Colorado Legislative Council Staff Fiscal Note

STATE
FISCAL IMPACT

Drafting Number: LLS 11-0867
Prime Sponsor(s): Rep. Gerou; Riesberg
Sen. Steadman

Date: March 24, 2011
Bill Status: House Health and Environment
Fiscal Analyst: Jonathan Senft (303-866-3523)

TITLE: CONCERNING THE EXTENSION OF THE BIOSCIENCE DISCOVERY EVALUATION GRANT PROGRAM.

Fiscal Impact Summary	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
State Revenue				
State Transfers and Diversions Transfers from the: Limited Gaming Fund to the Bioscience Discovery Evaluation Cash Fund				($5,500,000)
State Expenditures Cash Funds Bioscience Discovery Evaluation Cash Fund				$5,500,000
FTE Position Change				0.6 FTE
Effective Date: August 10, 2011, if the General Assembly adjourns on May 11, 2011, as scheduled, and no referendum petition is filed.				
Appropriation Summary for FY 2011-2012: See State Appropriations section.				
Local Government Impact: None.				

Summary of Legislation

This bill extends the repeal date for the Bioscience Discovery Evaluation Grant program from July 1, 2013 to July 1, 2018.

Fiscal Impact of Programs Set to Expire. This bill continues a program in the Office of Economic Development and International Trade (OEDIT) that is set to repeal, July 1, 2013. Under current law, state agencies may be appropriated funds to wind up the affairs of an expiring program for 12 months following the repeal date. To account for the wind up period, the impact of extending the program beyond the current repeal date is shown as beginning in FY 2014-2015, one year after the repeal date. There is no need for an appropriation since the program's authorization has not yet expired, and ongoing funding for the program is included in the department's base budget request for FY 2011-12.

Background

The Bioscience Discovery Evaluation Grant program, created in 2007, intends to accelerate the development of new bioscience products and services. To achieve this goal, it provides grants to assist technology transfer offices and early-stage bioscience companies. Thirty percent of the fund is dedicated to activities in life sciences, engineering material sciences, computer sciences, photonics or nanotechnology. Another 30 percent is dedicated to therapeutic or diagnostic products to improve human health, bioscience technologies and biofuels. The grant program operates under rules established per HB08-1001, which provides approximately $5.5 million annually in funding for grants and expenses.

State Expenditures

The bill will affect state expenditures beginning in FY 2014-15. The bioscience grant program is funded through a transfer from the Limited Gaming Fund which provides approximately $5.5 million and 0.6 FTE to the Bioscience Discovery Evaluation Cash Fund for expenditure in each year from FY 2008-09 to FY 2011-12. This fiscal note assumes that grant awards and administrative expenses will continue at the same level throughout the additional 5-year period proposed by this bill. It also assumes that Limited Gaming Fund revenue will be available to continue to fund this program.

Governor's Office of Economic Development and Trade (**OEDIT**). Table 1 details the expenses of OEDIT to administer the grant program.

Table 1. Expenditures Under HB11-1283		
Cost Components	**FY 2014-15**	**FY 2015-16**
Personal Services (OEDIT)	$41,423	$41,423
FTE	0.6	0.6
Operating Expenses and Capital Outlay	3,392	3,392
TOTAL	**$48,207**	**$48,207**

Grant Awards. It is assumed that grant awards will continue in the same form as the program exists now. The program requires that at least 30 percent of the grant moneys be allocated to offices of technology transfer (OTTs) and at least 30 percent to early stage bioscience companies. OEDIT is authorized to use any remaining funds to support partnership efforts between bioscience companies and research institutions. The program also caps grant awards at $150,000 for OTT projects and $250,000 for early stage bioscience company projects.

Departments Contacted

Governor's Office