



JOINT BUDGET COMMITTEE STAFF FY 2021-22 BUDGET BRIEFING SUMMARY

Colorado General Assembly
Joint Budget Committee

Department of Agriculture

The Department of Agriculture regulates, promotes and supports various agricultural activities throughout Colorado. Department personnel perform a wide range of services including: regulatory and inspection services relating to agriculture; investigations and hearings; standardizing, grading, inspecting, labeling, handling, storage, and marketing of agricultural products; and agriculture-related policy analysis. The Department's FY 2020-21 appropriation consists of consists of 20.3 percent General Fund, 68.0 percent cash funds, 4.6 percent reappropriated funds, and 7.1 percent federal funds.

FY 2020-21 APPROPRIATION AND 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.

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
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	REAPPROPRIATED 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

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

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.

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.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2020.