

Joint Budget Committee Staff

FY 2025-26 Budget Briefing Summary

Agriculture

The Department of Agriculture regulates, promotes, and supports various agricultural activities throughout Colorado through a wide range of services including: regulation and certification of the livestock industry; regulation of the use of pesticides and pesticide applicators; administration of inspection and consumer services programs; brand inspections; oversight of conservation services throughout the state; promotion of Colorado's agricultural industries; and administration of the State Fair and fairgrounds. The Department's FY 2024-25 appropriation represents approximately 0.2 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

Summary of Request

Department of Agriculture						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$76,675,630	\$21,775,479	\$47,559,565	\$3,332,362	\$4,008,224	326.9
Other legislation	529,106	279,106	250,000	0	0	0.6
Total	\$77,204,736	\$22,054,585	\$47,809,565	\$3,332,362	\$4,008,224	327.5
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$77,204,736	\$22,054,585	\$47,809,565	\$3,332,362	\$4,008,224	327.5
R1 Animal disease traceability support	137,133	137,133	0	0	0	0.5
R2 Soil health program continuation	296,653	296,653	0	0	0	1.8
R3 Long Bill reorganization	0	0	0	0	0	0.0
R4 State Fair Fund distribution	0	-450,000	450,000	0	0	0.0
Non-prioritized decision items	-642,444	29,700	-672,793	0	649	0.0
Centrally appropriated line items	1,664,110	392,999	1,273,699	-1,605	-983	0.0
Annualize prior year legislation	115,548	115,548	0	0	0	1.8
Technical adjustments	0	0	0	0	0	0.0
Annualize prior year budget actions	-365,154	-365,154	0	0	0	0.5
Indirect cost assessment	-180,427	0	-158,147	-10,194	-12,086	0.0
Total	\$78,230,155	\$22,211,464	\$48,702,324	\$3,320,563	\$3,995,804	332.1
Increase/-Decrease	\$1,025,419	\$156,879	\$892,759	-\$11,799	-\$12,420	4.6

Department of Agriculture						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Percentage Change	1.3%	0.7%	1.9%	-0.4%	-0.3%	1.4%

R1 Animal disease traceability support: The request includes an increase of \$137,133 General Fund and 0.5 FTE in FY 2025-26, which annualizes to \$137,665 General Fund and 0.5 FTE ongoing, to support the Animal Disease Traceability program. The request is in response to cuts in federal funding which support the program, including 0.5 FTE for a veterinarian, and increasing operational costs from a recent technology update.

R2 Soil health program continuation: The request includes an increase of \$296,653 General Fund and 1.8 FTE in FY 2025-26, which annualizes to \$294,566 General Fund and 2.0 FTE ongoing to continue the Department's soil conservation efforts. The request funds one Technical Soil Specialist, one Program Assistant, an additional vehicle for the program, ongoing maintenance of the program's Soil Health Database, and creates a \$50,000 microgrant program.

R3 Long Bill reorganization: The request includes approval to restructure the Department's Long Bill to align with its current organizational structure, and promote accuracy and transparency. This restructure is technical and does not require additional appropriations or FTE. Currently, the Long Bill lists the Animal Services Division, the Plant Industry Division, the Inspection and Consumer Services Division, and the Conservation Services Division as line items under Agricultural Services. This request would make those Division-related line items their own Long Bill section, move other line items under Agricultural Services to their appropriate Divisions, and make other adjustments including redistributing indirect costs.

R4 State Fair fund distribution: The request includes a decrease of \$450,000 General Fund appropriations to the State Fair and \$450,000 additional spending authority to the State Fair Authority Cash Fund for FY 2025-26 and ongoing, as a budget balancing measure. This funding is used to cover program costs for the State Fair. This request will not increase fees or revenues.

Non-prioritized decision items: The request includes a \$29,700 General Fund increase and a \$672,793 cash funds decrease for FY 2025-26 to finance the annual fleet vehicle request, Office of Administrative Courts (OAC) staffing, and a Department of Natural Resources request to refinance Severance Tax Operational Fund appropriations to the General Fund before transferring it to the Department of Agriculture.

Non-prioritized decision items					
Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
NP-01 Annual Fleet Vehicle Request	\$57,277	\$29,700	\$26,928	\$649	0.0
NP-02 OAC Staffing	279	0	279	0	0.0
NP-03: R10 Restruc Severance Tax	-700,000	0	-700,000	0	0.0
Total	-\$642,444	\$29,700	-\$672,793	\$649	0.0

Centrally appropriated line items: The request includes adjustments to centrally appropriated line items for the following line items.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$831,951	\$320,798	\$511,153	\$0	\$0	0.0
Health, life, and dental	694,807	200,951	498,931	-5,075	0	0.0
Step Plan	142,727	46,716	96,011	0	0	0.0
CORE adjustment	79,681	4,276	72,002	3,403	0	0.0
Risk management & property	61,774	37,447	24,327	0	0	0.0
ALJ services	9,860	0	9,860	0	0	0.0
PERA direct distribution	8,331	-14,677	23,008	0	0	0.0
Shift differential	1,183	-279	2,223	138	-899	0.0
Payments to OIT	109	69	40	0	0	0.0
Prior year salary survey	0	0	0	0	0	0.0
FY 2024-25 Step Plan	0	0	0	0	0	0.0
Workers' compensation	-55,614	-11,000	-44,614	0	0	0.0
AED and SAED adjustment	-49,781	-169,764	120,050	13	-80	0.0
Legal services	-48,780	-14,195	-34,585	0	0	0.0
DTRS Common Policy Adjustment	-9,096	-5,912	-3,184	0	0	0.0
Paid Family & Medical Leave Insurance	-2,239	1,172	-3,408	1	-4	0.0
Short-term disability	-803	-2,603	1,885	-85	0	0.0
Total	\$1,664,110	\$392,999	\$1,273,699	-\$1,605	-\$983	0.0

Annualize prior year legislation: The request includes a net increase of \$115,548 General Fund and 1.8 FTE to reflect the FY 2025-26 impact of prior year legislation.

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB24-1249 Tax Credit Ag Annualization	\$182,465	\$182,465	\$0	\$0	\$0	1.5
SB24-055 Ag & Rural Behav Health Annualization	16,912	16,912	0	0	\$0	0.0
HB 24-1458 Div Animal Welfare	-83,829	-83,829	0	0	0	0.3
Total	\$115,548	\$115,548	\$0	\$0	\$0	1.8

Technical adjustments: The request includes a net neutral adjustment to correct for internal accounting misattributions by the Department and align funding to the Long Bill.

Technical adjustments						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY24-25 BA01 Wolf Reintro Base Adj	\$0	\$0	\$0	\$0	\$0	0.0
FY23-24 R04 Insectary Personal Services	0	0	0	0	0	0.0
FY23-24 R04 Insectary Operating Correction	0	0	0	0	0	0.0
FY23-24 R04 Insectary FTE Correction	0	0	0	0	0	0.0
Base Tech R04 GF Conservation Board	0	0	0	0	0	0.0
Base Tech Fruit & Veg Program	0	0	0	0	0	0.0
Total	\$0	\$0	\$0	\$0	\$0	0.0

Annualize prior year actions: The request includes a net decrease of \$365,154 in total funds to reflect the FY 2025-26 impact of prior year budget actions.

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY24-25 R09 Workforce Services Annualize	\$1,702	\$1,702	\$0	\$0	\$0	0.2
FY24-25 R01 Ag Emergency Management Annual	1,030	1,030	0	0	0	0.1
FY24-25 R10 Business Ops Improve Annualize	-207,009	-207,009	0	0	0	0.0
FY24-25 BA01 Wolf Reintro Annualize	-160,877	-160,877	0	0	0	0.2
Total	-\$365,154	-\$365,154	\$0	\$0	\$0	0.5

Indirect cost assessment: The request includes a net decrease of \$180,427 for indirect cost assessment, including a decrease of \$158,147 cash funds and \$12,086 federal funds.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options: The Executive Budget Request includes reductions of \$1,041,064 General Fund for the Department of Agriculture, representing 4.7% of the Department's General Fund appropriations. This is comprised of an ongoing \$450,000 General Fund appropriation to the State Fair as well as statewide General Fund reduction requests totaling \$591,064 to the Department. JBC Staff budget reduction options include one-time transfers from the Rodent Control Cash Fund, Agricultural Management Cash Fund, Diseased Livestock Indemnity Cash Fund, and Cervidae Disease Cash Fund to increase General Fund by \$916,511. Ongoing budget reduction options by JBC Staff include \$100,000 General Fund reductions to the Next General Agriculture Leadership/Agriculture Workforce Development Grant programs and the renewable energy and energy efficiency grant program, respectively.

State Fair Financial Trends: The Department's R4 request proposes a reduction of \$450,000 General Fund to State Fair program costs, to be replaced with a commensurate \$450,000 spending authority increase from the State Fair Authority Cash Fund. The Department will not collect additional revenue to support this request. While the State Fair Authority Cash Fund has the authority to operate as an enterprise, it has not done so since 2006. In FY 2022-23, about 37.8 percent of the State Fair's revenue came from state and local sources, well above the 10.0 percent limit for entities qualifying as enterprises. While the Department's R4 request would decrease state and local revenue for the State Fair by an estimated 8.9 percent, the State Fair is a long way from achieving enterprise status.

R2 Soil Health Program Continuation: In light of decreasing federal funds and to continue producer support towards soil health practices, the Department requests \$296,653 General Fund and 1.8 FTE in FY 2025-26, which annualizes to \$294,566 and 2.0 FTE ongoing. The request covers one Technical Soil Specialist, one Program Assistant, an additional vehicle, database maintenance, and a \$50,000 microgrant program. The Colorado Soil Health Program is mainly federally funded, particularly through its \$25 million Climate-Smart Commodities Grant. Federal

funding is scheduled to end starting on January 1, 2026, with the Climate-Smart Commodities Grant funding ending in December 2027. While the program was appropriated 2.0 FTE through H.B. 24-1249 (Tax Credit Agricultural Stewardship Practices) to establish an income tax credit program for producers currently engaged in agricultural stewardship practices, the Department seeks to provide consistent soil health support to producers beginning soil health practices.

For More Information

JBC Staff Analyst:

Phoebe Canagarajah

303-866-2149

Phoebe.Canagarajah@coleg.gov

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 2024.