

CONDITIONAL FISCAL IMPACT

Drafting Number: LLS 07-0307

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Prime Sponsor(s): Sen. Bacon

Bill Status: Senate Education

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TITLE: CONCERNING MULTI-YEAR RESEARCH CONTRACTS FOR HIGHER EDUCATION.

Fiscal Impact Summary	FY 2007-2008	FY 2008-2009
State Expenditures General Fund	Potential future expenditure obligation	
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: Upon signature of the Governor.		
Local Government Impact: None.		

Summary of Legislation

This bill allows each campus of each state institution of higher education to have an unlimited number of contracts lasting more than 5 years with government-supported officials or employees if the contracts are for research in university settings.

Under current law, each state institution of higher education may have employment contracts or extensions with a duration of 5 years or less with no more than 6 government supported officials or employees if the contract:

- is necessary to hire or retain an employee given prevailing market conditions and practices in other states; and
- contains a clause that the institution is free to terminate the contract without penalty if sufficient funds are not appropriated.

State Expenditures

Section 20 of Article X of the State Constitution (TABOR) specifically excludes the "creation of any multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future years." This bill would allow each institution of higher education to enter into an unlimited number of multi-year employment contracts, provided they are for research activities in a university setting. This bill may be interpreted as obligating an institution for the duration of the multi-year contract

in the event that the employee is terminated before the fulfillment of the contract period. This would create a fiscal impact for the state, conditional on such termination occurring. At this point, there is no way to know how many such contracts would be entered into, or what the financial obligation would be.

Departments Contacted

Higher Education