JOINT
BUDGET
COMMITTEE

STAFF BUDGET BRIEFING
FY 2021-22

DEPARTMENT OF AGRICULTURE

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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ADDITIONAL RESOURCES

Brief summaries of all bills that passed during the 2019 and 2020 legislative sessions that had a fiscal impact on this department are available in Appendix A of the annual Appropriations Report: https://leg.colorado.gov/publications/appropriations-report-fiscal-year-2020-21

The online version of the briefing document, which includes the Numbers Pages, may be found by searching the budget documents on the General Assembly's website by visiting leg.colorado.gov/content/budget/budget-documents. Once on the budge documents page, select the name of this department's *Department/Topic*, "Briefing" under *Type*, and ensure that *Start date* and *End date* encompass the date a document was presented to the JBC.

DEPARTMENT OF AGRICULTURE

DEPARTMENT OVERVIEW

The Department of Agriculture has six divisions. A brief description of each division and its associated responsibilities is provided below.

The **COMMISSIONER'S OFFICE AND ADMINISTRATIVE SERVICES DIVISION** provides administrative and technical support for department divisions and programs, including accounting, budgeting, human resources, communications, information technology, and legislative coordination functions.

AGRICULTURAL SERVICES consists of the following program areas:

- ***Animal Industry Division***, i.e. Animal Health Division, provides oversight for the prevention and control of livestock diseases, operation of the Rocky Mountain Regional Animal Health Laboratory, implementation of pest control, licensing and inspection of pet care facilities, and investigations animal of cruelty claims.

- ***Inspection and Consumer Services Division*** (ICS) provides metrology and regulatory laboratory services including content analysis of feeds, fertilizers, groundwater, and pesticides. Additionally, ICS inspects: anhydrous ammonia tanks, eggs, grain warehouses, agricultural commodity handlers and dealers, door-to-door sales companies, custom meat processors, and small and large weighing and measuring devices.

- ***Plant Industry Division*** is responsible for organic certification, nursery stock inspection, produce inspection, certification of plant and seed exports, seed inspection and certification, commercial and private pesticide applicator testing and licensing, and inspection of pesticide product records and labels.

- ***Conservation Services Division*** operates the biological pest control program; the Palisade insectary; noxious weed and weed free forage programs; the groundwater protection program, the chemigation permitting and inspection program; and encourages development of agricultural-based renewable energy projects through grants.

The **AGRICULTURAL MARKETS DIVISION** promotes Colorado's agricultural products and services to domestic and international markets, provides export assistance, and develops value-added business ventures. The Markets Division is also responsible for promoting Colorado's wine industry, administering the Colorado Proud brand, and operating the agricultural products inspection program.

Annually, the **BRAND BOARD** inspects and verifies the ownership of approximately 4 million head of livestock at sale barns, slaughterhouses, and export sites to protect producers and buyers from fraud and theft of livestock. The Brand Board also investigates reported livestock theft, maintains brand records, and licenses livestock sales barns, processing plants, and alternative livestock farms. It will

also serve as a resource to assist in criminal prosecutions against individuals accused of livestock theft. Established in 1865, the Board also maintains records for over 32,000 livestock brands and licenses and inspects livestock markets and certified feed lots.

The **COLORADO STATE FAIR AUTHORITY** is responsible for planning and operating the 11-day state fair held at the end of August and beginning of September, and coordinates special events utilizing its facilities that occur on the fairgrounds throughout the year.

The **CONSERVATION BOARD** provides administrative and financial assistance and competitive grants to the 76 state conservation districts. The Conservation Board also works with districts on noxious weed management, groundwater protection, biological pest control, and erosion prevention projects.

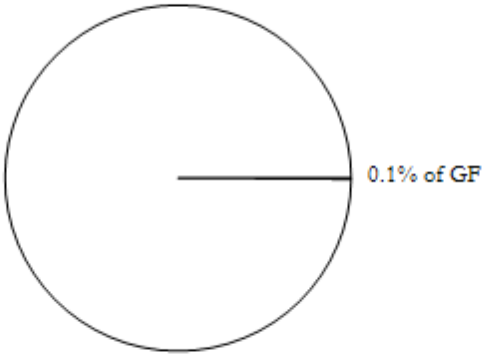
DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 *
General Fund	$11,107,420	$12,098,767	$11,344,162	$12,909,470
Cash Funds	34,082,132	37,231,886	37,944,741	37,583,447
Reappropriated Funds	2,494,460	2,498,418	2,575,576	2,583,073
Federal Funds	3,908,862	3,909,565	3,949,105	3,949,105
TOTAL FUNDS	**$51,592,874**	**$55,738,636**	**$55,813,584**	**$57,025,095**
Full Time Equiv. Staff	289.9	297.8	299.5	300.5

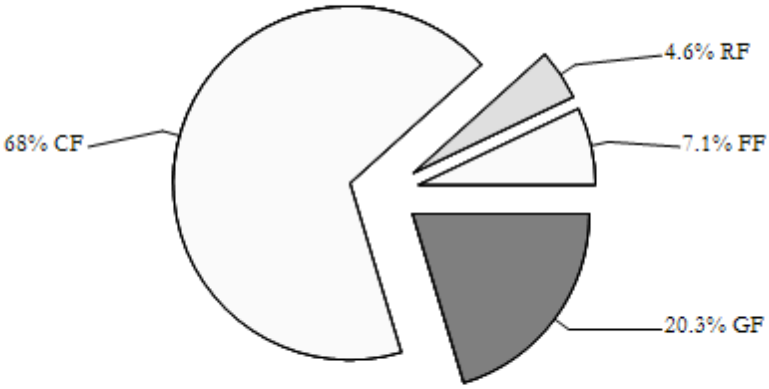
*Requested appropriation.

DEPARTMENT BUDGET: GRAPHIC OVERVIEW

Department's Share of Statewide General Fund

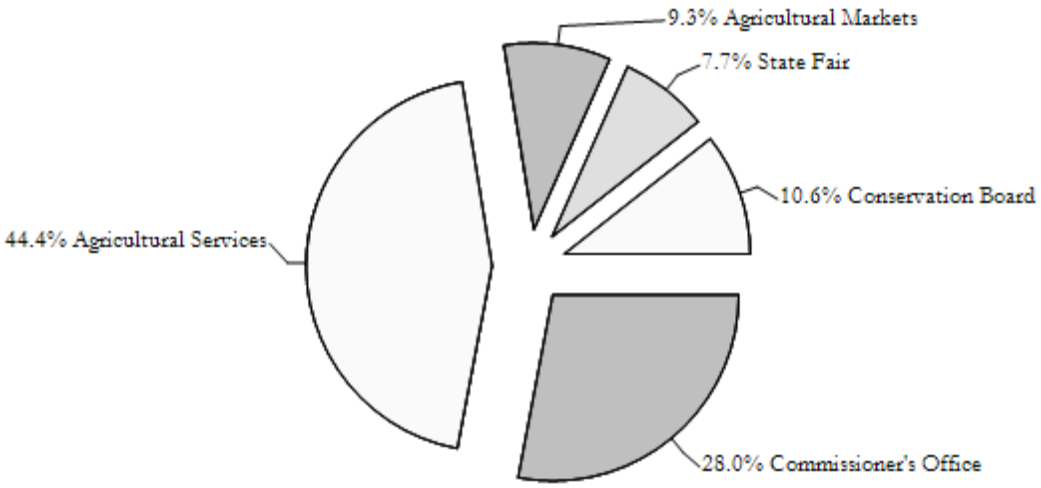


Department Funding Sources

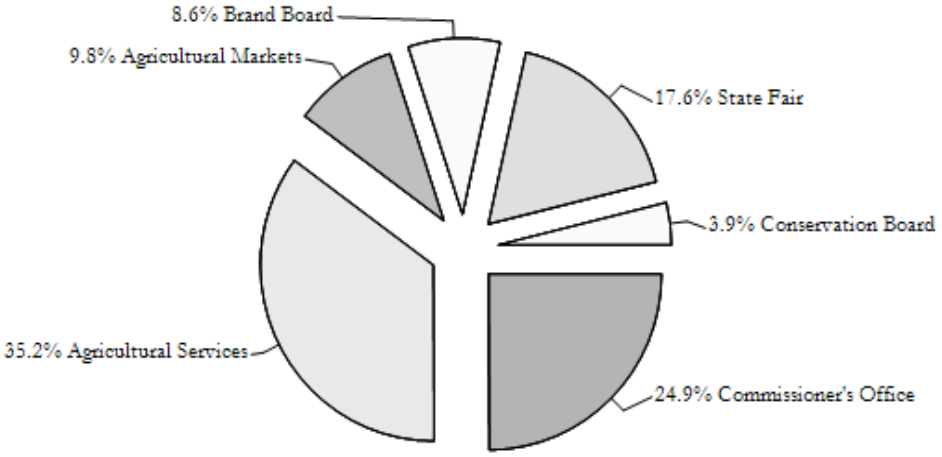


All charts are based on the FY 2020-21 appropriation.

Distribution of General Fund by Division



Distribution of Total Funds by Division



All charts are based on the FY 2020-21 appropriation.

GENERAL FACTORS DRIVING THE BUDGET

Funding for this department for FY 2020-21 consists of 20.3 percent General Fund, 68.0 percent cash funds, 4.6 percent reappropriated funds, and 7.1 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

AGRICULTURAL SERVICES DIVISIONS

Colorado is the home to over 34,000 farms and ranches. Funding appropriated to Agricultural Services is expended on four program areas: animal industry, plant industry, inspection and consumer services, and conservation services. Agricultural Services accounts for 35.2 percent of the Department's total appropriation in FY 2020-21, including 44.4 percent of the Department's total General Fund appropriation and 30.2 percent the of the Department's total cash fund appropriation. The primary source of funding for the section is cash fund revenue from license and inspection fees. The following table outlines the Agricultural Services Division's share of the Department's totals from FY 2017-18 through the FY 2021-22 request.

AGRICULTURAL SERVICES DIVISIONS 5-YEAR APPROPRIATIONS HISTORY

	FY 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 ACTUAL	FY 2020-21 APPROPRIATED	FY 2021-22 REQUESTED
ASDs Total	$17,059,678	$19,129,418	$18,315,530	$19,656,081	$20,054,733
Department Total	47,209,260	49,787,694	50,914,890	55,813,584	57,025,095
Percent of Department	36.1%	38.4%	35.9%	35.2%	35.2%

DEPARTMENT WORKLOAD

The Department's total appropriation for FY 2020-21 is 68.0 percent cash funds. The cash funds appropriations respond to increases and decreases in workload for products or services associated with specific cash funds within the Department. The three largest cash funds appropriations are from the Colorado State Fair Cash Fund; Brand Inspection Cash Fund; and the Plant Health, Pest Control, and Environmental Protection Cash Fund. Together these appropriations account for 55.6 percent of the Department's total cash funds appropriation in FY 2020-21.

AGRICULTURE MANAGEMENT FUND

The Agriculture Management Fund (AMF) was created by H.B. 08-1399 (Ag Unclaimed Property Trust Fund Interest), which authorized the transfer of the interest earned on the Unclaimed Property Tourism Promotion Trust Fund. At the Commissioner's discretion, the AMF supports projects and programs in various divisions, as well as a portion of expenses for the recent consolidation of non-fair divisions into a new office building and lab facility. Interest transfers began in FY 2008-09 and are divided between the following funds:

- 65.0 percent to the Agriculture Management Fund to be used for agricultural purposes and staff;
- 25.0 percent to the Colorado State Fair Authority Cash Fund to be used for expenses incurred by running the State Fair and fair ground maintenance; and
- 10.0 percent to the Colorado Travel and Tourism Fund in the Office of the Governor to be used for the promotion of Destination Development.

The Department allowed the fund balance in the AMF to grow for several years anticipating capital costs while consolidating many of its offices to the one in Broomfield. The table below outlines the

AMF's annual cash flow beginning in FY 2012-13 and represents a "point-in-time" observation of the fund. Hidden within the figures forming the basis for these calculations are items that may result in a couple figures standing out to the reader. Both stem from the AMF's statutory authorization to retain in the fund the proceeds for the disposition of two properties: (1) the warehouse located at 5000 Packing House Road in Denver, which was sold in FY 2017-18 for approximately $650,000; and (2) the inspection and consumer services lab, which sold for $7.0 million in August 2018.

The estimated FY 2021-22 end-of-year balance of the AMF is $2.1 million. In addition to maintaining its balance annually, the AMF has received, on average, approximately $3.6 million annually since FY 2012-13 in interest transfers from the UPTPF. Transfers of interest occur monthly.

AGRICULTURE MANAGEMENT FUND 10-YEAR OPERATING REVENUE AND EXPENDITURES				
FISCAL YEAR	TOTAL REVENUE	TOTAL EXPENDITURES	NET ANNUAL CASH FLOW	END OF YEAR FUND BALANCE
2012-13	$2,689,156	($2,565,091)	$124,065	$2,312,569
2013-14	3,721,185	(3,747,514)	(26,329)	2,286,240
2014-15	3,111,889	(3,656,445)	(544,556)	1,741,684
2015-16	3,009,565	(1,897,231)	1,112,334	2,854,018
2016-17	2,696,909	(1,428,078)	1,268,832	4,133,602
2017-18	2,947,657	(214,577)	2,733,080	6,866,682
2018-19	8,493,357	(9,623,712)	(1,130,354)	5,736,328
2019-20	3,104,197	(4,114,995)	(1,039,597)	4,696,730
2020-21 Estimate	3,104,197	(3,579,226)	(475,029)	4,221,701
2021-22 Estimate	3,104,197	(2,133,186)	(2,133,186)	2,088,515

OFFICE CONSOLIDATION PROJECT

The Department of Agriculture is recently completed its multi-year project to consolidate its office sites along the Front Range to one location in Broomfield. Completed in FY 2013-14, phase one of the project moved the Commissioner's Office, Animal Health, Brands, Conservation Services, Markets, and Plant Industry divisions into the Broomfield Office. Phase two of the project included building out a modern facility for the Inspection and Consumer Services division and the Biochemistry, metrology, and Rocky Mountain Regional Animal Health laboratories in another building on the same Broomfield site. Completed in April 2019, the consolidation eliminates the need for staff to travel between office locations, provides a single delivery address, and allows for enhanced employee interaction and efficient use of time when holding meetings.

SUMMARY: FY 2020-21 APPROPRIATION & FY 2021-22 REQUEST

DEPARTMENT OF AGRICULTURE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION:						
HB 20-1360 (Long Bill)	56,294,892	11,501,978	38,268,233	2,575,576	3,949,105	299.5
Other Legislation	(481,308)	(157,816)	(323,492)	0	0	0.0
TOTAL	**$55,813,584**	**$11,344,162**	**$37,944,741**	**$2,575,576**	**$3,949,105**	**299.5**
FY 2021-22 REQUESTED APPROPRIATION:						
FY 2020-21 Appropriation	$55,813,584	11,344,162	$37,944,741	$2,575,576	$3,949,105	299.5
R1 Agricultural climate resilience office	0	0	0	0	0	0.0
R2 Industrial hemp enforcement	95,189	0	87,826	7,363	0	1.0
R3 Budget and operational efficiencies	(1,213,239)	(261,942)	(951,297)	0	0	(1.0)
NP1 DPA Center for organizational effectiveness	4,964	3,524	1,440	0	0	0.0
NP2 Annual fleet vehicle request	131,888	51,436	80,452	0	0	0.0
NP3 Extend pause depreciation lease payment	(461,617)	0	(461,617)	0	0	0.0
NP4 OIT Budget request package	(107,429)	(77,256)	(30,173)	0	0	0.0
Centrally appropriated line items	1,509,827	643,579	866,114	134	0	0.0
Annualize prior year budget actions and legislation	1,251,928	1,205,967	45,961	0	0	1.0
TOTAL	**$57,025,095**	**$12,909,470**	**$37,583,447**	**$2,583,073**	**$3,949,105**	**300.5**
INCREASE/(DECREASE)	$1,211,511	$1,565,308	($361,294)	$7,497	$0	1.0
Percentage Change	2.2%	13.8%	(1.0%)	0.3%	0.0%	0.3%

R1 AGRICULTURAL CLIMATE RESILIENCE OFFICE: The request includes a net zero long bill reorganization that would create the new Agricultural Climate Resilience Office within the Conservation Services line of the Agricultural Services Division. The new office would take two existing programs, the Advancing Colorado's Renewable Energy and Energy Efficiency (ACRE3) and the Soil Health Intuitive, and consolidate them under the Agricultural Services Division. The ACRE3 program currently resides within the Agricultural Development Board within the Agricultural Markets Division. If approved the request would result in the Agricultural Development Board line item being zeroed out.

R2 INDUSTRIAL HEMP ENFORCEMENT FTE: The request includes an increase of $95,189 total funds including $87,286 cash funds from the Industrial Hemp Registration Program Cash Fund and $7,363 reappropriated funds for FY 2021-22 for the purposes of hiring an additional Hemp Enforcement Specialist. **A briefing issue on this request is included later in this document.**

R3 BUDGET AND OPERATIONAL EFFICIENCIES: The request includes a reduction of $1,213,239 total funds, including $261,942 General Fund and $951,297 cash funds, relating to both permanent and one-time reductions across various line items throughout the Department consisting of:

- A net zero consolidation of the Adult Agriculture Leadership Grant Program and the Agriculture Workforce Development Program. A footnote is included as part of this request.

- A net zero consolidation of the Pet Animal Care Facilities Act from the Animal Services Division into the Inspection and Consumer Services Division.
- A reduction of $59,831 cash funds from the IT Asset Maintenance line to better reflect historical expenditures
- A continuing one-time reduction of $89,300 cash funds to the State Insectary as initially proposed in the FY 2020-21 budget request. The program has federal funds available to sustain this reduction for one more year.
- A one-time reduction of $1 million cash fund spending authority to the Agricultural Management Fund. The Agricultural Management Fund historically does not expend the entirety of its appropriation, and can absorb this request for one year using roll forward spending authority and a healthy cash fund balance in the case of an unexpected increase in expenditures.
- A reduction of $172,642 General Fund and refinancing, in part, with an increase of $108,534 cash funds across various divisions as follows:

REDUCTIONS TO SPENDING AUTHORITY BY DIVISION						
DIVISION	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Commissioner's Office	($10,000)	($10,000)	$0	$0	$0	0.0
Animal Industry Division	(30,822)	(40,822)	10,000	0	0	0.0
Plants Division	(5,821)	(29,355)	23,534	0	0	0.0
Inspection and Consumer Services Division	(5,821)	(55,821)	50,000	0	0	0.0
Conservation Division	(5,822)	(20,822)	15,000	0	0	0.0
Markets Division	(5,822)	(15,822)	10,000	0	0	0.0
Total	**($64,108)**	**($172,642)**	**$108,534**	**$0**	**$0**	**0.0**

NON-PRIORITIZED REQUEST ITEMS: The request includes a decrease of $432,194 total funds, including $22,296 General Fund, for adjustments related to budget requests from the Department of Personnel for its annual fleet vehicle request and the Governor's Office of Information Technology package of request items for FY 2021-22. *These request items will be addressed in separate staff briefings for the Department of Personnel and the Governor's Office.*

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP1 DPA Center for organizational effectiveness	$4,964	$3,524	$1,440	$0	$0	0.0
NP2 Annual fleet vehicle request	131,888	51,436	80,452	0	0	0.0
NP3 Extend pause depreciation lease payment	(461,617)	0	(461,617)	0	0	0.0
NP4 OIT Budget request package	(107,429)	(77,256)	(30,173)	0	0	0.0
TOTAL	**($432,194)**	**($22,296)**	**($409,898)**	**$0**	**$0**	**0.0**

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items for the following line items. *These request items will be addressed in separate staff briefings for Compensation Common Policies, the Department of Personnel and the Governor's Office.*

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Payments to OIT adjustment	$910,590	$654,839	$255,751	$0	$0	0.0

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Depreciation of Laboratory Building	461,617	0	461,617	0	0	0.0
Payment to risk management / property funds adjustment	120,809	73,246	47,563	0	0	0.0
Health, life, and dental adjustment	63,360	(47,584)	110,944	0	0	0.0
Legal services adjustment	48,757	0	48,757	0	0	0.0
PERA Direct Distribution	8,859	(9)	8,868	0	0	0.0
CORE adjustment	1,025	139	752	134	0	0.0
AED adjustment	(46,136)	(17,864)	(28,272)	0	0	0.0
SAED adjustment	(46,136)	(17,864)	(28,272)	0	0	0.0
ALJ adjustment	(8,890)	0	(8,890)	0	0	0.0
Short-term disability adjustment	(2,928)	(1,106)	(1,822)	0	0	0.0
Workers' compensation adjustment	(1,100)	(218)	(882)	0	0	0.0
TOTAL	**$1,509,827**	**$643,579**	**$866,114**	**$134**	**$0**	**0.0**

ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION: The request includes adjustments that reflect the second- and third-year impact of prior year legislation and prior year budget actions that have an impact on the current year's request. The following table summarizes those changes:

ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPIATED FUNDS	FEDERAL FUNDS	FTE
HB 20-1379 Suspend DD to PERA	$481,308	$157,816	$323,492	$0	$0	0.0
FY 20-21 GF HLD reduction	345,284	345,284	0	0	0	0.0
FY 20-21 FFA and 4H Funding reduction	275,000	125,000	150,000	0	0	0.0
FY 20-21 R9 Implementing budget efficiencies	188,660	89,300	99,360	0	0	1.0
FY 20-21 R8 Unused spending authority	130,000	0	130,000	0	0	0.0
FY 20-21 50k marketing reduction	50,000	50,000	0	0	0	0.0
SB18-200 PERA unfunded liability	6,604	2,127	4,477	0	0	0.0
FY 20-21 Personal services refinancing	0	436,440	(436,440)	0	0	0.0
FY 20-21 BA2 Hemp center for excellence	(103,403)	0	(103,403)	0	0	0.0
FY 20-21 R5 PACFA licensing repair	(69,625)	0	(69,625)	0	0	0.0
FY 20-21 BA1 Industrial hemp compliance	(51,900)	0	(51,900)	0	0	0.0
TOTAL	**$1,251,928**	**$1,205,967**	**$45,961**	**$0**	**$0**	**1.0**

INFORMATIONAL ISSUE: 2020 SESSION BUDGET BALANCING ACTIONS

In response to the budget challenges of the 2020 Session, the Joint Budget Committee and the General Assembly took actions that reduced the FY 2020-21 General Fund appropriations to the Department of Agriculture by $1.2 million. The General Assembly's actions made an additional $150,000 available for balancing purposes by reducing cash funds appropriations. These adjustments helped to limit the net increase of total funds, and contributed to the net decrease in the Department's General Fund budget for FY 2020-21.

SUMMARY

FY 2020-21 Budget

- For FY 2020-21, the General Assembly's actions included $982,593 in General Fund reductions in the Department of Agriculture, although increases in cash funds appropriations offset $436,440 of that decrease.

- The FY 2020-21 balancing actions also included $150,000 in cash funds reductions that made those revenues (from the Marijuana Tax Cash Fund) available for budget balancing outside of the Department.

- The FY 2020-21 $436,440 of the general fund reduction was offset by a net zero refinance from the Agriculture Management Fund.

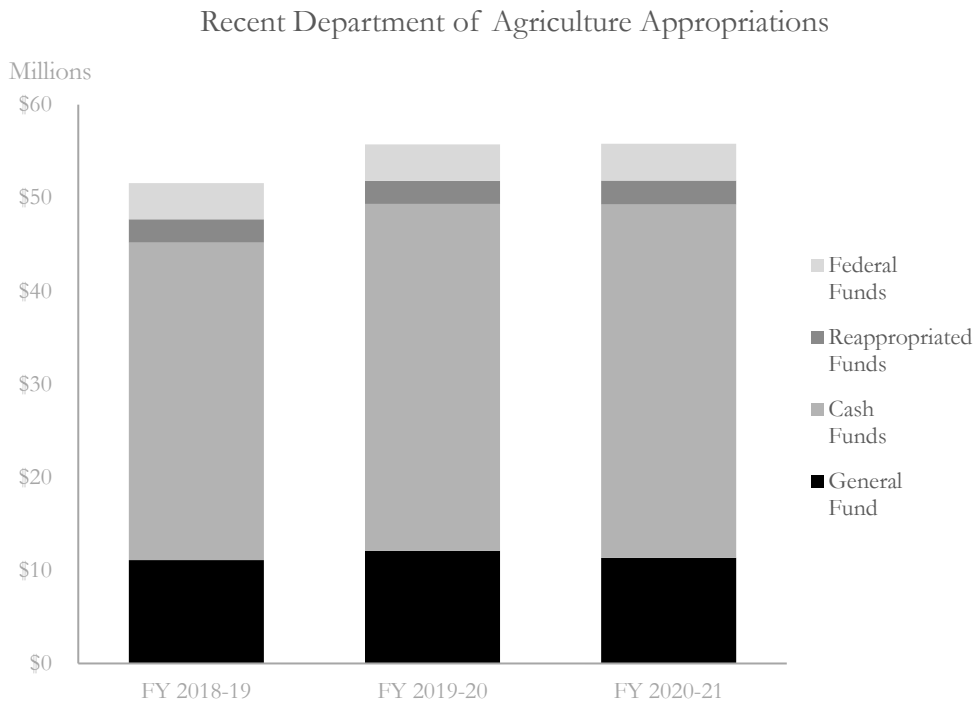
DISCUSSION

Confronting the budget challenges of the 2020 legislative session, the Committee and the General Assembly took a variety of budget balancing actions in the Department of Agriculture for FY 2020-21.

FY 2018-19 to FY 2019-20: Appropriations to the Department increased by $4.1 million total funds from FY 2018-19 to FY 2019-20, including an increase of $1.0 million General Fund.

FY 2019-20 to FY 2020-21: Facing revenue challenges for FY 2020-21, the General Assembly took a variety of actions to both reduce the Department's General Fund appropriations and to make other revenues available for balancing purposes. While the Department's *total* budget increased by $74,948 from FY 2019-20 to FY 2020-21, the General Fund appropriation was decreased by $754,605 (representing an increase of $236,742 million above FY 2018-19 levels).

The following graph shows the Department's annual appropriations for FY 2018-19 through FY 2020-21. A table with appropriations detail by major fund source follows the graph. Please note that any FY 2019-20 appropriations include the adjustments and reductions made during the 2020 Session.



Department of Agriculture Appropriations FY 2018-19 through FY 2020-21						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2018-19 Final	$51,592,874	$11,107,420	$34,082,132	$2,494,460	$3,908,862	289.9
FY 2019-20 Adjusted	55,738,636	12,098,767	37,231,886	2,498,418	3,909,565	297.8
FY 2020-21	55,813,584	11,344,162	37,944,741	2,575,576	3,949,105	299.5
Change from FY 2019-20 to FY 2020-21	$74,948	($754,605)	$712,855	$77,158	$39,540	6.5
Percent change FY 2019-20 to FY 2020-21	*0.1%*	*-6.2%*	*1.9%*	*3.1%*	*1.0%*	*2.2%*

Summary of 2020 Session Budget Balancing Appropriation Changes

The following table summarizes the budget balancing actions that impacted appropriations to the Department of Agriculture for FY 2020-21, including actions taken through the Long Bill and other legislation. Please note:

- Unless otherwise indicated, JBC Staff assumes that the FY 2020-21 adjustments are one-time.
- The table only reflects balancing actions that specifically changed appropriations. The cash fund reductions in the table below that do not have an associated GF reduction were part of actions to make additional resources available for budget balancing purposes outside of the Department of Agriculture.

2020 Session Budget Balancing Appropriation Changes - Department of Agriculture [a]						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION BALANCING ITEMS:						
Appropriation Reductions						
HB 20-1379 Suspend PERA Direct Distribution [b]	($481,308)	($157,816)	($323,492)	$0	$0	0.0
HLD decrease in lieu of PS base reduction	(345,284)	(345,284)	0	0	0	0.0
Reduce 4H and FFA at the State Fair	(275,000)	(125,000)	(150,000)	0	0	0.0
Funding for Ag Marketing support	(50,000)	(50,000)	0	0	0	0.0
Reverse SB 19-158 PACFA annualization	(25,869)	(25,869)	0	0	0	(0.4)
Subtotal - Appropriation Reductions	**($1,177,461)**	**($703,969)**	**($473,492)**	**0**	**0**	**(0.4)**
Fund Source Adjustments						
Refinance General Fund with Ag Management Fund	0	(436,440)	436,440	0.0	0.0	0.0
Subtotal - Fund Source Adjustments	**$0**	**($436,440)**	**$436,440**	**$0**	**$0**	**0.0**
TOTAL	**($1,177,461)**	**($1,140,409)**	**($37,052)**	**$0**	**$0**	**(0.4)**
BALANCING ITEMS AS PERCENTAGE OF TOTAL APPROPRIATION:						
FY 2019-20 Appropriation	55,738,636	12,098,767	37,231,886	2,498,418	3,909,565	297.8
FY 2020-21 Appropriation	55,813,584	11,344,162	37,944,741	2,575,576	3,949,105	299.5
FY 2020-21 Actions as Percentage of FY 2019-20 Appropriation	*(0.0)*	*(0.1)*	*(0.0)*	*0.0*	*0.0*	*(0.0)*

[a] Unless otherwise indicated, actions were reflected in the Long Bill (H.B. 20-1360)

[b] House Bill 20-1379 eliminated PERA Direct Distribution appropriations for all departments.

FY 2020-21 APPROPRIATION – APPROPRIATION REDUCTIONS

PERA DIRECT DISTRIBUTION (HB 20-1379): The appropriation includes a decrease of $481,308 total funds, including $157,816 million General Fund. House Bill 20-1379 eliminated PERA Direct Distribution appropriations for all departments.

HLD DECREASE/PERSONAL SERVICES BASE REDUCTION: The appropriation reduced appropriations for health, life, and dental insurance by $345,284 General Fund in lieu of a 5.0 percent personal services base reduction.

REDUCE 4-H AND FFA AT STATE FAIR: The appropriation includes a reduction of $275,000 total funds, including $125,000 General Fund and $150,000 cash funds from the Marijuana Tax Cash Fund.

AGRICULTURE MARKETING SUPPORT: The appropriation includes a one-time decrease of $50,000 General Fund originally appropriated to provide technical support and the costs associated with sending international trade delegations to encourage expansion of international and domestic markets with active contracts with Colorado agriculture products producers.

REVERSE SB 19-158 PAFCA ANNUALIZATION: The appropriation includes a reduction of $25,869 General Fund and 0.4 FTE. This balancing action does not decrease General Fund for this line below that of FY 2019-20 levels, but eliminates the appropriation increase that was to be annualized into the budget based on the fiscal note for the bill.

FY 2020-21 Appropriation – Fund Source Adjustments

Refinance General Fund with Agriculture Management Fund: The Long Bill appropriation eliminates the $436,440 General Fund appropriation to the Personal Services line within the Commissioner's Office and offsets that reduction with an increase in Cash Funds from the Agriculture Management Fund. The Department's FY 2021-22 request reverses this refinancing.

Points to Consider

Looking toward the FY 2021-22 budget, staff offers the following points to consider regarding the Department of Agriculture.

- All of the balancing options identified above, with the exception of the SB19-158 annualization, were one-time decreases and have been annualized back into the budget for FY 2021-22.
- The reversal of the annualization of SB19-158 did not result in any General Fund decreases as compared to the FY 2019-20 appropriation. This balancing option prevented an increase in General Fund expenditures is a continued as part of the FY 2021-22 budget request.

R-02 INDUSTRIAL HEMP ENFORCEMENT FTE

The Department requests an increase of $95,189 total funds, including $87,826 cash funds from the Industrial Hemp Registration Cash Fund, $7,363 in reappropriated funds, and 1.0 FTE to hire a Hemp Enforcement Specialist for FY 2021-22 and beyond.

SUMMARY

- The USDA's Interim Final Rule, which requires the Department to increase testing of hemp producing areas to 100 percent, goes into effect October 1st, 2021
- The Department's current testing structure results in about 36% of the 1,484 hemp producing areas being tested.
- In FY 2019-20 414 enforcement related activities were initiated by the Department. Staff time expended towards these activities equate to roughly 0.75 FTE.

DISCUSSION

INTERIM FINAL RULE (IFR)

The 2018 Agricultural Improvement Act, also known as the Farm Bill, directed the United States Department of Agriculture (USDA) to establish a national regulatory framework for domestic hemp production, which it did through the Interim Final Rule (IFR) published on October 31, 2019. The IFR directed the Colorado Department of Agriculture to, among other things, increase the testing of hemp crops produced within the state for tetrahydrocannabinol (THC) to 100 percent, up from the current testing rate of 36 percent. While the initial rule directed this increase in testing to be complied with by October 30th, 2020, that compliance date was pushed back to October 1st, 2021 as a result of a continuing resolution. Other notable requirements of the IFR include:

- Requirements to maintain records and to report to the USDA on the number and status of licensed hemp producers, to submit an electronic report to USDA, to share real time laboratory test results with growers and with the USDA, and to document, track, and share any enforcement actions.
- Requirements to share real-time information on hemp registrants with federal and local law enforcement agencies.
- Procedural requirements in the State Plan to notify the USDA of any non-compliant plants and disposal of those plants.
- State Plan procedures for addressing felonies that provide for a 10-year restriction on industrial hemp production for persons with a State or Federal felony conviction relating to a controlled substance.
- Requirements that any laboratories testing hemp samples for THC levels are Drug Enforcement Agency (DEA) registered.

INDUSTRIAL HEMP PROGRAM

The Department of Agriculture regulates the cultivation of industrial hemp authorized through Title 35, Article 61 C.R.S. The Department established its industrial hemp program in 2015 and is responsible for creating the first certified seed program in the nation. Between FY 2016-17 and FY 2017-18, the Department saw a 104 percent growth in registrations of hemp producers, with an additional 159 percent increase between FY 2017-18 and FY 2018-19. Through FY 2019-20 the number of registrations have decreased by 50 percent, a likely result of the current economic downturn and related COVID pandemic. Notably, the Department does not have jurisdiction over the processing, sale, or distribution of industrial hemp. That oversight is provided by CDPHE, pursuant to Section 35-61-108, C.R.S.

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

The Department tests samples of hemp from producers for THC content before harvest, as established by rule by the Department to verify it does not exceed 0.3 percent THC. In 2020, the Department sampled crops from approximately 36 percent of the 1,484 registered hemp producing areas registered at the time. The Department tests these samples in its laboratory facilities in Broomfield, CO. Currently, the Department is working with the Attorney General's Office with enforcement of 103 violations of crops above the allowable THC percentage limit in FY 2019-20 with an estimated 22 percent of crops tested. The Department has identified at least 311 violations in FY 2019-20 of failure to submit required reports.

PRIOR AND CURRENT DEPARTMENT REQUESTS

During the 2020 legislative session the Department requested, and was approved for, an additional $558,253 from the Industrial Hemp Cash Fund to comply with the increased regulatory duties resulting from the IFR. Of this approved amount $372,174 was specifically to address the increased need for testing of hemp crops by:

- Requiring hemp producers to work with Department approved external inspectors and labs in order to process THC test in quantities beyond that of the Departments internal lab. 1.0 FTE was hired in order to develop and maintain rules and regulations relating to external inspections and testing, as well as maintaining a database of approved inspectors and disseminating information to hemp producers. In addition, 2.0 FTE were hired to travel across the state developing quality assurance metrics, conducting lab inspections, and developing a lab certification program in coordination with CDPHE.
- Hiring 4.0 temporary staff during the harvest season to test 10 to 20 percent of hemp samples to ensure the accuracy of external lab testing.

The request included in the FY 2021-22 budget submission includes $95,189 in total funds and 1.0 FTE to add a Hemp Enforcement Specialist to investigate complaints, issue warnings, and initiate other enforcement actions against producers in violation of hemp rules and regulations, which are expected to increase with the increased testing standards created by the IFR. Primary responsibilities would include enforcing the disposal of non-compliant products and verifying their destruction, issuing enforcement letters, working with the Office of Attorney General to issue stipulations or other

enforcement actions and to provide guidance to field staff during investigations of complaints and potential violations.

Currently the Department does not have any resources or FTE that are dedicated strictly to enforcement. The cumulative total of FTE that works on enforcement related activities equates to about 0.75 FTE. Given that the current amount of enforcement needs stem from the Department testing about a third of hemp producing areas, the increase to 100% testing could result in the need for more than the 1.0 FTE requested. The Department has indicated that last year's policy change of moving testing to the private sector would free up Department staff and that the Department can absorb additional enforcement requirements through existing resources.

APPENDIX A
NUMBERS PAGES
(DIGITAL ONLY)

Appendix A details actual expenditures for the last two fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. This information is listed by line item and fund source. ***Appendix A is only available in the online version of this document.***

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation

DEPARTMENT OF AGRICULTURE
Kate Greenberg, Commissioner

(1) COMMISSIONER'S OFFICE AND ADMINISTRATIVE SERVICES

ect cost recoveries. Federal funds are from federal grants for agricultural purposes.

Personal Services	1,656,213	1,667,245	2,045,943	2,049,910	*
FTE	17.0	16.7	16.7	16.7	
General Fund	415,740	436,440	98,449	527,016	
Cash Funds	8,165	1,946	507,076	75,113	
Reappropriated Funds	1,232,308	1,228,859	1,323,925	1,331,288	
Federal Funds	0	0	116,493	116,493	
Health, Life, and Dental	2,477,499	2,077,149	2,961,065	3,379,751	*
General Fund	705,079	784,033	552,409	850,109	
Cash Funds	1,772,420	1,293,116	2,408,656	2,529,642	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Short-term Disability	24,310	19,660	29,925	27,085	*
General Fund	8,989	7,595	9,802	8,696	
Cash Funds	15,321	12,065	20,123	18,389	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
S.B. 04-257 Amortization Equalization Disbursement	756,259	735,053	938,354	894,813	*
General Fund	279,121	282,636	305,110	287,246	
Cash Funds	477,138	452,417	633,244	607,567	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	756,259	735,053	938,354	894,813	*
General Fund	279,121	282,636	305,110	287,246	
Cash Funds	477,138	452,417	633,244	607,567	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
PERA Direct Disbursement	0	511,033	0	490,167	
General Fund	0	132,887	0	157,807	
Cash Funds	0	378,146	0	332,360	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Workers' Compensation	252,521	209,767	171,666	170,566	
General Fund	50,036	41,485	33,952	33,734	
Cash Funds	202,485	168,282	137,714	136,832	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Operating Expenses	256,982	258,615	259,565	259,565	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	256,982	258,615	258,615	258,615	
Federal Funds	0	0	950	950	
Legal Services	543,399	722,499	899,633	948,390	
General Fund	115,793	130,663	163,666	163,666	
Cash Funds	427,606	591,836	735,967	784,724	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Administrative Law Judge Services	7,054	12,224	23,355	14,465	
General Fund	0	0	0	0	
Cash Funds	7,054	12,224	23,355	14,465	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Payment to Risk Management and Property Funds	268,767	236,382	187,183	307,992	
General Fund	158,280	139,209	113,489	186,735	
Cash Funds	110,487	97,173	73,694	121,257	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Lab Depreciation	0	0	0	0	*
FTE	0.0	0.0	0.0	0.0	
Cash Funds	0	0	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Vehicle Lease Payments	251,964	222,327	292,563	424,451	*
General Fund	99,148	102,416	116,982	168,418	
Cash Funds	149,508	115,060	171,385	251,837	
Reappropriated Funds	3,308	0	0	0	
Federal Funds	0	4,851	4,196	4,196	
Information Technology Asset Maintenance	42,201	28,041	101,872	42,041	*
General Fund	42,041	28,041	42,041	42,041	
Cash Funds	160	0	59,831	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Leased Space	18,101	19,180	19,301	19,301	
General Fund	0	0	0	0	
Cash Funds	18,101	19,180	19,301	19,301	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Office Consolidation COP	462,017	418,484	529,063	529,063	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	462,017	418,484	529,063	529,063	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
CORE Operations	124,536	108,625	145,304	146,329	
General Fund	17,843	14,660	19,607	19,746	
Cash Funds	92,462	79,734	106,661	107,413	
Reappropriated Funds	14,231	14,231	19,036	19,170	
Federal Funds	0	0	0	0	
Payments to OIT	1,578,725	1,616,101	1,897,627	2,700,788	*
General Fund	1,102,050	1,162,202	1,364,653	1,942,236	
Cash Funds	476,675	453,899	532,974	758,552	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Utilities	146,989	196,939	240,000	240,000	
General Fund	50	50,000	50,000	50,000	
Cash Funds	146,939	0	0	0	
Reappropriated Funds	0	146,939	190,000	190,000	
Federal Funds	0	0	0	0	
Agriculture Management Fund	1,157,369	1,473,856	2,048,914	1,048,914	*
FTE	2.0	2.0	2.0	2.0	
General Fund	0	0	0	0	
Cash Funds	1,157,369	1,473,856	2,048,914	1,048,914	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Adult Agriculture Leadership Grant Program	20,000	20,000	20,000	0	*
General Fund	0	0	0	0	
Cash Funds	20,000	20,000	20,000	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	100,000	103,181	161,297	161,297	
General Fund	0	0	0	0	
Cash Funds	100,000	103,181	161,297	161,297	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Statewide training	0	0	0	4,964	*
General Fund	0	0	0	3,524	
Cash Funds	0	0	0	1,440	
Salary Survey	481,389	799,668	0	0	
General Fund	173,214	184,155	0	0	
Cash Funds	308,175	615,513	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Parental Leave	0	0	0	0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Agricultural Statistics	0	0	0	0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Merit Pay	0	0	0	0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
TOTAL - (1) Commissioner's Office and Administrative Services	11,382,554	12,191,082	13,910,984	14,754,665	6.1%
FTE	19.0	18.7	18.7	18.7	0.0%
General Fund	3,446,505	3,779,058	3,175,270	4,728,220	48.9%
Cash Funds	6,429,220	6,758,529	8,822,499	8,105,733	(8.1%)
Reappropriated Funds	1,506,829	1,648,644	1,791,576	1,799,073	0.4%
Federal Funds	0	4,851	121,639	121,639	0.0%

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
(2) AGRICULTURAL SERVICES					
The section is divided into four distinct divisions: (1) Animal Industry Division; (2) Plant Industry; (3) Inspection and Consumer Services Division; and (4) Conservation Services Division.					
Animal Industry Division	2,825,167	3,049,692	3,176,093	2,223,949	*
FTE	26.5	28.1	28.1	17.5	
General Fund	1,633,902	1,761,755	1,808,854	1,641,762	
Cash Funds	910,276	955,296	1,189,979	404,927	
Reappropriated Funds	0	0	0	0	
Federal Funds	280,989	332,641	177,260	177,260	
Plant Industry Division	4,329,521	5,213,207	6,588,706	6,492,725	*
FTE	50.1	54.9	55.7	56.7	
General Fund	390,897	408,326	419,899	390,544	
Cash Funds	2,998,002	3,729,843	5,366,951	5,300,325	
Reappropriated Funds	0	0	0	0	
Federal Funds	940,622	1,075,038	801,856	801,856	
Inspection and Consumer Services Division	4,209,640	4,311,397	4,126,736	4,972,612	*
FTE	0.0	45.6	45.6	56.2	
General Fund	1,219,027	1,226,915	1,272,523	1,342,972	
Cash Funds	2,133,259	2,247,083	2,454,370	3,229,797	
Reappropriated Funds	84,000	84,000	84,000	84,000	
Federal Funds	773,354	753,399	315,843	315,843	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Conservation Services Division	3,681,008	3,735,586	3,714,806	4,208,984	*
FTE	16.2	17.7	18.1	18.6	
General Fund	761,172	882,128	839,006	818,184	
Cash Funds	661,211	882,108	1,349,496	1,864,496	
Reappropriated Funds	700,000	764,749	700,000	700,000	
Federal Funds	1,558,625	1,206,601	826,304	826,304	
Appropriation to the Noxious Weed Management Fund	700,000	700,000	700,000	700,000	
General Fund	700,000	700,000	700,000	700,000	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Lease Purchase Lab Equipment	96,883	96,883	0	99,360	
General Fund	0	0	0	0	
Cash Funds	96,883	96,883	0	99,360	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	1,217,447	1,208,765	1,349,740	1,357,103	*
General Fund	0	0	0	0	
Cash Funds	739,454	804,070	1,093,189	1,100,552	
Reappropriated Funds	477,993	0	0	0	
Federal Funds	0	404,695	256,551	256,551	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
TOTAL - (2) Agricultural Services	17,059,666	18,315,530	19,656,081	20,054,733	2.0%
FTE	92.8	146.3	147.5	149.0	1.0%
General Fund	4,704,998	4,979,124	5,040,282	4,893,462	(2.9%)
Cash Funds	7,539,085	8,715,283	11,453,985	11,999,457	4.8%
Reappropriated Funds	1,261,993	848,749	784,000	784,000	0.0%
Federal Funds	3,553,590	3,772,374	2,377,814	2,377,814	0.0%

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
(3) AGRICULTURAL MARKETS DIVISION					
This division provides marketing assistance and related support to Colorado agricultural-based businesses competing in local, national, and international arenas.					
(A) Agricultural Markets					
Program Costs	1,395,320	1,888,105	1,745,220	1,789,398	*
FTE	5.4	5.4	5.4	5.4	
General Fund	508,061	819,923	785,899	830,077	
Cash Funds	5,152	235,377	31,091	31,091	
Reappropriated Funds	0	0	0	0	
Federal Funds	882,107	832,805	928,230	928,230	
Agricultural Development Board	269,591	319,792	500,000	0	*
FTE	0.0	0.0	0.5	0.0	
General Fund	269,591	0	0	0	
Cash Funds	0	319,792	500,000	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Wine Promotion Board	525,019	686,609	574,246	574,246	
FTE	1.5	1.5	1.5	1.5	
General Fund	0	0	0	0	
Cash Funds	525,019	686,609	574,246	574,246	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Agriculture Workforce Development Program	0	53,867	64,108	214,108 *	
FTE	0.0	0.3	0.3	0.3	
General Fund	0	53,867	64,108	64,108	
Cash Funds	0	0	0	150,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	51,287	54,274	37,559	37,559	
General Fund	0	0	0	0	
Cash Funds	20,000	20,000	22,918	22,918	
Reappropriated Funds	0	0	0	0	
Federal Funds	31,287	34,274	14,641	14,641	
Economic Development Grants	0	0	0	0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (A) Agricultural Markets	2,241,217	3,002,647	2,921,133	2,615,311	(10.5%)
FTE	6.9	7.2	7.7	7.2	(6.5%)
General Fund	777,652	873,790	850,007	894,185	5.2%
Cash Funds	550,171	1,261,778	1,128,255	778,255	(31.0%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	913,394	867,079	942,871	942,871	0.0%

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
(B) Agricultural Products Inspection					
Program Costs	2,199,012	1,789,121	2,418,947	2,418,947 *	
FTE	34.5	34.5	34.5	34.5	
General Fund	200,000	200,000	200,000	190,000	
Cash Funds	1,999,012	1,589,121	2,218,947	2,228,947	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	88,536	21,365	122,613	122,613	
General Fund	0	0	0	0	
Cash Funds	88,536	21,365	122,613	122,613	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (B) Agricultural Products Inspection	2,287,548	1,810,486	2,541,560	2,541,560	0.0%
FTE	34.5	34.5	34.5	34.5	0.0%
General Fund	200,000	200,000	200,000	190,000	(5.0%)
Cash Funds	2,087,548	1,610,486	2,341,560	2,351,560	0.4%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%
TOTAL - (3) Agricultural Markets Division	4,528,765	4,813,133	5,462,693	5,156,871	(5.6%)
FTE	41.4	41.7	42.2	41.7	(1.2%)
General Fund	977,652	1,073,790	1,050,007	1,084,185	3.3%
Cash Funds	2,637,719	2,872,264	3,469,815	3,129,815	(9.8%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	913,394	867,079	942,871	942,871	0.0%

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
(4) BRAND BOARD					
itution.					
Brand Inspection	4,084,290	4,015,957	4,506,821	4,506,821	
FTE	59.0	59.0	59.0	59.0	
General Fund	0	0	0	0	
Cash Funds	4,084,290	4,015,957	4,506,821	4,506,821	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Alternative Livestock	10,045	10,081	15,000	15,000	
General Fund	0	0	0	0	
Cash Funds	10,045	10,081	15,000	15,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Brand Estray Fund	0	0	40,000	40,000	
General Fund	0	0	0	0	
Cash Funds	0	0	40,000	40,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	156,817	164,330	220,015	220,015	
General Fund	0	0	0	0	
Cash Funds	156,817	164,330	220,015	220,015	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
TOTAL - (4) Brand Board	4,251,152	4,190,368	4,781,836	4,781,836	0.0%
FTE	59.0	59.0	59.0	59.0	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	4,251,152	4,190,368	4,781,836	4,781,836	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
(5) COLORADO STATE FAIR					
juana Tax Cash Fund provides funding to support the activities of 4-H and FFA youth programs.					
Program Costs	7,473,717	7,823,835	9,138,601	9,138,601	
FTE	26.9	26.9	26.9	26.9	
General Fund	450,000	450,000	450,000	450,000	
Cash Funds	7,023,717	7,373,835	8,688,601	8,688,601	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
FFA and 4H Funding	909,469	1,087,336	275,000	550,000	
General Fund	250,000	250,000	125,000	250,000	
Cash Funds	659,469	837,336	150,000	300,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
State Fair Facilities Maintenance	600,000	581,000	300,000	300,000	
FTE	0.0	0.0	0.0	0.0	
General Fund	300,000	300,000	300,000	300,000	
Cash Funds	300,000	281,000	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	107,973	102,010	128,005	128,005	
General Fund	0	0	0	0	
Cash Funds	107,973	102,010	128,005	128,005	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
TOTAL - (5) Colorado State Fair	9,091,159	9,594,181	9,841,606	10,116,606	2.8%
FTE	26.9	26.9	26.9	26.9	0.0%
General Fund	1,000,000	1,000,000	875,000	1,000,000	14.3%
Cash Funds	8,091,159	8,594,181	8,966,606	9,116,606	1.7%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
(6) CONSERVATION BOARD					
This division works to preserve Colorado's natural resources including reducing soil erosion and flood damage, as well as protecting underground water reserves.					
Program Costs	494,836	494,836	494,836	494,836	
FTE	5.2	5.2	5.2	5.2	
General Fund	494,836	494,836	494,836	494,836	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Distribution to Soil Conservation Districts	483,767	483,767	483,767	483,767	
General Fund	483,767	483,767	483,767	483,767	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Matching Grants to Districts	321,977	737,800	675,000	675,000	
General Fund	225,000	225,000	225,000	225,000	
Cash Funds	96,977	512,800	450,000	450,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Salinity Control Grants	104,066	94,193	506,781	506,781	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	104,066	94,193	506,781	506,781	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
TOTAL - (6) Conservation Board	1,404,646	1,810,596	2,160,384	2,160,384	0.0%
FTE	5.2	5.2	5.2	5.2	0.0%
General Fund	1,203,603	1,203,603	1,203,603	1,203,603	0.0%
Cash Funds	96,977	512,800	450,000	450,000	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	104,066	94,193	506,781	506,781	0.0%
TOTAL - Department of Agriculture	47,717,942	50,914,890	55,813,584	57,025,095	2.2%
FTE	244.3	297.8	299.5	300.5	0.3%
General Fund	11,332,758	12,035,575	11,344,162	12,909,470	13.8%
Cash Funds	29,045,312	31,643,425	37,944,741	37,583,447	(1.0%)
Reappropriated Funds	2,768,822	2,497,393	2,575,576	2,583,073	0.3%
Federal Funds	4,571,050	4,738,497	3,949,105	3,949,105	0.0%

APPENDIX B
FOOTNOTES AND INFORMATION REQUESTS

UPDATE ON LONG BILL FOOTNOTES

The General Assembly includes footnotes in the annual Long Bill to: (a) set forth purposes, conditions, or limitations on an item of appropriation; (b) explain assumptions used in determining a specific amount of an appropriation; or (c) express legislative intent relating to any appropriation. Footnotes to the 2020 Long Bill (H.B. 20-1360) can be found at the end of each departmental section of the bill at https://leg.colorado.gov/bills/HB20-1360. The Long Bill footnotes relevant to this document are listed below.

1 Department of Agriculture, Commissioner's Office and Administrative Services, Health, Life, and Dental -- The General Fund appropriation includes a decrease of $345,284 that is equal to 5.0 percent of the General Fund portion of estimated base salary for the Department. The reduction in this General Fund appropriation is in lieu of a 5.0 percent personal services base reduction and provides the Department with increased flexibility to absorb the reduction and engage in more considered targeted reductions across all department divisions and programs. This reduction is not intended to reduce the Health, Life, and Dental benefit provided to state employees. It is the General Assembly's intent that Health, Life, and Dental costs for employees, as approved in budget actions, be fully paid within personal services appropriations augmented by Department allocations from central benefits appropriations.

COMMENT: This footnote explains assumptions used in determining the amount of the FY 2020-21 appropriation for Health, Life, and Dental. The footnote describes the adjustment made as a statewide compensation balancing action. This item is addressed in the Statewide Compensation briefing document.

2 Department of Agriculture, Agricultural Markets Division, Agricultural Markets, Agriculture Workforce Development Program -- This appropriation remains available for expenditure until the close of the 2021-22 state fiscal year.

COMMENT: This footnote explains legislative intent, the Department is in compliance with this footnote.

UPDATE ON LONG BILL REQUESTS FOR INFORMATION

The Joint Budget Committee annually submits requests for information to executive departments and the judicial branch via letters to the Governor, the Chief Justice, and other elected officials. Each request is associated with one or more specific Long Bill line item(s), and the requests have been prioritized by the Joint Budget Committee as required by Section 2-3-203 (3), C.R.S. Copies of these letters are included as Appendix L of the annual Appropriations Report. The requests for information relevant to this document are listed below.

1 Department of Agriculture, Colorado State Fair, State Fair Facilities Maintenance -- The Department is requested to provide by November 1, 2020, a report on facility maintenance projects for the Colorado State Fairgrounds. This report should include the following for each facility with planned maintenance: facility name, the type and nature of maintenance, the anticipated cost of the maintenance, the expenditures to-date on the maintenance, and the anticipated completion date.

COMMENT: The Department has provided a summary of their expenditures along with their budget submission, located in Appendix D, and is in compliance with this request.

APPENDIX C
DEPARTMENT ANNUAL PERFORMANCE REPORT

Pursuant to Section 2-7-205 (1)(a)(I), C.R.S., by November 1 of each year, the Office of State Planning and Budgeting is required to publish an **Annual Performance Report** for the *previous fiscal year* for the Department of Agriculture. This report is to include a summary of the Department's performance plan and most recent performance evaluation for the designated fiscal year. In addition, pursuant to Section 2-7-204 (3)(a)(I), C.R.S., the Department of Agriculture is required to develop a **Performance Plan** and submit the plan for the *current fiscal year* to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year.

For consideration by the Joint Budget Committee in prioritizing the Department's FY 2021-22 budget request, the FY 2019-20 Annual Performance Report and the FY 2020-21 Performance Plan can be found at the following link:

https://operations.colorado.gov/performance-management/department-performance-plan

APPENDIX D RFI RESPONSE
STATE FAIR FACILITIES MAINTENANCE

Colorado Department of Agriculture - RFI #1 State Fair Facilities Maintenance

Projects FY16-17	LOCATION/AREA	ANTICIPATED COSTS	EXPENDED AMOUNT	STATUS
Purchase CAT Loader	Facilities		$ 64,989	Completed
Replace Arena Curtain	Events Center		$ 17,500	Completed
HVAC Repairs	Events Center		$ 7,253	Completed
Replace Sound System	Events Center		$ 13,102	Completed
Rodeo Arena Repairs	Grandstand		$ 3,900	Completed
Tree trimming & removals	Grounds		$ 19,500	Completed
Crack Filling Material	Carnival Lot		$ 32,040	Completed
Repair Stairs	Ag Palace		$ 7,800	Completed
Repair Concrete trip hazards	Ag Palace		$ 4,318	Completed
Repair Concrete trip hazards	Amphitheater		$ 4,988	Completed
Sweeper			$ 9,658	Completed
Miscellaneous Grounds Maintenance	Grounds		$ 114,952	Completed
			$ 300,000	*Total Investment*

Projects FY17-18	LOCATION/AREA	ANTICIPATED COSTS	EXPENDED AMOUNT	STATUS
Livestock Facility Upgrades	Livestock Pavilion		$ 117,070	Completed
Horseshow Barn A renovations	Horseshow		$ 93,035	Completed
Master Visioning Plan Assessment	Grounds		$ 117,211	Completed
Asphalt-Complete Livestock Lot	Grounds		$ 44,820	Completed
Painting - Grandstand wall	Grandstand		$ 11,700	Completed
Emergency Electrical Repair - Camping spaces	Carnival Lot		$ 8,360	Completed
Replace Fountain pad	Grounds		$ 10,400	Completed
Painting	Palace of Agriculture		$ 15,075	Completed
Repair HVAC	Events Center		$ 9,091	Completed
Repair Accessible Ramp	Palace of Agriculture		$ 19,551	Completed
Replace Stage Panels	Events Center		$ 6,873	Completed
			$ 453,186	*Total Investment*

Projects FY18-19	LOCATION/AREA	ANTICIPATED COSTS	EXPENDED AMOUNT	STATUS
Exterior Lighting	Event Center and Palace of Ag		$ 5,740	Completed
Paint Window Trim and Stucco	Palace of Agriculture		$ 14,646	Completed
Fabricate and Install Handrails for entrances	Palace of Agriculture		$ 48,339	Completed
Paint Handrails	Palace of Agriculture		$ 1,500	Completed
Repair/repair roofs on canopies at door entrances	Palace of Agriculture		$ 12,500	Completed
Update & install building signs	Grounds		$ 5,548	Completed
Horseshow Barn A renovations	Horseshow		$ 166,334	Completed
Electronic Gate	Small Avenue Gate		$ 32,617	Completed
Covered Arena - closing west end of covered arena	Horseshow		$ 8,100	Completed
Repair & paint Shutters	Sheep & Swine Building		$ 23,535	Completed
Asphalt Maintenance	Grounds		$ 37,015	Completed

Upgrade/Repair Fire Alarm Panels & System components	Creative Arts & Facilities		$ 46,750	Completed
Replace flooring in restrooms	Fine Arts		$ 11,041	Completed
Fiber Optic network to Prairie Gate	Prairie gate - Events Center		$ 20,688	Completed
Painting and Repairs inside Creative Arts Building	Creative Arts Building		$ 26,314	Completed
Replace Fence screening	Armory Lot		$ 17,500	Completed
Painting	Amphitheater		$ 5,000	Completed
Painting	Gate 9		$ 3,000	Completed
Painting	Gate 2		$ 3,500	Completed
Painting	Exterior Wall around Grounds		$ 7,000	Completed
Replace Garage Door	Event Center		$ 19,860	Completed
Replace Horsestall doors	Horseshow		$ 44,250	Completed
			$ 560,777	*Total Investment*
Projects FY19-20	**LOCATION/AREA**	**ANTICIPATED COSTS**	**EXPENDED AMOUNT**	**STATUS**
Replace doors on west side of building	Palace of Agriculture		$ 37,375	Completed
Repair Water line & exterior trip hazards	Triangle Park Restroom Building		$ 11,588	Completed
Repair/Replace Roof	Manhattans building & Carnival Restroom		$ 33,058	Completed
Replace doors	Grandstand		$ 8,203	Completed
Drinking Fountains	Grounds Wide		$ 35,818	Purchased - awaiting installation
Painting	Security Building		$ 9,620	Completed
Asphalt Sealing	Grounds - main roads		$ 45,000	Completed
Asphalt Sealing	Horseshow		$ 19,180	Completed
Exhaust Fans	Sheep and Swine Building		$ 1,902	Completed
Safety Railings	Sheep and Swine Building		$ 9,586	Completed
Repair trip hazards & update rabbit tables	Small Animals Building		$ 45,590	Completed
Replace portable bleachers	Horse Show, Livestock, Small Animals, Sheep & Swine		$ 136,825	Completed
Update & replace display items for 4-H	Dining Hall, Auditorium, Exhibit Hall		$ 22,191	Completed
Update to LED lighting at B&C Barn	Horse Show B&C Stall Barn		$ 4,310	Completed
Replace Horsestall doors x 50	Horse Show Stalls		$ 44,250	Completed
Install Exterior Safety Lighting	Grounds		$ 6,450	Completed
Update Electrical Services	Main Street		$ 13,420	Completed
Replace Mirrors & Countertops in Restrooms	Events Center		$ 32,662	Completed
Replace Cove Base	Events Center		$ 12,480	Completed
Repair Water line & exterior trip hazards	Fine Arts		$ 2,591	Completed
Repair Concrete trip hazards	Fountain Park		$ 9,909	Completed
Mud Jacking	4H Auditorium		$ -	After engineer's review this is not necessary
Repair/Replace Emergency Lighting and Exit signs	Small Animal & Sheep & Swine Bldgs		$ -	Fire Department decided we did not need to redo lighting
		$ -	*$ 542,008*	*Total Investment*
Anticipated Projects FY20-21*	**LOCATION/AREA**	**ANTICIPATED COSTS**	**EXPENDED AMOUNT**	**STATUS**
Fencing waste disposal area	Event Center	$ 10,000		Anticipated Completion 6/30/2021
Fire Hydrant repairs/replacements	Grounds Wide	$ 18,000		Anticipated Completion 6/30/2021
Replace flooring in bathroom	Triangle Park Restroom Building	$ 15,000		Anticipated Completion 6/30/2021
Replace Cover on Weatherport	Horse Show		$ 5,392	Completed August 2020
Thermostat replacement	All buildings	$ 10,000		Anticipated Completion 6/30/2021
Update two primary electric meters to secondary	Event Center & Public Safety Building	$ 50,000		Anticipated Completion 6/30/2021

Cultural Heritage renovation & Lighting	Cultural Heritage	$	20,000			Anticipated Completion 6/30/2021
Roof replacement	Creative Arts	$	100,000			Anticipated Completion 6/30/2021
Exterior concrete reparis	Auditorium	$	15,000			Anticipated Completion 6/30/2021
Asphalt	Grounds	$	50,000			Anticipated Completion 6/30/2021
Replace flooring	Auditorium and Dining Hall	$	25,000			Anticipated Completion 6/30/2021
*Anticipated projects completed as cashflow is available		*$*	*313,000*	*$*	*5,392*	*Total Investment*

Storm Damage

PROJECT	LOCATION/AREA	ANTICIPATED COSTS		EXPENDED AMOUNT		STATUS
Evaluate Roof	Grandstand			$	4,250	Completed - Emergency Controlled Maintenance
Structural damage inspection	Weatherport Tent			$	1,115	Completed - Emergency Controlled Maintenance
Repair roof leaks	Events Center			$	1,560	Completed - Emergency Controlled Maintenance
Repair HVAC Damage	Events Center			$	6,922	Completed - Emergency Controlled Maintenance
Replace Gates	Colorado Pavilion			$	6,825	Completed - Emergency Controlled Maintenance
Repair Electrical line/Pole	Sunshine Park			$	12,887	Completed - Emergency Controlled Maintenance
Repair Block Wall	Maintenance Yard			$	19,250	Completed - Emergency Controlled Maintenance
Repair sides & top	Weatherport Tent			$	37,190	Completed - Risk Management
Demo & Repair blown down structure	Small Animal Building			$	2,400	Completed - Risk Management
HVAC Damage	Events Center			$	3,407	Completed - Risk Management
Repair Gate & Screening	Fence at Armory Lot			$	3,145	Completed - Risk Management
Remove Blown Down Building	Horse Show			$	850	Completed - Risk Management
Replace Coverall	Horse Show	$	19,939			waiting for funding - Risk Management
Replace door panels	Weatherport Tent			$	32,360	Completed waiting for funding - Risk Management
Replace Roofs	Grandstand			$	239,239	Funded - Risk Management
		$	*19,939*	*$*	*371,400*	*Total Investment*

Controlled Maintenance

Repair/Replace Water, Sanitary, and Storm Water	Infrastructure - Phase 1/3			$	992,325	Completed - In close out
Secondary Electrical Repair/Replacement	Infrastructure - Phase 1/3			$	709,680	Completed
Secondary Electrical Repair/Replacement	Infrastructure - Phase 2/3			$	709,680	Completed
Secondary Electrical Repair/Replacement	Infrastructure - Phase 3/3			$	988,738	Completed
Roof Replacement	Event Center - Phase 1/1	$	888,932	$	406,957	Construction - In progress
HVAC replacement	Event Center - Phase 1/1	$	1,527,448	$	65,419	In design
Fire Suppression , Accessibility Upgrade	Palace of Agriculture - Phase 1/1	$	739,797	$	-	In Startup
		$	*3,156,177*	*$*	*3,872,799*	*Total Investment*

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Repair/Replace Water, Sanitary, & Storm Water	Infrastructure - Phase 2 & 3	$	2,209,919	$	163,716	In design, contracted with contractor
		$	*2,209,919*	*$*	*163,716*	*Total Investment*