

  
*Colorado Legislative Council Staff Fiscal Note*  
**FINAL**  
**FISCAL NOTE**

**Drafting Number:** LLS 09-0332  
**Prime Sponsor(s):** Sen. Heath  
 Rep. Riesberg

**Date:** June 17, 2009  
**Bill Status:** Signed into Law  
**Fiscal Analyst:** Josh Abram (303-866-3561)

**TITLE:** CONCERNING THE CREATION OF THE CLEAN TECHNOLOGY DISCOVERY EVALUATION GRANT PROGRAM.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
<b>State Revenue</b> Cash Funds Clean Technology Discovery Evaluation Fund	Potential Gifts, Grants, and Donations	
<b>State Expenditures*</b> Cash Funds Clean Technology Discovery Evaluation Fund		
<b>FTE Position Change</b>		
<b>Effective Date:</b> The bill was signed by the Governor and became law on May 4, 2009.		
<b>Appropriation Summary for FY 2009-2010:</b> See State Appropriations section.		
<b>Local Government Impact:</b> None.		

\* *Grant awards will make up the largest cost component of the program and are based on available moneys. There will also be personal services and operational costs to administer the program. These costs are conditioned on sufficient money in the cash fund. See State Revenue and State Expenditure sections for details.*

**Summary of Legislation**

This bill creates the Clean Technology Discovery Evaluation Grant Program in the Governor's Office of Economic Development and International Trade (OED). The program will provide grant assistance to aid in the commercialization of renewable energy technologies (e.g., solar, wind, biofuel, and geothermal), or technologies and products that aid in energy efficiency, conservation, or environmental mitigation.

Grants are permitted to technology transfer offices at institutions of higher education, and to early-stage clean technology companies. An early-stage clean technology company is defined as one that receives less than \$5.0 million from grants and third party investors, employs less than 20 people, and is headquartered in the state.

The director of the OED, in consultation with an industry association, shall implement and administer the program. No later than September 1, 2009, the director shall establish policies for the program, including procedures for grant applicants, criteria for making awards, and reporting requirements. No later than April 15, 2010, and each year thereafter, the director must submit a program report to the business committees of the General Assembly.

The bill requires that the OED award 25 percent of grants to higher education and 25 percent to clean technology companies. The remaining 50 percent may be used to support partnerships between the clean technology industry and higher education. Grants to higher education may not exceed \$50,000; grants to early-stage companies may not exceed \$150,000. Among other eligibility requirements, recipients must show evidence of a dedicated matching source of money equal to the grant amount requested.

The bill creates the Clean Technology Discovery Evaluation Cash Fund. The OED is permitted to accept gifts, grants, and donations. At the discretion of the Governor or the OED, other money may be transferred into the fund; however, money in the fund is subject to annual appropriations by the General Assembly. The bill is repealed effective July 1, 2014.

### **State Revenue**

The bill permits the OED to seek and accept gifts, grants, and donations from public and private sources to fund the program. No money from these sources is identified.

### **State Expenditures**

Subject to annual appropriations, the OED is permitted to use money in the fund for the direct and indirect cost of the program. This fiscal note assumes that grant awards will be provided based on the amount received in donations, and from moneys transferred to the fund by the Governor or the OED. *For this reason, the bill is assessed as having a conditional fiscal impact on state expenditures.*

**Grants.** This fiscal note assumes that the program will make total grant awards equal to the amount available in the fund, after administrative costs are met. It is further assumed that applicants in higher education and the private sector will meet eligibility requirements to receive the grants.

**Program Administration.** Staff is required at the OED to coordinate with the industry association, market the program, develop application procedures, evaluate proposals, award grants, monitor contracts, and perform other administrative duties. Overseeing a grant program requires staff roughly on the order of 0.2 FTE (400 hours) for each \$1.0 million in grants dispersed from the program. As an illustration, if the program is credited with \$5.0 million, the department will require 1.0 FTE administrative support. Total administrative costs under this scenario are displayed in Table 2.

<b>Table 2. Expenditures Under SB09-031</b>		
<b>Cost Components</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>
Personal Services	\$76,747	\$76,747
FTE	1.0	1.0
Operating Expenses and Capital Outlay	6,178	950
<b>TOTAL</b>	<b>\$82,925</b>	<b>\$77,697</b>

**Departments Contacted**

Governor's Office  
Local Affairs

Higher Education  
Public Health

Treasury