

**FINAL
FISCAL NOTE**

Drafting Number: LLS 13-0397 **Date:** August 15, 2013
Prime Sponsor(s): Rep. Lee; Garcia **Bill Status:** Signed into Law
 Sen. Heath **Fiscal Analyst:** Jonathan Senft (303-866-3523)

TITLE: CONCERNING THE CREATION OF AN ECONOMIC GARDENING PILOT PROJECT IN THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
Cash Funds	\$18,750	
Economic Gardening Pilot Project Fund		
State Expenditures		
General Fund	\$181,250	
Cash Funds		
Economic Gardening Pilot Project Fund	18,750	
FTE Position Change		
Effective Date: The bill was signed into law by the Governor on May 24, 2013 and took effect on August 7, 2013.		
Appropriation Summary for FY 2013-2014: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill creates an economic gardening pilot program within the Governor's Office of Economic Development and International Trade (OEDIT), and a cash fund to support the program's administration. Economic gardening provides strategic technical assistance to stage-two emerging companies using advanced software and science concepts. Under this bill, OEDIT will certify staff at Small Business Development Centers (SBDC) in Economic Gardening concepts. The SBDCs will then select companies to participate in the pilot program, and manage the program throughout its implementation. On or before September 1, 2013 OEDIT will establish selection criteria for participating companies, including minimum requirements such as job growth and export potential. On or before March 1, 2014, OEDIT will select at least 20 companies to participate in the pilot program. The program ends on June 30, 2016.

Under this bill, each company selected may receive:

- High-level business consulting;
- Database research and analysis; or

- Support from OEDIT's staff, which includes market research and strategy, business modeling, identification of sales leads and other business-related resources.

On or before November 1, 2014, and each year throughout the existence of the program, OEDIT will report to the legislature describing the pilot program's status.

State Revenue

For FY 2013-14, this bill is expected to increase state revenue by \$18,750, cash funds, to the Office of Economic Development and International Trade. Under this bill, the pilot project must provide economic gardening services to no less than 20 companies; this fiscal note assumes that OEDIT will engage 25 companies. In order to participate, companies must pay a \$750 one-time fee. As of this writing, no cash fund has been identified to receive this revenue. These funds are directed to the Economic Gardening Pilot Project Fund, created under this bill.

State Expenditures

For FY 2013-14, this bill provides \$200,000 from the General Fund and the Economic Gardening Pilot Program cash fund, to the Office of Economic Development and International Trade, for the Economic Gardening Pilot Project.

The OEDIT will design the program with assistance of a contracting firm, review and select contract bids, create performance measuring tools, and draft and present the report on program status, at a cost of \$20,000. It is estimated that this program will require funding amounting to \$4,800 per business, to cover the support services mentioned in the summary of this fiscal note. Since 25 business are planned for program, these cost will be \$120,000 per year. Finally, a contractor will be engaged to qualify and select second stage companies, and assist with the certification process of SBDC staff at a cost of \$60,000. Costs are described in Table 1 below.

Cost Components	FY 2013-14
Contracting Services	\$60,000
Database, Licensing and Technical Support	120,000
Training SBDCs and Certification	20,000
TOTAL	\$200,000

Of the \$200,000 in expenditures, \$18,750, or any amount collected from companies under this program, will be drawn from the Economic Gardening Pilot Program cash fund. The remaining expenditures are drawn from the General Fund.

State Appropriations

For FY 2013-14, this bill appropriates \$181,250 from the General Fund, and \$18,750 from the Economic Gardening Pilot Program Cash Fund, to the Office of Economic Development and International Trade.

Departments Contacted

Governor's Office