


Colorado Legislative Council Staff
STATE
FISCAL IMPACT

Drafting Number: LLS 06-0833
Prime Sponsor(s): Rep. Riesberg
 Sen. Tupa

Date: February 27, 2006
Bill Status: House Finance
Fiscal Analyst: Harry Zeid (303-866-4753)

TITLE: CONCERNING THE ADVANCEMENT OF NEW BIOSCIENCE DISCOVERIES AT COLORADO RESEARCH INSTITUTIONS THROUGH EVALUATION.

Fiscal Impact Summary	FY 2005/06	FY 2006/07	FY 2007/08
State Revenues			
General Fund:*			
Highway Users Tax Fund	(\$1,333,333)		
Capital Construction Fund	(666,667)		
Cash Funds Exempt:			
Bioscience Discovery Evaluation Cash Fund	2,000,000		
State Expenditures			
Cash Funds Exempt:			
Bioscience Discovery Evaluation Cash Fund		\$2,000,000	
FTE Position Change	0.0 FTE	0.0 FTE	0.0 FTE
Effective Date: Upon signature of the Governor			
Appropriation Summary for FY 2006/07: None Required			
Local Government Impact: None			

* Of the amount identified as a General Fund revenue reduction, the Highway Users Tax Fund transfer accounts for two-thirds of the total, and moneys that would otherwise be transferred to the Capital Construction Fund account for the remaining one-third in FY 2005-06.

Summary of Legislation

This bill creates the Bioscience Discovery Evaluation Grant Program to improve and expand the evaluation of new bioscience discoveries at research institutions with the intent of accelerating the development of new products and services. Administration of the grant program would be provided by the Office of Economic Development (OED) in the Governor's office in consultation with a Colorado bioscience membership organization. The bill establishes a grant application process for grants of up to \$150,000 per bioscience research project.

The bill creates the Bioscience Discovery Evaluation Cash Fund in the State Treasury and provides that moneys in the fund shall be continuously appropriated to OED for the direct and indirect costs associated with implementing the program. Up to 2 percent of the moneys initially deposited in the fund may be used by OED for its costs. OED is required to provide a report that

evaluates the effectiveness of the grant program to the Business, Labor, and Technology Committee of the Senate and the Business Affairs and Labor Committee of the House of Representatives by March 1, 2007, and by March 1 each year thereafter.

The bill authorizes the transfer of \$2 million in FY 2005-06 from the General Fund portion of Limited Gaming Fund moneys to the Bioscience Discovery Evaluation Cash Fund.

State Revenues

Under current law, an estimated \$42,846,000 will be made available from gaming activities to the General Fund in FY 2005-06 (the current state fiscal year) from the Limited Gaming Fund. This bill transfers \$2 million from the General Fund portion of Limited Gaming Fund moneys to the Bioscience Discovery Evaluation Cash Fund in FY 2005-06. This will reduce moneys available for transfer to the General Fund to \$40,846,000 for FY 2005-06.

State Expenditures

The bill provides a transfer of \$2 million to the Bioscience Discovery Evaluation Cash Fund. Moneys in the fund would be continuously appropriated to OED for the direct and indirect costs associated with implementing the grant program. Up to 2 percent of the moneys initially deposited into the fund (\$40,000) may be used by OED for its costs incurred in administering the program.

Other State Impacts

The bill transfers \$2 million in FY 2005-06 to the Bioscience Discovery Evaluation Cash Fund from the portion of limited gaming revenue that would otherwise be transferred to the General Fund. This will serve to reduce the amount of money available for the Capital Construction Fund (one-third of the total, or \$666,667) and the HUTF (two-thirds of the total, or \$1,333,333) in FY 2005-06.

State Appropriations

The fiscal note implies that no additional appropriation would be required to implement the bill. Moneys in the Bioscience Discovery Evaluation Cash Fund are continuously appropriated.

Departments Contacted

Revenue
State Treasury

Office of State Planning and Budgeting

Higher Education