FY 2026-27 Budget Briefing Summary

Department of Agriculture

The Department of Agriculture is made up of seven divisions in the Long Bill: Commissioner's Office and Administrative Services, Conservation Services, Animal Welfare, Animal Health, Inspection and Consumer Services, Brands, State Fair, Markets, and Plant Industry. The Budget in this Department makes up 0.1% of the State's General Fund, or about $20.5 million.

Summary of Request

Department of Agriculture

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 (Long Bill)	$77,793,462	$20,564,403	$49,443,501	$3,066,248	$4,719,310	332.1
Other Legislation	500,000	0	500,000	0	0	0.0
Total	$78,293,462	$20,564,403	$49,943,501	$3,066,248	$4,719,310	332.1
FY 2026-27 Requested Appropriation						
FY 2025-26 Appropriation	$78,293,462	$20,564,403	$49,943,501	$3,066,248	$4,719,310	332.1
R1 Personnel cost realignment	-356,556	-356,556	0	0	0	0.0
R2 Agrivoltaic rollforward	0	0	0	0	0	0.0
Employee compensation common policies	1,954,238	584,875	1,197,106	-160	172,417	0.0
Operating common policies	382,750	38,877	338,116	5,523	234	0.0
Impacts driven by other agencies	41,785	-44,099	84,776	0	1,108	0.0
Technical adjustments	0	0	0	0	0	0.0
Prior year actions	-471,414	20,450	-491,864	0	0	0.6
Total	$79,844,265	$20,807,950	$51,071,635	$3,071,611	$4,893,069	332.7
Increase/-Decrease	$1,550,803	$243,547	$1,128,134	$5,363	$173,759	0.6
Percentage Change	2.0%	1.2%	2.3%	0.2%	3.7%	0.2%

R1 Personnel cost realignment: This request is to reduce General Fund appropriations to the Personal Service line item in the Commissioner's Office and the Plant Industry Division program line item. Within the Commissioner's Office, the request assumes that the Department will see increased efficiency and can absorb the reduction without impacting external services. For the Plant Industry Division, the request would shift personnel costs from the General Fund to cash funds within the division.

Year 1: The appropriation reduction is $356,556 General Fund.

R2 Agrivoltaic rollforward: This request is for rollforward spending authority for agrivoltaics grants. Grantees have complained that the current one-year timeframe is insufficient. Some are unable to complete their projects within the award period. The Department has designated the Agrivoltaics program (and this request) as "promising" on the evidence-based policy continuum.

Year 1: This request has no effect on appropriations.

Issues Presented

Issue 1: Budget Reduction Options

The Department of Agriculture represents 0.1 percent of total state General Fund appropriations in FY 2025-26—a sum of about $20.5 million. The issue brief reviews Department and staff proposals to relieve the General Fund. CDA proposed a reduction of $356,556—a reduction amount that is offset by increases in common policies, impacts driven by other agencies and prior year actions, so that the Department's total General Fund is requested to increase by $243,547. Staff identified other balancing measures, summarized below:

- Total General Fund savings of $1,728,851
  - Revenue enhancements of $714,173:
    - Transfer from Brand Estray cash fund of $63,000
    - One-time transfer from Agricultural Management Fund (AMF) of $251,173
  - Expenditure reductions of $1,014,678:
    - Use the Indirect Cost Excess Recovery fund balance: -$400,000
    - Eliminate Equine Welfare grant program: -$200,000
    - Eliminate Agrivoltaics grant program: -$300,000
    - Reduce appropriation for climate resilience grants by half: -$250,000
    - Utilize existing AMF spending authority to offset General Fund: -$264,678

Issue 2: Agricultural Management Fund

The Agriculture Management Fund (AMF) could be used for General Fund relief, either through a one-time transfer or a structural change. The AMF has a growing balance, and the Commissioner has significant discretion in how this fund is used. This budget balancing approach warrants consideration of tradeoffs that may have an operational impact on the department.

- The AMF is CDA's primary source of liquidity, supporting emergency response, new program development, and moderate budget flexibility.
  - JBC staff note that this fund is one of the department's few mechanisms for this type of financial agility.
- The AMF could be used as a budget-balancing tool—either via a one-time cash transfer to the General Fund or to offset a structural reduction in General Fund appropriations to the Commissioner's Office.
  - Doing so sustainably requires assessing both the stability of interest revenue from the Unclaimed Property Tourism Promotion Trust Fund (UPTPTF) and projected changes in expenditures.
  - Department revenue and expenditure projections have been conservative, on average overestimating costs and underestimating revenues.
- The AMF fund balance grew steadily from FY 2019-20 to FY 2024-25, averaging an increase of $448,568 per year.
  - This growth has been driven by rising interest revenue from the UPTPTF. Based on recent inflows and reinvestment timing, interest revenue is projected to peak around $6.3 million in FY 2025-26 and $6.05 million in FY 2026-27, though Treasury officials strongly advise caution given volatility. The AMF receives 65.0 percent of those revenues, with about $4.0 million projected by the Department for FY 2026-27.

- Preliminary model adjustments suggest greater year-end balance flexibility than reflected in Department projections. Staff recommends further analysis and coordinated engagement with CDA and Treasury about this balancing option.

For More Information

JBC Staff Analyst:

Sam Rickman
(303) 866-2981
sam.rickman@coleg.gov

To read the entire briefing: Go to 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 2025.