


Colorado Legislative Council Staff Fiscal Note
FINAL
FISCAL NOTE

Drafting Number: Rep. Ferrandino; Young
Prime Sponsor(s):

Date: June 7, 2012
Bill Status: Postponed Indefinitely
Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING THE CREATION OF THE START-UP COLORADO TECHNOLOGY TRANSFER GRANT PROGRAM.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014	FY 2014-2015
State Revenue			
State Expenditures* General Fund appropriation to the Start-up Colorado Technology Transfer Cash Fund	\$5.0 million		
FTE Position Change	0.6 FTE	0.6 FTE	0.6 FTE
Effective Date: The bill was postponed indefinitely by the House Appropriations Committee on April 17, 2012.			
Appropriation Summary for FY 2012-2013: See State Appropriations section.			
Local Government Impact: None.			

** Assumes that the General Assembly makes the full appropriation envisioned in the bill and that the Start-up Colorado Technology Transfer Grant Program makes grant awards from this initial appropriation evenly across three fiscal years. See State Expenditures section for details.*

Summary of Legislation

This bill creates the Start-up Colorado Technology Transfer Grant Program in the Office of Economic Development and International Trade (OEDIT). No later than September 1, 2012, the director of OEDIT must establish policies for the new grant program.

The grant program will provide up to \$750,000 per grant to offices of technology transfer at institutions of higher education. When awarding grants, the OEDIT shall give priority to projects that create jobs in Colorado and projects that have available federal or private matching funds. The bill creates the Start-up Colorado Technology Transfer Cash Fund and subjects any money in the fund to annual appropriations by the General Assembly. The OEDIT may use up to five percent of moneys transferred to the fund for annual administration costs.

No later than April 15, 2015, the director must submit a report to the finance committees of the General Assembly detailing the recipients, grant amounts, and the number of Colorado jobs created as a result of the grant program. The grant program is repealed, effective July 1, 2015.

State Expenditures

In FY 2012-13, FY 2013-14, and FY 2014-15, this bill will result in total costs of about \$1.67 million annually. The combined three-year cost of this bill is assumed to be \$5.0 million, with costs equally distributed across the next three fiscal years. No appropriation or transfer is currently included in the bill.

The largest cost component of this bill will be grants awarded to technology transfer offices at institutions of higher education. No single office of technology transfer will receive more than \$750,000; however, each office may administer several technology transfer projects within their school. This fiscal note assumes the program will begin making grant awards in FY 2012-13, and that costs are distributed evenly across the next three fiscal years. In addition to the grant awards, the OEDIT will have expenses to administer the program as detailed in Table 1.

Table 1. Total Expenditures Under HB12-1044			
Cost Components	FY 2012-13	FY 2013-14	FY 2014-15
Grant Awards	\$1,617,112	\$1,615,253	\$1,615,252
Personal Services	42,966	46,872	46,872
FTE	0.6	0.6	0.6
Operating Expenses and Capital Outlay	3,663	570	570
Printing & Postage	475	475	475
Travel	3,148	3,148	3,148
TOTAL	\$1,667,364	\$1,666,318	\$1,666,317

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 2.

Table 2. Expenditures Not Included Under HB12-1044*			
Cost Components	FY 2012-13	FY 2013-14	FY 2014-15
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$2,904	\$4,356	\$4,356
Supplemental Employee Retirement Payments	68	74	74
Indirect Costs	2,291	2,877	2,877
Leased Space	1,056	1,056	1,056
TOTAL	\$6,319	\$8,363	\$8,363

*More information is available at: <http://colorado.gov/fiscalnotes>

State Appropriations

In FY 2012-13, this bill requires an appropriation of \$5.0 million to the Start-up Colorado Technology Transfer Cash fund. The Governor's Office of Economic Development and International Trade requires cash fund spending authority and the provision of 0.6 FTE.

Departments Contacted

Economic Development

Governor

Higher Education