

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0804 **Date:** April 8, 2014
Prime Sponsor(s): Rep. Nordberg; Ryden **Bill Status:** House SVMA
 Sen. Todd; Herpin **Fiscal Analyst:** Alex Schatz (303-866-4375)

SHORT TITLE: MAINTAIN STATE'S RELATIONSHIP WITH US MILITARY

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures General Fund	At least \$120,000 per fiscal year. See State Expenditures section.	
FTE Position Change	1.0 FTE	1.0 FTE
Appropriation Required: None, provided funding is included in FY 2014-15 Long Bill.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill directs the Office of Economic Development and International Trade (OEDIT) to support state businesses involved in the defense industry and influence federal decision-making that concerns the defense industry in Colorado. Specifically, the OEDIT must:

- advocate for state involvement in U.S. military missions;
- support private businesses that bid on contracts with U.S. armed forces; and
- assist the Colorado Congressional delegation in protecting current U.S. armed forces bases and commands in Colorado.

Background

Current OEDIT duties involving the defense industry and U.S. military activities in Colorado. Under current law, the OEDIT is responsible for and receives funding to assist with the recruitment, retention, and expansion of Colorado businesses, including marketing the state for expansion and relocation of both foreign and domestic companies. Through the strategic planning process, the OEDIT has developed industry-specific growth plans, including a Colorado Aerospace Strategic Growth Plan (growth plan).

In FY 2013-14, the OEDIT received a \$175,000 Long Bill appropriation to implement the growth plan. Of this amount, approximately \$120,000 is for the salary and benefits of the aerospace champion, a high-level position that networks on behalf of the state with business and government leaders related to the defense industry. Based on a decision item submitted with the Governor's budget request, continued funding of \$300,000 is included in the FY 2014-15 Long Bill for the OEDIT aerospace champion (1.0 FTE) and other facets of the growth plan.

State Expenditures

Supporting the defense industry as specified in the bill requires at least \$120,000 in expenditures by OEDIT, to provide funding for the aerospace champion or a similar position. The bill is consistent with current resources and expenditures in OEDIT.

Assumptions. Under current law, it is within the discretion of OEDIT and the Governor's Office to request budget appropriations specific to defense industry-related economic activity and the growth plan. The bill eliminates this discretion and requires OEDIT to maintain resources directed toward the defense industry. Based on the current status of the budget, the FY 2014-15 Long Bill will provide resources to continue OEDIT's current efforts that fulfill the requirements of the bill.

OEDIT. Ongoing efforts to implement the growth plan and influence federal decision-making will require, at a minimum, continuation of a high-level networking position in FY 2014-15 and FY 2015-16. The bill does not identify any specific product or level of service that the OEDIT must deliver in its advocacy, support, and assistance under the bill, but dedicated resources including or similar to the aerospace champion will be required for OEDIT to make meaningful efforts to implement the bill. The OEDIT's identified cost of \$120,000 for the current aerospace champion is assumed to include other expenditures necessary to support the position.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

No appropriation is required based on incorporation of Governor's Office Change Request R-6 in the FY 2014-15 Long Bill. If the Long Bill is enacted without this funding, the bill requires a General Fund appropriation of \$120,000 to the Office of Economic Development and International Trade, and an allocation of 1.0 FTE.

State and Local Government Contacts

Office of Economic Development and International Trade
Military and Veterans Affairs

Governor