

FY 2014-15 Supplemental Capital Construction Request

Agriculture

Biochemistry Laboratory Facility Pesticide Laboratory Equipment

Motion:

Approve the supplemental request from the Colorado Department of Agriculture for cash funds spending authority from the Marijuana Tax Cash Fund to purchase new equipment for its pesticide laboratory (\$860,000 CF).

GENERAL INFORMATION

2017-032

1. Which supplemental criterion does the request meet?

Other

The Capital Development Committee wants to expedite funding on behalf of the project in order to reduce the amount of time it takes the department to test marijuana samples.

2. Which projects will be restricted to fund the supplemental request?

No emergency restriction is required because the project is a regular supplemental request and because it is funded from cash fund sources.

3. Has the request been approved by OSPB and CCHE?

Yes

PRIOR APPROPRIATION AND SUPPLEMENTAL REQUEST INFORMATION

The appropriation to be amended was authorized in the following bill: N/A 00-0000

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$0	\$860,000	\$0	\$860,000
	\$0	\$860,000	\$0	\$860,000

REASON FOR SUPPLEMENTAL REQUEST

The project was originally submitted as a FY 2016-17 capital budget request. When the department presented the request at the Capital Development Committee (CDC) annual hearings in December 2015, members of the CDC expressed interest in expediting cash funds spending authority on behalf of the project. The committee approved a motion to reclassify the project as a regular supplemental budget request, pending verification that funding from the Marijuana Tax Cash Fund is available. Legislative Council Staff verified the availability of FY 2014-15 funds with OSPB and Joint Budget Committee staff.

SUMMARY OF PROJECT

The project purchases testing equipment for the Colorado Department of Agriculture pesticide laboratory in order to accommodate an increased demand for testing pesticide residue on marijuana plants. The project purchases a new nitrogen gas storage and delivery system and additional laboratory testing equipment, including two types of liquid chromatographs. The equipment purchased under the request is moveable.

According to the department, the number of complaints about pesticide misapplication — and thus the need for testing — has increased significantly since marijuana agriculture was legalized in the state. The department says the purchase of a new nitrogen gas storage and delivery system and additional testing equipment will reduce the

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amount of time it takes to test marijuana samples. The new nitrogen gas storage and delivery system will allow ICS to operate more equipment simultaneously, thus increasing its testing capacity. Current capacity only allows two instruments to run at the same time. The current testing time ranges from several weeks to several months. After the new equipment is purchased and installed, the department anticipates that it will see a 50 percent reduction in testing turnaround time within 30 days of implementation. CDA believes it will reach its target testing turnaround time of 14 to 30 days within three months of installation. This goal matches the turnaround time of most commercial laboratories. According to the department, timely testing is needed in order to better enforce violations related to pesticide misuse and misapplication. Furthermore, a delay in testing can impact the quality of the samples tested.

Cost assumption. The cost assumption is based on the price of the needed equipment as of July 2015, with an assumption that this equipment will be purchased beginning in spring 2016. The project is not required to meet the requirements of the Art in Public Places or High Performance Certification Programs.

QUESTIONS / OUTSTANDING ISSUES

None.