

**STATE and LOCAL  
CONDITIONAL FISCAL IMPACT**

**Drafting Number:** LLS 12-0958 **Date:** May 2, 2012  
**Prime Sponsor(s):** Rep. Gerou; Levy **Bill Status:** House Appropriations  
 Sen. Steadman; Lambert **Fiscal Analyst:** Jonathan Senft (303-866-3523)

**TITLE:** CONCERNING THE TRANSFER OF UP TO FOUR MILLION DOLLARS FROM THE GENERAL FUND TO THE COLORADO ECONOMIC DEVELOPMENT FUND BASED UPON THE AMOUNT BY WHICH THE JUNE 2012 ESTIMATE OF GENERAL FUND REVENUE FOR THE 2011-12 FISCAL YEAR EXCEEDS THE MARCH 2012 ESTIMATE OF GENERAL FUND REVENUE FOR THE 2011-12 FISCAL YEAR.

Fiscal Impact Summary	FY 2011-12 Current Year	FY 2012-2013	FY 2013-14
<b>State Revenue</b>			
<b>State Transfer</b> Transfer from the General Fund to the Colorado Economic Development Fund	(\$4.0 million)		
<b>State Expenditures</b> Colorado Economic Development Fund State Education Fund		\$4.0 million (\$4.0 million)	
<b>FTE Position Change</b>			
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.			
<b>Appropriation Summary for FY 2012-2013:</b> See State Appropriations section.			
<b>Local Government Impact:</b> See School District Impact section.			

**Summary of Legislation**

This bill, *as recommended by the Joint Budget Committee*, requires a General Fund transfer to the Colorado Economic Development Fund on June 20, 2012 of \$4.0 million, if the General Fund revenue forecast for FY 2011-12 prepared by the Office of State Planning and Budgeting (OSPB) in June exceeds its March 2012 forecast by at least \$4.0 million.

**Background**

The impact of this bill is conditional on whether the OSPB raises its June 2012 General Fund revenue forecast by at least \$4.0 million over the March 2012 forecast. While forecasts project revenue not yet collected, it is expected that this condition will be met and the transfer will occur. In March, OSPB forecast General Fund revenue in FY 2011-12 to be approximately \$7.4 billion, an increase of \$27 million over the previous forecast in December 2011. OSPB's last four forecasts have shown an average quarter-over-quarter increase of approximately \$85 million.

### **State Transfer**

If the condition is met, on June 30, 2012, this bill transfers \$4.0 million of the FY 2011-12 General Fund surplus to the Colorado Economic Development Fund contingent on OSPB's June 2012 forecast. Under current law, as specified in HB12-1338, this money would have carried forward and become part of the FY 2012-13 General Fund surplus deposited into the State Education Fund.

### **State Expenditures**

**If the condition is met, for FY 2012-13, this bill increases expenditures by \$4.0 million in the Governor's Office of Economic Development and International Trade.** Money in the Colorado Economic Development Fund is used by the Economic Development Commission (EDC), within the office, to make grants or loans to both public and private persons and entities. While the bill does not specify how these funds will be used, it is assumed that the EDC will spend this money on ongoing projects related to its mission and will not require additional staff.

For FY 2012-13, the State Education Fund will have \$4.0 million less available for spending on public education programs for preschool through twelfth grade.

### **School District Impact**

This bill may reduce the amount of money expected to be transferred to the State Education Fund in FY 2012-13, which would reduce funding for school finance or other educational programs. It is unknown how reductions in this fund will be allocated, and therefore it is not possible to assess specific program reductions.

### **State Appropriations**

If the condition is met, for FY 2012-13, the Governor's Office requires a \$4.0 million appropriation from the Colorado Economic Development Fund.

### **Departments Contacted**

Governor                      Treasury                      Office of State Planning and Budgeting  
Office of Economic Development and International Trade