



## **Summary of Legislation**

This bill extends the Advanced Industry (AI) Export Acceleration Program by six years, from its current repeal date of January 1, 2019, to January 1, 2025. It removes language that required annual transfers of \$300,000 from the General Fund to the program's cash fund on July 1 of 2014, 2015, 2016, and 2017.

## **Background**

The AI Export Acceleration Program was established in 2013 by House Bill 13-1193 to provide reimbursement of international export development expenses by private industry, as well as export training and a referral system for trade consulting administered by the Office of Economic Development and International Trade (OEDIT) within the Governor's Office. Since its inception, the program has been funded with an annual transfer of \$300,000 General Fund, which expired on July 1, 2017. The Governor's budget request for FY 2018-19 includes a set aside of \$175,000 for the AI Export Acceleration Program.

The AI Export Acceleration Program is targeted at advanced manufacturing, aerospace, bioscience, infrastructure engineering, electronics, energy, and information technology businesses. Qualified expenses may include items such as: translation services for contracts, intellectual property protection, credit reviews for potential buyers and distributors, or production and design of international marketing materials. Funds are also used to subsidize the Global Consultant Network, which is a consortium of international consultants who specialize in connecting Colorado companies with global development opportunities and assist with market research, understanding a country's regulatory framework, and identifying potential partners. Participating Colorado companies pay the consultant a fee of \$500, with the AI program paying for the remaining costs.

In addition to the AI Export Acceleration Program, the OEDIT has a grant program that provides funding for AI proof of concept and other early stage start-ups. The umbrella of AI programs is currently funded at \$14.0 million in cash funds and has a staff of 2.6 FTE.

## **State Expenditures**

This bill increases state General Fund expenditures between FY 2018-19 and the program's new repeal date of January 1, 2025 (resulting in a half-year impact for FY 2024-25). Based on current program needs, the bill is anticipated to cost \$175,000 per full year. As funding is not specified in statute, this analysis assumes that any adjustments in appropriations required in future fiscal years will be requested through the annual budget process. Funding is used for export training to AI businesses, travel and other reimbursements, and for the Global Consultant Network.

## **Effective Date**

The bill was signed into law by the Governor on May 29, 2018, and takes effect August 8, 2018, assuming no referendum petition is filed.

**State Appropriations**

The bill requires and includes an appropriation of \$175,000 General Fund to the Office Of Economic Development and International Trade in the Governor's Office.

**State and Local Government Contacts**

Information Technology

Economic Development