

**FINAL
FISCAL NOTE**

Drafting Number: LLS 10-0896

Date: June 7, 2010

Prime Sponsor(s): Rep. Pace
Sen. Carroll M.

Bill Status: Lost in Senate

Fiscal Analyst: Harry Zeid (303-866-4753)

TITLE: CONCERNING REQUIREMENTS FOR CONDUCTING A STUDY BY THE OFFICE OF ECONOMIC DEVELOPMENT IN THE OFFICE OF THE GOVERNOR TO ESTABLISH A PLAN FOR TRACKING CERTAIN JOB CREATION ACTIVITIES BY RECIPIENTS OF CERTAIN ECONOMIC DEVELOPMENT INCENTIVES, AND, IN CONNECTION THEREWITH, CREATING A PLAN FOR TRACKING JOB RETENTION AND REQUIRING THE OFFICE OF ECONOMIC DEVELOPMENT TO COLLECT AND REPORT INFORMATION REGARDING THE NUMBER OF JOBS CREATED AND MEDIAN AND AVERAGE SALARIES OF THOSE JOBS IN THE ANNUAL REPORT FILED PURSUANT TO LAW.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue General Fund		
State Expenditures General Fund		
FTE Position Change		
Effective Date: The bill was lost on second reading in the Senate on May 7, 2010.		
Appropriation Summary for FY 2010-2011: None required.		
Local Government Impact: None.		

Summary of Legislation

The bill adds to the duties of the Colorado Economic Development Commission in the office of the Governor. In its annual report to the General Assembly regarding the work of the commission to create new jobs, the amendment requires that the report include the number of people employed as a result of any project, as well as the average and median salaries of those individuals.

The bill also requires the commission to file a separate report with finance committees of the Senate and the House of Representatives by the fifth day of the 2011 legislative session. The report shall include a comprehensive plan detailing how the state can implement a program for tracking the success of every grant, loan, or tax credit program intended to generate jobs. The plan will include a means of determining a method for identifying the number of jobs created or retained.

State Expenditures

The bill will affect the workload of the Office of Economic Development and International Trade (OEDIT), however not to the extent that it will require additional staff resources. The fiscal note is based on the opinion that the additional reporting requirements for the Colorado Economic Development Commission can be accomplished within existing staff.

Actual implementation of the plan will most likely require staff resources from OEDIT, and possibly some data gathering efforts will be necessary on the part of other state agencies. It is believed, however, that devising a plan to detail how the office can track grants, loans, and tax credit programs that create jobs can be accomplished within current staff resources. Until the plan is created, the cost of implementing the plan's objectives cannot be determined. If resources to implement the plan are required, funding will be requested either through a separate bill during the 2011 legislative session or through the supplemental budget process.

Departmental Differences

The Governor's Office of Economic Development and International Trade has assessed the need for \$300,000 General Fund in FY 2010-11 to comply with the requirements of the bill.

OEDIT indicates that due to existing time and workload constraints, current staff cannot comply with the bill's requirements. The additional annual reporting requirements on the number of people employed as a result of any project, along with average and median salaries, can be completed with no impact on the office. However, the office suggests the need to hire an outside consulting firm to come up with a plan on how the state can track the success of grants, loans and tax credits that are provided with the intent to generate jobs. The office requests \$300,000 to hire an outside consulting firm for the equivalent of 3.0 FTE working full-time for 4 months at an average wage of \$150 per hour. This estimate has not been included as part of the fiscal note but is shown for informational purposes.

Departments Contacted

Governor's Office