

**STATE
FISCAL IMPACT**

Drafting Number: LLS 11-0734
Prime Sponsor(s): Sen. Mitchell
 Rep. Kerr A.

Date: February 10, 2011
Bill Status: Senate SVMA
Fiscal Analyst: Chris Ward (303-866-5834)

TITLE: CONCERNING BUSINESS FISCAL IMPACT STATEMENTS.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
State Expenditures		
General Fund	\$401,652	\$342,394
FTE Position Change	6.3 FTE	6.3 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 requires the Legislative Council Staff to prepare business fiscal impact statements on all proposed legislation and all proposed rules of the executive branch. Colorado businesses may submit comments within a designated 5-day period following the introduction of legislation or notification of a proposed rule and such comments must be summarized by the staff. Business fiscal impact statements on legislative measures must accompany the fiscal note; statements on proposed rules must be forwarded to the agency promulgating the rule and posted on the Legislative Council Staff website.

State Expenditures

Preparing business fiscal impact statements on all measures considered by the legislature and all rules proposed by the executive branch will cost **\$401,652 in FY 2011-12** and **\$342,394 per year thereafter**. These amounts are shown in Table 1 and include costs associated with 6.3 FTE. First-year costs also include initial office set up, such as computers and workstations. Costs assume that business fiscal impact statements:

- will involve an analysis similar to the analysis currently conducted for fiscal notes, thus requiring an average of about 12 hours of staff time each; and
- will be prepared for about 1,100 measures per year, including 600 bills and 500 rules.

Table 1. Expenditures Under SB 11-116		
Cost Components	FY 2011-12	FY 2012-13
Personal Services	\$336,409	\$336,409
FTE	6.3	6.3
Operating Expenses	5,985	5,985
Capital Outlay	59,258	0
TOTAL	\$401,652	\$342,394

The effort required to prepare business fiscal impact statements for proposed legislation falls within the legislative session, so the actual number of new staff necessary to complete this work during the session exceeds the FTE identified in Table 1. Therefore, the capital outlay costs reflect more than one computer and workstation for each FTE. Leased space costs are not included in this fiscal note, although additional office space will likely be required. Legislative staff functions are paid from the General Fund.

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 SB 11-116*		
Cost Components	FY 2011-12	FY 2012-13
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$44,730	\$44,730
Supplemental Employee Retirement Payments	15,223	17,936
TOTAL	\$59,953	\$62,666

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

State Appropriations

For FY 2011-12, the Legislative Council Staff requires a General Fund appropriation of \$401,652 and 6.3 FTE.

Departments Contacted

All departments