colorado State Fair Board requests an increase of \$647,281 cash fund spending authority from the Colorado State Fair Authority Cash Fund created at Section 35-65-107 (1), C.R.S. in FY 2022-23 and ongoing. This proposal will adjust spending authority for activities that would help move the State Fair towards enterprise status, and reduce pressure on the current budget from increasing labor and maintenance costs.

First, to address the State Fair's performance audit recommendations to engage in activities to move towards enterprise status, the Fair Board requests \$320,000 in cash fund spending authority to increase the quality of the acts during fairtime and to host and promote an ongoing home show. The State Fair anticipates that hiring popular acts will drive more revenue by bringing more guests to the fairgrounds. This spending authority will come from the Colorado State Fair Authority Cash Fund and will not require a fee increase as the current cash fund balance is able to absorb the initial cost. The State Fair anticipates that the increase in cost will be more than offset by an increase in revenue from the expanded national acts during the annual State Fair and new consumer shows. Second, the Fair Board requests an increase of \$197,789 in cash fund spending authority in FY 2022-23 and ongoing from the Colorado State Fair Authority Cash Fund to address increasing costs of temporary staff.

Finally, the Fair Board requests to increase maintenance spending authority by \$129,492 in FY 2022-23 and ongoing.

The State Fair Authority Fund will be able to support this additional pressure on the Fund, as the Fund currently holds a balance above the Board-required \$1 million. The State Fair expects to be able to meet this requirement on an ongoing basis even with the approval of this request. Additionally, revenue has increased over time and is anticipated to continue to grow as the State Fair brings in stronger acts and adds non-fair activities, like the home show. For further detail on cash fund growth see the Schedule 9.

This program is currently at Step 2 on the evidence-based continuum, but with this request, could move to Step 3. To determine the success of the revenue-driving efforts, the department and the Fair Board will need to conduct pre- and post-intervention evaluation.

Theory of Change	Collecting and incorporating data on the types of events held at the fairgrounds and the revenue earned at the event will enable the department to target types of acts that best increase revenue year after year.		
Program Objective	Increase revenue earned through ticket sales.		
Outputs Being Measured	Ticket sales.		
Outcomes Being Measured	Increasing revenue and moving towards a return to enterprise status.		
Cost/Benefit Ratio	None at this time.		
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation	N/A	N/A	N/A
Continuum Level	Step 2		

If this request is not approved, the State Fair will have to continue to absorb increasing costs within the existing budget, which will result in scaling back audit addressing activities. It will also lead to hiring fewer temporary staff during fairtime, which will likely have a negative impact on guest experience and reducing the number of fairground maintenance activities that can be completed.

Anticipated Outcomes

With approval of this request, the State Fair will be able to right-size its budget to address recent pressures. The Fair Board will continue to fund more popular shows during fairtime and promote non-fair events, which are likely to increase revenues and help move the State Fair towards enterprise status.

In addition to supporting the State Fair's effort towards enterprise status, increasing cash fund spending authority will also allow the State Fair to address growing costs in temporary employee labor. With the additional spending authority, the State Fair will be able to be competitive in the Pueblo hiring market as well as increase staffing levels compared to previous fiscal years, which will help ensure the grounds are clean and guests have a positive experience while visiting.

Additional spending authority for maintenance costs will provide funding to address day to day maintenance issues and the multi-million dollar backlog of deferred maintenance.

Assumptions and Calculations

To calculate the three initiatives under this request, the State Fair made a number of estimates and assumptions.

First, in identifying the costs associated with addressing performance audit recommendations, the State Fair utilized FY 2021-22 contracts and estimated budgets. For FY 2021-22, the State Fair contracted with more prominent acts such as Nelly, Jon Pardi, and Dustin Lynch, nationally recognized acts that added \$250,000 to the budget. The State Fair assumes that in order to attract additional performers of this level, a similar level of funding will be needed in the future.

Also included in the FY 2021-22 budget is \$70,000 for a home show that will be hosted on the fairgrounds and promoted by the State Fair. A breakdown of costs associated with this event can be found in Table 3.2 of the Appendix. The State Fair anticipates this will be an ongoing event and that a similar level of funding will be needed on an ongoing basis.

Second, to estimate the budget needed to hire the appropriate number of temporary staff at a competitive wage, the State Fair examined average yearly hours paid and the average hourly rate paid from FY 2017-18 through FY 2019-20. During this period wages grew significantly in order to compete in the regional job market. To stay competitive, the State Fair assumes that FY 2022-23 wages will need to increase 10% over the FY 2019-20 rate as hourly wages continue to increase nationwide. This 10% wage growth between FY 2019-20 and FY 2022-23 is lower than the growth in average hourly rate observed between FY 2017-18 and FY 2019-20.

In estimating the number of temporary staff hours needed to properly manage and maintain events and the fairgrounds, the State Fair assumes the average hours paid from FY 2017-18 through FY 2019-20. In recent years, the State Fair has hired fewer temporary employees as wages have increased; however, in order to adequately support State Fair efforts additional hours are needed. For further detail, see Table 4 in the Appendix.

Third, the State Fair estimates the spending authority needed to suitably maintain the fairgrounds by examining both the appropriated line item history as well as additional maintenance expenditures absorbed in the program budget from FY 2017-18 through FY 2020-21. The State Fair assumes the average additional expenditure from FY 2017-18 through FY 2019-20 best represents future expenditure needs, in order to continue the same level of maintenance activities. Additional maintenance expenditures in FY 2020-21 were omitted from the average as the State Fair was not able to complete as many repairs and maintenance projects as a result of the COVID-19 pandemic. See Tables 5.1 and 5.2 in the Appendix for further detail. In addition, given the age and condition of the buildings on the State Fair campus, these maintenance dollars are not enough to make significant improvements

to the facilities. The department and State Fair will work through the normal budget and capital construction process to request funding for large projects.

The State Fair also reviewed maintenance project contracts, such as the roof contract mentioned above, which have seen a significant increase in cost during this time period. As such, increasing both the Maintenance line item and the portion of the Program budget allocated to maintenance by 15% for FY 2022-23 and ongoing is an appropriate estimate to preserve the current level of maintenance required at the State Fair. When determining this percentage, the State Fair considered cumulative local Consumer Price Index inflation growth from 2017 through 2020, which was approximately 7%. However, building costs are not included in that price comparison and the more recent high inflationary environment is not captured. Given recent experience, a higher inflation factor is needed to accurately reflect growth in costs.

Colorado Department of Agriculture
R-04 State Fair Spending Authority Increase
Appendix A

Table 1.1 - FY 2022-23 Summary by Line Item							
Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
(5) Colorado State Fair; Program Costs	\$517,789	0.0	\$0	\$517,789	\$0	\$0	Table 2.1 Row A + Row B
(5) Colorado State Fair; State Fair Facilities Maintenance	\$129,492	0.0	\$0	\$129,492	\$0	\$0	Table 2.1 Row C
Total	\$647,281	0.0	\$0	\$647,281	\$0	\$0	

Table 1.2 - FY 2023-24 Summary by Line Item							
Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
(5) Colorado State Fair; Program Costs	\$517,789	0.0	\$0	\$517,789	\$0	\$0	Table 2.1 Row A + Row B
(5) Colorado State Fair; State Fair Facilities Maintenance	\$129,492	0.0	\$0	\$129,492	\$0	\$0	Table 2.1 Row C
Total	\$647,281	0.0	\$0	\$647,281	\$0	\$0	

Colorado Department of Agriculture
R-04 State Fair Spending Authority Increase
Appendix A

Table 2.1 - FY 2022-23 Summary by Initiative							
Row	Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
A	Audit Response Activities	\$320,000	\$0	\$320,000	\$0	\$0	Table 3.1 Row D
B	Temporary Staff Cost Increase	\$197,789	\$0	\$197,789	\$0	\$0	Table 4 Row E
C	Maintenance Increase	\$129,492	\$0	\$129,492	\$0	\$0	Table 5.1 Row E
D	Total	\$647,281	\$0	\$647,281	\$0	\$0	Sum of Row A through C

Table 2.2 - FY 2023-24 Summary by Initiative							
Row	Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
A	Audit Activities	\$320,000	\$0	\$320,000	\$0	\$0	Table 3.1 Row D
B	Temporary Staff Cost Increase	\$197,789	\$0	\$197,789	\$0	\$0	Table 4 Row E
C	Maintenance Increase	\$129,492	\$0	\$129,492	\$0	\$0	Table 5.1 Row E
D	Total	\$647,281	\$0	\$647,281	\$0	\$0	Sum of Row A through C

Colorado Department of Agriculture
R-04 State Fair Spending Authority Increase
Appendix A

Table 3.1 - FY 2022-23 State Fair Performance Audit Response Activities							
Row	Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/ Calculation
A	State Fair Act Cost	\$250,000	\$0	\$250,000	\$0	\$0	Based on current contracts with performing acts
B	Home Show	\$70,000	0	\$70,000	0	0	Table 3.2
C	Total	\$320,000	\$0	\$320,000	\$0	\$0	Row A + Row B

Table 3.2 - Home Show Estimated Costs	
Item	Estimated Cost
Temporary Staffing	\$3,000
Marketing	\$50,000
Rentals and Supplies	\$14,000
Signage and Printing	\$3,000
Total Estimated Cost	\$70,000

Colorado Department of Agriculture
R-04 State Fair Spending Authority Increase
Appendix A

Table 4 - Estimated State Fair Increase for Temporary Staff Costs					
Row	Fiscal Year	Temporary Staff Average Hourly Rate	Paid Hours	Total Temporary Staff Cost	Source/Calculation
A	FY 2017-18	\$14.07	58,003	\$816,391	Actuals
B	FY 2018-19	\$15.16	55,048	\$834,712	Actuals
C	FY 2019-20	\$17.51	47,614	\$833,666	Actuals
D	Estimated FY 2022-23	\$19.26	53,555	\$1,031,455	Assumes FY 20 rate plus 10% and average hours from FY 2017-18 through FY 2019-20
E	Budget Request			\$197,789	Row D - Row C

Colorado Department of Agriculture
R-04 State Fair Spending Authority Increase
Appendix A

Table 5.1 - Estimated Maintenance Cost Increase			
Row	Item	Estimate	Source/Calculation
A	Current Maintenance Budget	\$300,000	Long Bill Appropriation
B	Additional Average Budget for Maintenance	\$563,280	Table 5.2 Row E
C	Total Maintenance Budget	\$863,280	Row A + Row B
D	Inflationary Factor	15.00%	See narrative for further detail
E	Total Estimated Need	\$129,492	Row C * Row D

Table 5.2 - Additional Maintenance Cost History			
Row	Item	Estimate	Source/Calculation
A	FY 2017-18	\$492,790	Expenditure Data
B	FY 2018-19	\$728,427	Expenditure Data
C	FY 2019-20	\$468,623	Expenditure Data
D	FY 2020-21	\$251,634	Expenditure Data
E	Average Additional Maintenance Cost FY 2017-18 through FY 2019-20	\$563,280	Average of Row A through C, see narrative for further detail

Department of Agriculture

Funding Request for the FY 2022-23 Budget Cycle

Request Title
R-05 San Luis Valley Well Monitoring Network Installation

Dept. Approval By: Jill Schnathorst _____ Supplemental FY 2021-22
 OSPB Approval By: _____ Budget Amendment FY 2022-23
 _____ X _____ Change Request FY 2022-23

Summary Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$4,249,029	\$0	\$4,337,381	\$385,000	\$0
	FTE	18.6	0.0	19.6	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$845,755	\$0	\$928,519	\$0	\$0
	CF	\$1,876,970	\$0	\$1,882,558	\$385,000	\$0
	RF	\$700,000	\$0	\$700,000	\$0	\$0
	FF	\$826,304	\$0	\$826,304	\$0	\$0

Line Item Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$4,249,029	\$0	\$4,337,381	\$385,000	\$0
	FTE	18.6	0.0	19.6	0.0	0.0
02. Agriculture Services, (A) Agriculture Services, (1) Agriculture Services - Conservation Services Division	GF	\$845,755	\$0	\$928,519	\$0	\$0
	CF	\$1,876,970	\$0	\$1,882,558	\$385,000	\$0
	RF	\$700,000	\$0	\$700,000	\$0	\$0
	FF	\$826,304	\$0	\$826,304	\$0	\$0

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



Department Priority: R-05
Request Detail: San Luis Valley Well Monitoring Network Installation

Summary of Funding Change for FY 2022-23			
		Incremental Change	
	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2023-24 Request
Total Funds	\$4,244,565	\$385,000	\$0
FTE	18.6	0.0	0.0
General Fund	\$841,291	\$0	\$0
Cash Funds	\$1,876,970	\$385,000	\$0
Reappropriated Funds	\$700,000	\$0	\$0
Federal Funds	\$826,304	\$0	\$0

Summary of Request

The Department requests \$385,000 in one-time cash fund spending authority from the Plant Health, Pest Control and Environmental Protection Cash Fund created at Section 35-1-106.3 (1), C.R.S., for FY 2022-23, and rollforward authority of these funds into FY 2023-24 to install a water quality well monitoring network in the San Luis Valley (SLV).

This request will add key resources to the Water Quality program, which monitors water across the state by collecting and reporting sampling data. It provides groundwater quality monitoring results by year and geographic location for pesticides and inorganic compounds including nitrate-nitrogen. The request will further these efforts by providing improved data in the SLV where the risk for contamination is high.

Current Program

The Agricultural Water Quality Program, administered through the Colorado Department of Agriculture (CDA), protects state waters and the environment from impairment or degradation due to the improper use of agricultural chemicals while allowing for their proper and correct use. The program accomplishes this by monitoring state waters for the presence of agricultural chemicals; providing for the management of agricultural chemicals to prevent, minimize, and mitigate their presence in state waters; and by providing for the education and training of agricultural chemical applicators and the general public regarding water quality protection, agricultural chemical use, and the use of other agricultural methods.

The department is statutorily mandated through Section 25-8-205.5, C.R.S., to monitor groundwater quality with respect to agricultural chemicals; if chronic agricultural chemical problems develop, they could drive enforcement of involuntary producer regulations. The department's goal is to work with producers to implement voluntary practices to prevent agricultural chemical problems from arising; monitoring wells are a necessary part of that equation. CDA recently updated its groundwater monitoring strategy in 2019 which included an update to the monitoring priority and frequency for the various regions of Colorado.

In addition to working with agricultural producers on water monitoring, the department also tries to partner with entities such as the United States Geological Survey (USGS) to use existing monitoring wells and partner in cooperative sampling efforts. Unfortunately, cooperation with the USGS in the SLV has been extremely difficult to achieve for many years. Additionally, funding for the National Water Quality Assessment (NAWQA) program, which included sampling in the SLV, has been cut. Many of the wells have gone dry leaving no opportunity to sample. This has left the department with no option but to drill its own network of monitoring wells to most accurately collect the necessary data on agricultural chemical presence in the SLV water.

The Agricultural Water Quality Program is funded through the Plant Health, Pest Control and Environmental Protection Cash Fund created at Section 35-1-106.3 (1), C.R.S. This fund receives revenue from a vast number of program inspection and licensing fees including the seed, weed-free, phytosanitary, apiary, nursery, organic, pesticide registrations, and application services industries and the Agricultural Water Quality Program. In particular, the Agricultural Water Quality Program receives an annual revenue of approximately \$1.5 million by assessing fees on pesticide product registrations and bulk fertilizer tonnage, which began generating additional revenue for the program in January 2021.

During the 2019 legislative session, S.B. 19-186 "Expand Agricultural Chemical Management Program Protect Surface Water" significantly expanded the scope of the program's work to include surface water quality protection in addition to existing groundwater quality protection responsibilities. Subsequently in FY 2018-19, the department increased fees for the Agricultural Water Quality Program to accommodate this expansion in the scope of the program.

Problem or Opportunity

The above mentioned 2019 updated groundwater monitoring strategy ranks the SLV as the highest priority region in the state and suggests it should be sampled every other year. Recent monitoring data from sampling domestic wells in 2019¹ shows persistent detection of elevated levels of agricultural chemicals in the SLV requiring continued monitoring and attention. In addition, the program's previously published information on aquifer sensitivity suggests high groundwater contamination potential in the SLV, which is confirmed by a prioritization index created in the program's 2019-2029 Long-Term Groundwater Monitoring Strategy and Plan². Elevated levels of agricultural chemicals are of particular concern for drinking water supplies as many SLV residents depend on groundwater for their household water use.

Due to the inability to obtain cooperation from other entities with monitoring wells in the SLV, the program used domestic water wells from 2009-2019 (five sampling events) to continue its monitoring efforts; however, sampling access and well integrity and security cannot be guaranteed when using such wells. Furthermore, changes in ownership can result in loss of access which causes variable site sampling density and coverage from year to year. Monitoring wells provide for more consistent data collection and analysis as these wells are drilled at a shallower depth than domestic wells, allowing for detection of agricultural chemicals before they leach further into the aquifer. Additionally, monitoring wells provide more limited and secure access, allowing for better control of sample integrity and providing more accurate and consistent data reporting.

Monitoring wells provide better assurance that well conditions and/or utilization is not a contributing factor to changes in water quality sampling results. Efforts to collaborate with USGS to use their monitoring well network have been unsuccessful up to this point; USGS sampling in the upper Rio Grande Basin is not included nor funded in the current Cycle 3 of the NAWQA Program. With no knowledge of when funding may return, USGS is likely to conduct little to no sampling in the SLV for the foreseeable future. Other entities in the SLV that possess well networks that could possibly be used by the department have not agreed to cooperate to date.

Proposed Solution

The department requests \$385,000 in one-time cash fund spending authority from the Plant Health, Pest Control and Environmental Protection Cash Fund for FY 2022-23, and rollforward authority of these funds into FY 2023-24 to install a well monitoring network in the SLV.

Based on the challenges listed above, and the critical nature of monitoring wells in the SLV, the department has determined that the only way to adequately assess the quality of the groundwater in this area is to install its own network of monitoring wells. This will allow the

¹ https://erams.com/co_groundwater/

² <https://ag.colorado.gov/conservation/agricultural-water-quality>

program to properly locate wells for installation, ensure the accurate placement of well screens in desired target monitoring zones, and have unimpeded access for sampling at the frequency determined to be adequate for program objectives. A further advantage is in the potential to equip wells with continuous monitoring equipment which cannot be easily accomplished using wells belonging to other entities.

The department requests to drill approximately 45 wells which would be drilled on private property with owners who agree to have the wells drilled and to allow the wells to be monitored at least once every two years. Wells equipped with continuous monitoring devices would be monitored more frequently. This sampling project will continue for the foreseeable future, as the department has the responsibility to monitor agriculture chemicals in groundwater and will continue to do this for as long as the water quality program exists.

Once wells are installed, all sampling and maintenance of those wells would be done within existing resources. The department has several well networks around the state and uses existing program resources to sample and maintain those networks.

While the program could continue to utilize a variable network of domestic water wells to accomplish some of its monitoring objectives for the SLV if this funding is not approved, doing so will continue to be accompanied by the shortcomings of using such well networks and could impede the program from adequately monitoring a sensitive aquifer. This could lead to irreversible agricultural chemical contamination and significant negative impacts to human and environmental health.

Theory of Change	Installing a well monitoring system in the SLV will provide more reliable and accurate data to monitor water quality.		
Program Objective	Improve water monitoring in the SLV.		
Outputs Being Measured	Water sampling readings.		
Outcomes Being Measured	Level of chemicals in water readings.		
Cost/Benefit Ratio	None at this time.		
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation	NA	Chemical levels in various wells are evaluated and documented over time to measure changing impacts from agricultural pesticide use and other community actions. When levels are elevated, the Department works with well owners to determine the causes and possible solutions. If levels are above set standards, the Commissioner of Agriculture is notified.	NA
Continuum Level	Step 4		

Anticipated Outcomes

The department anticipates that with approval of this request, the program will see improved data quality collected from wells upon each sampling event that will contribute vital information to understanding groundwater quality in the SLV. This data will be used to determine if and where agricultural chemical contamination exists and how to help producers lessen impacts to groundwater quality.

Additionally, given the department’s statutory responsibility to monitor groundwater quality throughout the state, approval of this request will ensure an adequate well network and proper water sampling. Conserving groundwater quality aligns with objectives of the Conservation Services Division’s programs with respect to resource conservation and provides a useful measurable impact toward accomplishing the department’s Wildly Important Goal of Investing in Agricultural Resilience.

Assumptions and Calculations

As this work must be bid through the Request for Proposal (RFP) process, it is not possible to determine exact costs. The department has, however, received preliminary estimates from two well drillers for installing 45 wells in the SLV to be used as an estimate for this proposal. The projected cost for this project of \$350,000 will ensure that adequate resources are available to properly install this network. Given that this estimate was provided at the beginning of FY 2021-22 and considering the increasing cost of construction materials and labor, the department added 10% to the estimate to ensure adequate spending authority in FY 2022-23.

Though the department anticipates the project will be completed by June 30, 2023, the department requests rollforward authority for cash fund spending authority in case the timeline is extended. Without rollforward authority, if the project timeline cannot be met, there could be a significant delay to complete the project as the department would have to work through the budget process to attain additional authority.

Given the current balance of the Plant Health, Pest Control and Environmental Protection Cash Fund, and projected revenues for the Agricultural Water Quality Program, the department does not anticipate an increase in fees would be necessary to fund this project. For further fund detail, see the department's Schedule 9.

Department of Agriculture

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-06 Improve Agricultural Pest Response

Dept. Approval By: Jill Schnathorst Supplemental FY 2021-22
 OSPB Approval By: _____ Budget Amendment FY 2022-23
 _____ X Change Request FY 2022-23

Summary Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$12,009,898	\$0	\$11,918,928	\$90,471	\$88,416
	FTE	58.3	0.0	57.3	0.9	1.0
Total of All Line Items Impacted by Change Request	GF	\$2,019,053	\$0	\$2,124,854	\$0	\$0
	CF	\$9,188,989	\$0	\$8,992,218	\$90,471	\$88,416
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$801,856	\$0	\$801,856	\$0	\$0

Line Item Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,286,160	\$0	\$3,399,159	\$14,086	\$14,086
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$825,627	\$0	\$936,662	\$0	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$2,460,533	\$0	\$2,462,497	\$14,086	\$14,086
Commissioner's Office and Administrative Services - Health, Life, and Dental	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$27,806	\$0	\$29,224	\$70	\$76
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$8,956	\$0	\$9,930	\$0	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$18,850	\$0	\$19,294	\$70	\$76
Commissioner's Office and Administrative Services - Short-term Disability	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$918,971	\$0	\$954,351	\$2,184	\$2,383
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$295,862	\$0	\$323,967	\$0	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$623,109	\$0	\$630,384	\$2,184	\$2,383
Commissioner's Office and Administrative Services - Amortization Equalization Disbursement	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$918,971	\$0	\$954,351	\$2,184	\$2,383
	FTE	0.0	0.0	0.0	0.0	0.0
01. Commissioner's Office and Administrative Services, (A)	GF	\$295,862	\$0	\$323,967	\$0	\$0
Commissioner's Office and Administrative Services, (1)	CF	\$623,109	\$0	\$630,384	\$2,184	\$2,383
Commissioner's Office and Administrative Services - Supplemental Amortization	RF	\$0	\$0	\$0	\$0	\$0
Equalization Disbursement	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$6,857,990	\$0	\$6,581,843	\$71,947	\$69,488
	FTE	58.3	0.0	57.3	0.9	1.0
02. Agriculture Services, (A)	GF	\$592,746	\$0	\$530,328	\$0	\$0
Agriculture Services, (1)	CF	\$5,463,388	\$0	\$5,249,659	\$71,947	\$69,488
Agriculture Services - Plant Industry Division	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$801,856	\$0	\$801,856	\$0	\$0

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



Department Priority: R-06
Request Detail: Improve Agricultural Pest Response

Summary of Funding Change for FY 2022-23			
		Incremental Change	
	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2023-24 Request
Total Funds	\$6,857,990	\$90,471	\$88,416
FTE	58.3	0.9	1.0
General Fund	\$592,746	\$0	\$0
Cash Funds	\$5,463,388	\$90,471	\$88,416
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$801,856	\$0	\$0

Summary of Request

The Colorado Department of Agriculture (CDA) requests \$90,471 totals funds including \$75,471 cash fund spending authority and 0.9 FTE from the Plant Health, Pest Control, and Environmental Protection Cash Fund created in Section 35-1-106.3 (1), C.R.S. and \$15,000 cash fund spending authority with rollforward authority from the Emergency Invasive Pest Response Fund created at Section 35-1-106.4, C.R.S. in FY 2022-23, and \$88,416 total funds including \$73,416 cash fund spending authority and 1.0 FTE from the Plant Health, Pest Control, and Environmental Protection Cash Fund created in Section 35-1-106.3 (1), C.R.S. and \$15,000 cash fund spending authority from the Emergency Invasive Pest Response Fund created at Section 35-1-106.4, C.R.S., in FY 2023-24 and ongoing to improve the department's response to pests in the agriculture industry. To do this, the department will add one FTE to the Pesticide Enforcement Program to provide outreach and education on invasive pests to limit the spread in the community and agriculture industry.

Current Program

The department oversees a number of programs designed to respond to agricultural pests that can have a devastating impact on crop growth, revenue for farmers, and on the environment when they are used inappropriately. Two such programs are the Pesticide Enforcement Program and the Invasive Pest Control Program.

Pesticide Enforcement Backlog

CDA is authorized to regulate pesticides under the Colorado Pesticide Applicators Act at title 35, Article 10, C.R.S.. This act authorizes the department to examine and license pesticide applicators applying Restricted Use Pesticides (RUP) in the course of agricultural production. The department licenses over 10,000 individuals and 1,200 businesses annually.

In addition, the act provides the authority to regulate and enforce the proper use of pesticides in accordance with pesticide labeling and established rules. In determining whether or not a violation of the act has occurred, the department obtains complainant, applicator and eyewitness statements, as well as collects records and pesticide samples. Violations of the act may result in enforcement actions that include cease and desist orders, letters of admonition, and stipulated agreements which can include civil penalties and license revocation. It is essential that the CDA maintains these investigations in order to keep Coloradans safe from toxic and harmful chemicals.

The Pesticide Enforcement Program is primarily cash-funded as the department collects registration and licensing fees for inspections and to license pesticide applicators and register pesticide products. These fees are deposited in the Plant Health, Pest Control, and Environmental Protection Cash Fund created in Section 35-1-106.3 (1), C.R.S.

Invasive Pest Control

The Pest Control Act created at Section 35-4-101, C.R.S. provides the department the authority to prevent the introduction and dissemination of plant pests and diseases into Colorado by establishing and implementing quarantines as well as allowing counties to establish pest control districts. The department is currently working to quarantine the Emerald Ash Borer (EAB), Japanese Beetle and Potato Late Blight. The success of these quarantines depends largely on the ability of state and local governments to work collaboratively and quickly in response to outbreaks. For example, the Potato Late Blight primarily affects the San Luis Valley, where most of the state's potatoes are grown. The blight has not reached other parts of the state due to the producer's ability to pay for the quarantine and react quickly. However, the EAB quarantine has not seen these same results, partly due to the lack of funds to support interagency coordination, education, and enforcement. Since the EAB primarily affects urban areas that do not operate under a single producer, or within a single jurisdiction, the areas impacted by the EAB do not have a pest control district fund to support this quarantine. As a result, the CDA brought forth H.B. 21-1045, Invasive Pest Control Administration, to gain the authority to implement emergency measures to control and eradicate invasive pests and the ability to transfer cash funds from the Plant Health, Pest

Control and Environmental Protection Cash Fund to the Invasive Pest Response Fund. However, the bill does not create spending authority for the program, assuming the department would need time to transfer enough funds to respond to invasive pests.

Problem or Opportunity

To ensure invasive pests are minimized in the most environmentally responsible way in Colorado, CDA must have resources to ensure pesticides are utilized correctly and funding is in place to proactively respond to new pests. Invasive pests can have a huge impact on Colorado's agricultural economy as well as the environment. If pesticides are misused, the toxins can pose a health risk to the community as they can be hazardous to humans, animals, other organisms, and the environment. Additionally, it is important to respond proactively to invasive pests in Colorado to minimize the impact they have on agricultural producers, the economy, and the environment.

Pesticide Enforcement Backlog

CDA needs additional support in its Pesticides Enforcement Program to eliminate the growing backlog of cases. Prior to March 2015, the CDA Pesticides Enforcement Program's case backlog was at a record low with a trend moving toward 100% completion. At the time, the program had three cash-funded FTE dedicated to investigations and case compilations and it averaged 40-50 complaint cases annually. In March 2015, pesticide misuse in the marijuana industry tripled the investigation workload. Due to the potential public health threat pesticide-contaminated cannabis creates, these cases were prioritized. Though the department was able to utilize the Marijuana Tax Cash Fund to address cases generated by the cannabis industry, loss of an FTE due to budget constraints, high turnover, and an increase in complaints has contributed to a current backlog of 128 cases, 93 of which are two years old or older. In addressing the backlog, the department has to prioritize cases that pose the highest risk to humans. As a result, conventional pesticide misuse cases, not associated with potential human exposure, are set at a lower priority, but still pose a potential threat to Colorado communities.

The department has engaged in LEAN analyses, process improvements, and policy changes to expedite case completion and address the enforcement case backlog. While these efforts have been fruitful, given the number of cases in the backlog, the number of new cases received annually, and the time and complexity to resolve each case, the program ultimately needs additional full-time staffing to make any substantial gains in the backlog of enforcement cases and work towards timely investigations of all cases.

Invasive Pest Control

The Emergency Invasive Pest Response Fund created through H.B. 21-1045, Invasive Pest Control Administration, was intended to address these resource gaps by allowing CDA the ability to raise required resources to effectively implement the Pest Control Act. The bill allows the department, when mutually agreed upon, to collect funds from local governments and individual businesses in addition to agricultural producers. The bill also allows the

Commissioner to transfer funds to support emergency pest control activities at the state and local level. However, the bill does not provide spending authority, assuming it would take multiple years for the department to transfer enough funds to be able to effectively respond to invasive pests.

Presently, the department is preparing for the impacts of the Spotted Lantern Fly (SLF), an invasive pest that has spread from the Eastern United States across the West. A 2019 study published by the Center for Rural Pennsylvania for their General Assembly¹ estimated the overall annual economic impact of the SLF to the state of Pennsylvania to be between \$63 and \$149 million dollars. The study notes particular industries that are hit the hardest by the SLF, which include nurseries, fruit growers, and Christmas tree growers; Colorado has significant production in all of these industries. Furthermore, the study reports the SLF's impact to the state's forestry industry, estimating annual impacts to vary between \$184 and \$287 million dollars. The department has already been coordinating with federal and local partners in the investigation of potential SLF sightings and anticipates the need for increased monitoring and response in the next several years. Spending authority will allow the department to be proactive in its approach to mitigating the devastating effects of the SLF and other invasive pests.

Proposed Solution

To appropriately respond to pests in the Colorado agriculture industry, the department requests \$90,471 cash fund spending authority including 0.9 FTE in FY 2022-23, and \$88,416 cash fund spending authority in FY 2023-24 and ongoing to strengthen pesticide enforcement efforts and to proactively respond to invasive pests spreading throughout the state.

Pesticide Enforcement Backlog

The department requests 1.0 FTE as an entry level Compliance Investigator to help CDA reduce the backlog of investigation and enforcement cases and ensure resources are in place to address future enforcement needs in a timely way. Due to the complexity of the law and the expertise needed to understand state and federal pesticide regulations, as well as the knowledge and experience needed to compile evidence and draft charges to meet the required legal standard, part time help cannot be brought in to address this need. Additionally, a full-time ongoing position is necessary to ensure that a backlog of cases does not build again and limit the department's ability to enforce proper pesticide use and protect communities and the environment from misuse. Timely investigations are also a benefit to the licensed population by allowing for a quick resolution to complaints. This FTE will be responsible for researching cases in the backlog, compiling information, processing notices of violation, cease and desist orders, responding to CORA requests, and conducting follow-up investigations on cases to obtain additional evidence when necessary. While funding an additional position at CDA to address the pesticide enforcement will improve the department's response and reduce the backlog over time, given the amount of time it takes to

¹ <https://www.rural.palegislature.us/documents/reports/Spotted-Lanternfly-2019.pdf>

complete a case, it will take a number of years to completely eliminate the backlog. As such, the department is, and will continue, to pursue federal and other funding opportunities to bring in temporary help to reduce the backlog more quickly.

If funding is not provided, the department will have to continue to manage the pesticide enforcement backlog to the best of its ability, resulting in delayed responses to potential issues and prolonged scrutiny of regulated parties who have a complaint filed against them.

Invasive Pest Control

The department requests \$15,000 in cash fund spending authority from the Emergency Pest Response Fund beginning in FY 2022-23 and ongoing with rollforward authority to allow the department to respond to invasive pests in Colorado. The department intends to transfer at least \$15,000 at the end of the FY 2021-22 into the fund as allowable under Section 35-1-106.3, C.R.S., to enable it to start responding to new pest risks coming to the state. In addition to the transfer of funds initiated by the department, CDA also anticipates receiving \$75,000 from agreements with local governments and businesses to help them respond to invasive pests.

With this appropriation the department will strengthen the pest response activities of various local governments, task forces, and commodity groups through increased outreach and public awareness of their impact. It is estimated that these activities will cost approximately \$15,000 annually and that the department will be able to maintain this level of cash flow from internal transfers, gifts, grants, and donations from the public or the federal government.

Without an appropriation to engage in pest response activities, the department will have to continue to work within limited existing resources. CDA will not be able to organize and engage local governments and the agriculture industry in preparation and response for new species.

Theory of Change	Increasing resources to proper pesticide use and proactive invasive pest response will reduce the impact these pests can have on the agriculture industry and that pesticides can have on people and the environment.		
Program Objective	<ol style="list-style-type: none"> 1. Improve pesticide enforcement. 2. Improve proactive response to invasive pests. 		
Outputs being measured	<ol style="list-style-type: none"> 1. Number of cases in the pesticide enforcement backlog. 2. Number of outreach and education campaigns conducted by the department. 		
Outcomes being measured	<ol style="list-style-type: none"> 1. The reduction of cases in the backlog over time. 2. Community and agriculture industry response to invasive pests. 		
Cost/Benefit ratio	NA		
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation	NA	NA	NA
Continuum Level	Step 1		

Anticipated Outcomes

The department's proposed efforts in pesticide enforcement and proactive response to invasive pests will help mitigate damage to Colorado's \$47 billion dollar agricultural industry, the forestry industry, urban communities, and the environment.

Pesticide Enforcement Backlog

The proposed Pesticide Enforcement FTE, once trained and proficient in case compilations, will be essential to eliminating the backlog of investigations and enforcement of regulations to ensure that applicators who are incorrectly using products or misapplying them are corrected quickly, preventing ongoing issues such as over-application, which can adversely impact the environment. Resolving the case backlog will also allow the program to process cases in a more timely manner and will allow necessary enforcement actions to be issued quickly to ensure compliance. A faster resolution will also ensure further compliance by correcting unintended errors and reduce potential harm to the public or environment.

Invasive Pest Control

The Emergency Invasive Pest Response Fund spending authority will enable the department to effectively work with local government and other stakeholders in mitigating the risk of new invasive pests in Colorado. This will allow the department to more effectively implement the Pest Control Act and support the outreach as well as various control programs of local

jurisdictions. Recent collaboration with neighboring states and federal partners has successfully intercepted and safeguarded highly destructive pests like Ralstonia, Sequoia Pitch Moth, and Box Tree Moth. Spending authority from the Emergency Invasive Pest Response Fund will further strengthen the collaborative work with local governments, agricultural producers, and other stakeholders including Colorado State University extension.

Eliminating invasive pests before they can spread throughout the state in our urban and agricultural areas will also have a large preventative impact on pesticide use. Through collaborative efforts with local governments, funds will allow state and local jurisdictions to respond quickly to outbreaks, limiting the impact and need for large-scale pesticide application.

Assumptions and Calculations

To estimate the cost of the FTE the department assumes it will hire at the Compliance Specialist II level and at five percent above the minimum of the range, which is customary within the department. It is assumed that, after initial training, the new Pesticide Enforcement FTE will be able to complete enough investigations (13-20 investigations per year) to eliminate 10-15% of the current backlog each year without any additional support.

Colorado Department of Agriculture
R-06 Improve Agricultural Pest Response
Appendix A

Table 1.1 - FY 2022-23 Summary by Line Item							
Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
(1) Commissioner's Office and Administrative Services; Health, Life and Dental	\$14,086	0.0	\$0	\$14,086	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; SB 04-257 Amortization Equalization Disbursement	\$2,184	0.0	\$0	\$2,184	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; SB 06-235 Supplemental Amortization Equalization Disbursement	\$2,184	0.0	\$0	\$2,184	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; Short Term Disability	\$70	0.0	\$0	\$70	\$0	\$0	Table 3
(2) Agricultural Services; Plant Industry Division	\$71,947	0.9	\$0	\$71,947	\$0	\$0	Table 4
Total Cost	\$90,471	0.9	\$0	\$90,471	\$0	\$0	

Table 1.2 - FY 2023-24 Summary by Line Item							
Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
(1) Commissioner's Office and Administrative Services; Health, Life and Dental	\$14,086	0.0	\$0	\$14,086	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; SB 04-257 Amortization Equalization Disbursement	\$2,383	0.0	\$0	\$2,383	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; SB 06-235 Supplemental Amortization Equalization Disbursement	\$2,383	0.0	\$0	\$2,383	\$0	\$0	Table 3
(1) Commissioner's Office and Administrative Services; Short Term Disability	\$76	0.0	\$0	\$76	\$0	\$0	Table 3
(2) Agricultural Services; Plant Industry Division	\$69,488	1.0	\$0	\$69,488	\$0	\$0	Table 4
Total Cost	\$88,416	1.0	\$0	\$88,416	\$0	\$0	

Colorado Department of Agriculture
R-06 Improve Agricultural Pest Response
Appendix A

Table 2.1 - FY 2022-23 Summary by Initiative							
Row	Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
A	Pesticide Enforcement FTE	\$49,076	\$0	\$49,076	\$0	\$0	Table 3
B	Operating Costs	\$26,395	\$0	\$26,395	\$0	\$0	Table 3
C	Emergency Pest Response	\$15,000	\$0	\$15,000	\$0	\$0	See narrative for further detail
D	Total	\$90,471	\$0	\$90,471	\$0	\$0	Sum of Row A through C

Table 2.2 - FY 2023-24 Summary by Initiative							
Row	Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source/Calculation
A	Pesticide Enforcement FTE	\$53,538	\$0	\$53,538	\$0	\$0	Table 3
B	Operating Costs	\$19,878	\$0	\$19,878	\$0	\$0	Table 3
C	Emergency Pest Response	\$15,000	\$0	\$15,000	\$0	\$0	See narrative for further detail
D	Total	\$88,416	\$0	\$88,416	\$0	\$0	Sum of Row A through C

Colorado Department of Agriculture
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Table 3 - 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 (\$1,410), docking station and monitors (\$260), Office Suite Software (\$330), and office furniture (\$3,473).

General Fund FTE -- Beginning July 1, 2020, 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 2022-23		FY 2023-24		
Personal Services:					
Classification Title	Monthly Salary	FTE		FTE	
COMPLIANCE SPECIALIST II	\$3,971	0.9	\$43,682	1.0	\$47,653
PERA			\$4,761		\$5,194
AED			\$2,184		\$2,383
SAED			\$2,184		\$2,383
Medicare			\$633		\$691
STD			\$70		\$76
Health-Life-Dental			\$14,086		\$14,086
Subtotal Position 1, 1.0 FTE		0.9	\$67,600	1.0	\$72,466
Subtotal Personal Services		0.9	\$67,600	1.0	\$72,466
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating Expenses	\$500	0.9	\$458	1.0	\$500
Telephone Expenses	\$450	0.9	\$413	1.0	\$450
PC, One-Time	\$2,000	1.0	\$2,000	-	\$0
Office Furniture, One-Time	\$5,000	1.0	\$5,000	-	\$0
Subtotal Operating Expenses			\$7,871		\$950

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<u>TOTAL REQUEST</u>	0.9	<u>\$75,471</u>	1.0	<u>\$73,416</u>
<i>General Fund:</i>				
<i>Cash funds:</i>				
	0.9	\$75,471	1.0	\$73,416
<i>Reappropriated Funds:</i>				
<i>Federal Funds:</i>				

	FY 2022-23	FY 2023-24
PERA	10.90%	10.90%
AED	5.00%	5.00%
SAED	5.00%	5.00%
Medicare	1.45%	1.45%
STD	0.16%	0.16%
Health-Life-Dental	\$14,086	\$14,086

Department of Agriculture

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-07 Agriculture Licensing and Registration System

Dept. Approval By:

Jill Schnathorst

Supplemental FY 2021-22

OSPB Approval By:

Budget Amendment FY 2022-23

X

Change Request FY 2022-23

Summary Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$11,946,819	\$0	\$11,710,565	\$247,800	\$247,800
	FTE	114.5	0.0	113.5	0.0	0.0
Total of All Line Items	GF	\$1,968,852	\$0	\$1,919,101	\$0	\$0
Impacted by Change Request	CF	\$8,776,268	\$0	\$8,589,765	\$247,800	\$247,800
	RF	\$84,000	\$0	\$84,000	\$0	\$0
	FF	\$1,117,699	\$0	\$1,117,699	\$0	\$0

Line Item Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$6,857,990	\$0	\$6,581,843	\$123,900	\$123,900
	FTE	58.3	0.0	57.3	0.0	0.0
02. Agriculture Services, (A)	GF	\$592,746	\$0	\$530,328	\$0	\$0
Agriculture Services, (1)	CF	\$5,463,388	\$0	\$5,249,659	\$123,900	\$123,900
Agriculture Services - Plant Industry Division	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$801,856	\$0	\$801,856	\$0	\$0

	Total	\$5,088,829	\$0	\$5,128,722	\$123,900	\$123,900
	FTE	56.2	0.0	56.2	0.0	0.0
02. Agriculture Services, (A)	GF	\$1,376,106	\$0	\$1,388,773	\$0	\$0
Agriculture Services, (1)	CF	\$3,312,880	\$0	\$3,340,106	\$123,900	\$123,900
Agriculture Services - Inspection and Consumer Services Division	RF	\$84,000	\$0	\$84,000	\$0	\$0
	FF	\$315,843	\$0	\$315,843	\$0	\$0

Auxiliary Data

Requires Legislation?

NO

Type of Request?

Agriculture Prioritized Request

Interagency Approval or Related Schedule 13s:

No Other Agency Impact



Department Priority:R-07
Request Detail: Agriculture Licensing and Registration System

Summary of Funding Change for FY 2022-23			
		Incremental Change	
	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2023-24 Request
Total Funds	\$0	\$247,800	\$247,800
FTE	0.0	0.0	0.0
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$247,800	\$247,800
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request

The Colorado Department of Agriculture (CDA) requests \$247,800 total funds including \$123,900 cash fund spending authority from both the Plant Health, Pest Control, and Environmental Protection Cash Fund created in Section 35-1-106.3 (1), C.R.S., and the Inspection and Consumer Services Cash Fund created at Section 35-1-106.5 (1), C.R.S., in FY 2022-23 and ongoing to fund two pilot programs for a vastly upgraded agriculture and food-safety regulatory platform, to build additional programs into the system and provide ongoing maintenance. Moving to an updated licensing and registration platform addresses the problems and risks associated with the department’s currently outdated regulation software for nearly 30 regulatory programs.

Current Program

CDA's agricultural programs promote good health and safety by confirming that agricultural products, commodities, and services are safe, fair, and transparent. CDA has 30 regulatory program areas utilizing legacy applications, some built more than a decade ago. For these purposes, we define legacy as any software, technology, or an entire system that blocks or slows down CDA's ability to adapt to customer behavior, business, or regulatory expectations. Unfortunately, most of these programs rely on systems built on unsupported technologies like MS Access or VB6 that lack support or no longer meet the organization's needs to license, inspect or enforce more than 80,000 entities.

Of the 30 programs, more than half currently have an online presence. The largest and most comprehensive of systems utilized is AgLicense. AgLicense, implemented in 2014, now supports 19 programs and accounts for 20,000 annual individual or business renewals and 38,000 product renewals. Unfortunately, while initially promising, vendor support for additional modifications is not possible in this system, and the current iteration does not meet many needs of the agency. Nevertheless, even though AgLicense cannot support all of CDA's business and regulatory requirements, it can process between 75 to 80% of licenses, many of them in real-time. As technology advances, customers' appetite for online and mobile licensing applications continues to increase. The department's goal is to expand this digital access to additional regulatory programs and provide robust inspection and enforcement capabilities.

In addition to AgLicense, there are more than a dozen additional siloed applications that support regulatory efforts. Relying on these legacy systems has created a longer licensing turn-around, increased calls to the agency, missed inspections, and lower customer satisfaction. Additionally, we rely on the department's laboratory services to support our inspection and enforcement actions. Unfortunately, the systems CDA's programs use to regulate in these areas do not interface with the laboratory's, creating duplicate data entry, manual reporting, and increased sample throughput and cost.

Problem or Opportunity

Given that many licensing and registration systems utilized are outdated and are on unsupported platforms, the department is looking for alternative solutions. Failing to modernize these systems risks increased operational costs, poor user experience, and inefficiencies.

Keeping legacy systems will result in further system degradation with negative financial consequences. CDA will continue to spend staff effort dealing with internal and external end-user functionality issues and inefficient workarounds. Currently, the department already sees reduced productivity in daily work. Inaccuracies in system outputs and the unavailability of usable reporting will further compromise CDA's ability to manage regulatory compliance.

One example where aging systems affect CDA's ability to regulate efficiently came in FY 2020-21. A page error that would not load customer accounts with more than 19 locations caused errors and the inability for customers to navigate through the rest of their license renewal. Significant drops in online renewals and increased calls to already overburdened staff were the result.

Table 1: Dropping Online Renewal Rates across Programs

Program Name	FY 2019-20 Online Renewals	FY 2020-21 Online Renewals	% Drop
Scales/Measuring Devices	76%	73%	-3%*
Egg Dealer	63%	46%	-17%
Pet Animal Care and Facilities	80%	81%	0% *
Pesticide Products	87%	84%	-3%
Nursery Registration	85%	52%	-33%

*PACFA program was not affected as much by the page-loading error due to the nature of the businesses registered.

Rules and regulations are ever-changing. By replacing CDA's legacy systems with a modern solution, CDA will be ready to evolve and expand, keeping up with technology advances and improving employee performance and customer experience. Modernization efforts mean we can leverage omni-channel like AWS chatbots and service delivery applications such as MyColorado.

Proposed Solution

The department requests \$247,800 total funds including \$123,900 cash fund spending authority from both the Plant Health, Pest Control, and Environmental Protection Cash Fund created in Section 35-1-106.3 (1), C.R.S., and the Inspection and Consumer Services Cash Fund created at Section 35-1-106.5 (1), C.R.S., in FY 2022-23 and ongoing to fund two pilot programs for an upgraded agriculture and food-safety regulatory platform, to build additional programs into the system and provide ongoing maintenance.

OIT presented several options to CDA leadership and subject matter experts for a long-term solution to aging and disjointed systems. The consensus solution was to move to a modern regulatory platform developed by the Food and Drug Administration (FDA) and the Association of Food and Drug Officials (AFDO) in coordination with states. More than \$5M has been expended by the FDA and AFDO working towards a modern multi-state online licensing and registration solution called System for Agriculture, Food, Health, E-Inspections, and Registration (SAFHER). Colorado has been a leader in this effort. As the system continues to be built, Colorado has the opportunity to move many of its licensing and registration programs

onto this platform. At this time, CDA is seeking to pilot the migration of two programs to the new platform in anticipation of migrating additional programs to the SAFHER system in future years.

For the department to build a regulatory system on its own, it would cost an estimated \$19M (analysis by Slalom Consulting, Denver Co.). However, with 82% common functionality overlap between states, the FDA is willing to fund the majority of SAFHER because so many states need a solution, and like Colorado, have not yet found a viable alternative. The remaining cost will be allocated amongst participating states, however, the amount is not yet known.

SAFHER will provide a modernized agriculture regulatory platform with flexibility. This platform will enable CDA to regulate agriculture in the state while allowing the safe, efficient, and effective flow of information internally and externally to our internal team, external customers, partners, and other stakeholders. In collaboration with other states to develop this solution, the department is partnering to establish a strong user community amongst other departments of agriculture.

Once the pilot phase of SAFHER is complete, the system will move into the implementation phase in which the department anticipates funding will be utilized to add programs into the platform and customize them to meet states’ needs. Initial estimates suggest each program will cost \$35,000 to add to the system. Given that many of the department’s programs could be added to SAFHER, and anticipated ongoing maintenance costs, the department requests to continue the appropriation of \$247,800 in cash funds. As more information is obtained on the actual cost of the SAFHER system, the department will work through the normal budget process to true-up or request additional funding to support and manage the system.

Theory of Change	Creating a small-scale, short-term pilot at CDA to learn how a full-scale regulatory, technological solution might benefit department programs.		
Program Objective	Create and implement a modern regulatory platform for several programs in two of CDA’s divisions, ICS and Plant Industry.		
Outputs being measured	Number of programs implemented.		
Outcomes being measured	Number of online licensees, number of legacy systems decommissioned, and quality of user experience.		
Cost/Benefit ratio	None at this time.		
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation	N/A	N/A	N/A
Continuum Level	Step 2		

If this request is not approved, the department will continue to have to renew licenses and registrations through antiquated and sometimes unsupported systems.

Anticipated Outcomes

If approved, the funding will cover the cost of piloting two programs on the SAFHER platform. There are two divisions within CDA, Inspection and Consumer Services (ICS) and Plant Industry, with a critical need for a flexible platform that can enable them to respond to agriculture customers' needs, legislative requirements, and federal mandates. The outcome will be a real-world test of a system that allows staff to use their time on more value-added activities to serve the agriculture community better. Being one of the first states to test and implement the system will provide CDA with the opportunity to identify and address issues that impact the migration of other programs to the new platform. CDA will test logistics, prove value and reveal deficiencies before spending a significant amount of time, energy, or money on a large-scale project.

To evaluate these pilots, the department will capture the success requirements from the appropriate business unit and ensure that the technology platform meets the standards of the Office of Information Technology (ie. security, access, computing power, redundancy, etc.). Additional critical steps for success evaluation are to include agriculture customers, partners, and vendors in the development of, and transition to, the new system. The pilots and the evaluation of the process and outcomes will provide information and experience necessary for the successful future transition of the remaining 28 programs to the new SAFHER platform.

The department believes that SAFHER is the solution for the future. Colorado has played a lead role in the development of system needs and requirements which puts it in a unique position to help develop a system that benefits CDA's programs. SAFHER will enable Colorado to be on an even playing field with other states with similar licensing requirements. In addition, the use of one platform for CDA customers will enable them to renew and pay for multiple licenses in one streamlined system. The continued appropriation of these funds is necessary to build additional programs into the platform, maintain, and update the system as changes are needed, add enhancements, as well as to continue to keep pace with technology advancements.

Assumptions and Calculations

The anticipated cost of one pilot is \$105,000. CDA will target one pilot for each division, ICS and Plant Industry, for a total cost of \$210,000. To account for the selection of a vendor and platform build time, CDA includes an 18% buffer for a total request of \$247,800.