



Legislative  
Council Staff

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**FISCAL NOTE**

<b>Drafting Number:</b> LLS 20-0673	<b>Date:</b> February 6, 2020
<b>Prime Sponsors:</b> Rep. Esgar; Sullivan Sen. Todd; Gardner	<b>Bill Status:</b> House Business
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**Bill Topic:** **PROCUREMENT TECHNICAL ASSISTANCE PROGRAM EXTENSION**

- Summary of Fiscal Impact:**
- |   |  |
|---|--|
| <input type="checkbox"/> State Revenue                | <input type="checkbox"/> TABOR Refund            |
| <input checked="" type="checkbox"/> State Expenditure | <input type="checkbox"/> Local Government        |
| <input checked="" type="checkbox"/> State Transfer    | <input type="checkbox"/> Statutory Public Entity |

The bill permits the Office of Economic Development and International Trade to renew its contract with a nonprofit entity for up to five years to operate the Procurement Technical Assistance Program, and transfers funds for the program. State expenditures increase from FY 2020-21 through FY 2024-25.

**Appropriation Summary:** No appropriation is required, as costs are paid from a continuously appropriated cash fund.

**Fiscal Note Status:** The fiscal note reflects the introduced bill.

**Table 1**  
**State Fiscal Impacts Under HB 20-1116**

		FY 2020-21	FY 2021-22
<b>Revenue</b>		-	-
<b>Expenditures</b>	Cash Funds	\$220,000	\$220,000
	Centrally Appropriated	\$3,689	\$3,689
	<b>Total</b>	<b>\$223,689</b>	<b>\$223,689</b>
	<b>Total FTE</b>	<b>0.2 FTE</b>	<b>0.2 FTE</b>
<b>Transfers</b>	General Fund	(\$220,000)	(\$220,000)
	Cash Funds	\$220,000	\$220,000
		<b>\$0</b>	<b>\$0</b>
<b>TABOR Refund</b>		-	-

## Summary of Legislation

The Office of Economic Development and International Trade (OEDIT) contracts with the nonprofit Procurement Technical Assistance Center (PTAC) to provide assistance to small businesses in obtaining government contracts. This bill permits OEDIT to renew its contract, which is scheduled to expire in September 2020, for up to five years.

The bill continues an annual \$220,000 transfer from the General Fund to the Procurement Technical Assistance Cash Fund for the duration of the contract, and extends the requirement that the PTAC provide a 100 percent match in gifts, grants, and donations, at least 25 percent of which come in the form of cash. The bill further permits the General Assembly to contribute additional money for the program if the PTAC provides a 100 percent match.

## Background

The Procurement Technical Assistance Program was created by House Bill 14-1016 in provide technical support to small businesses and to access federal matching funds for the same purpose. The program is administered by the PTAC; OEDIT performs contract compliance.

The PTAC is required to contribute at least as much, through cash or in-kind donations, as the state. If, in any contract year, the PTAC fails to meet its contractual fundraising target, either in total or the cash component, the State Treasurer is authorized to transfer funds from the cash fund back to the General Fund, and the state's obligation for the following contract year is similarly reduced. If PTAC's contribution exceeds the state's contribution, it may credit the excess to the following contract year.

Gifts, grants, and donations and federal funds are collected and used by the PTAC itself, and therefore do not impact state revenues.

## Assumptions

The fiscal note assumes that PTAC will meet its fundraising target in each contract year, and that the General Assembly does not increase the state's contribution to PTAC.

## State Transfers

The bill transfers \$220,000 from the General Fund to the Procurement Technical Assistance Cash Fund to pay for the Procurement Technical Assistance Program (\$200,000) and contract administration in the Office of Economic Development and International Trade (\$20,000).

## State Expenditures

The bill increases state expenditures by \$223,544 and 0.2 FTE in FY 2020-21 and FY 2021-22, continuing for up to three additional years through FY 2024-25, until the state's contract with the PTAC expires. New expenditures are displayed in Table 2 and described below.

**Table 2  
Expenditures Under HB 20-1116**

	FY 2020-21	FY 2021-22
<b>Office of Economic Development and International Trade</b>		
Procurement Technical Assistance Program	\$200,000	\$200,000
Personal Services	\$17,956	\$17,956
Consulting and Conference Costs	\$2,044	\$2,044
Centrally Appropriated Costs*	\$3,689	\$3,689
FTE – Personal Services		
<b>Total Cost</b>	<b>\$223,689</b>	<b>\$223,689</b>
<b>Total FTE</b>	<b>0.2 FTE</b>	<b>0.2 FTE</b>

\* Centrally appropriated costs are not included in the bill's appropriation.

**Office of Economic Development and International Trade.** In addition to the annual \$200,000 paid to the PTAC to administer the program, OEDIT requires 0.2 FTE for contract compliance. Operating costs include consulting and conference support.

**Centrally appropriated costs.** 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. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$3,544 in FY 2020-21 and \$3,544 in FY 2021-22.

### Effective Date

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

### State Appropriations

No appropriation is required, as the Procurement Technical Assistance Cash Fund is continuously appropriated to the Office of Economic Development and International Trade.

### State and Local Government Contacts

Governor	Office of Economic Development and International Trade
Personnel	Treasury