

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 12-0525 **Date:** January 24, 2012
Prime Sponsor(s): Rep. Coram; Hamner **Bill Status:** House Appropriations
 Sen. Jahn; White **Fiscal Analyst:** Harry Zeid (303-866-4753)

TITLE: CONCERNING A REGIONAL APPROACH TO ECONOMIC DEVELOPMENT.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures		
General Fund	\$83,333	\$83,333
FTE Position Change	0.9 FTE	0.9 FTE
Effective Date: August 7, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2012-2013: See the State Appropriations section.		
Local Government Impact: See the Local Government Impact section.		

Summary of Legislation

The bill instructs and empowers the Colorado Office of Economic Development and International Trade (OEDIT) to assist regional stakeholders to develop and support a comprehensive and inclusive regional economic development partnership.

Colorado Office of Economic Development and International Trade. The OEDIT is tasked with facilitating economic development through partnerships in each of 14 regions in the state. Each partnership must include representation from all necessary stakeholders in the region. The size and member partners of each new partnership is determined by regional partners in collaboration with OEDIT.

Regional Economic Development Partnership Boards. Each partnership will have a board that consists of 8 to 12 members, as determined by the region's partnership. The board must create a regional economic development plan; convene the partnership to discuss and further the goals of the plan; assemble subcommittees of partnership members to develop discrete components of the plan; engage partners, resources, and agencies to apply for and administer programs, grants, and federal funds; implement the region's regional economic development plan; and develop an annual report on the progress of the regional economic development plan. Beginning September 1, 2012, boards must meet at least monthly. Members shall not be compensated for nor reimbursed for their expenses incurred in serving on the board.

State Regional Economic Development Council. The State Council is created with one representative from each of the regional economic development partnership boards plus the regional development director of the Colorado Office of Economic Development. The State Council will meet at least once per year with the Colorado Economic Development Commission and the director of the OEDIT. The State Council will submit the regional economic development annual reports to the Governor and will include the progress reports in the state economic development plan.

Background

The Governor's executive order D 2011-003 outlines a series of steps designed to foster a more competitive Colorado by helping the state achieve six core objectives:

- build a business-friendly environment;
- retain, grow, and recruit companies;
- increase access to capital;
- create and market a stronger Colorado brand;
- educate and train the workforce of the future; and
- cultivate innovation and technology.

This bill builds upon the *Colorado Blueprint: A bottom-up approach to economic development*.

State Expenditures

The Global Business Development Division of OEDIT will be responsible for providing the staff and budgetary resources necessary to assist stakeholders in developing a regional approach to economic development.

The Governor's office has submitted a decision item to the Joint Budget Committee to fund economic development programs within the Global Business Development Division of OEDIT. For FY 2012-13, the request is for 2.8 FTE and \$250,000 General Fund. Approximately one-third of this amount, or 0.9 FTE and \$83,333 GF will be used to support the comprehensive regional economic development partnership envisioned by the bill. If the decision item is approved as part of the FY 2012-13 Long Bill, no further appropriation is necessary to pay for HB12-1154. Conversely, an appropriation will be required in FY 2012-13 if the decision item is not fully funded through the Long Bill.

Local Government Impact

Most cities and counties in Colorado currently invest resources in economic development programs. It is expected that local involvement in regional economic development partnerships will be provided within existing local budget resources.

State Appropriations

If Decision Item Number 4 from the Office of the Governor is approved by the Joint Budget Committee and funded through the Long Bill, no further appropriation is necessary to implement the bill. If the decision item is not approved, a General Fund appropriation of \$83,333 and 0.9 FTE for FY 2012-13 will be necessary in the bill for the Office of the Governor.

Departments Contacted

Governor's Office

Office of Economic Development

Local Affairs