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Fiscal Note

Drafting Number: LLS 23-0334 Date: January 20, 2023
Prime Sponsors: Sen. Roberts; Rich Bill Status: Senate Business
Rep. McLachlan; Catlin Fiscal Analyst: Colin Gaiser | 303-866-2677
colin.gaiser@coleg.gov

Bill Topic: CREATION OF THE RURAL OPPORTUNITY OFFICE

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill codifies the Rural Opportunity Office in the Office of Economic Development and International Trade. It increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$299,193 to the Office of Economic Development and International Trade.

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

Table 1
State Fiscal Impacts Under SB 23-006

Table with 4 columns: Category, Budget Year FY 2023-24, and Out Year FY 2024-25. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

The bill codifies into statute the Rural Opportunity Office in the Colorado Office of Economic Development and International Trade (OEDIT). The director of the office is designated by and reports to the director of OEDIT. The main duties and responsibilities of the office include:

- serving as the central coordinator of rural economic development programs and initiatives;
- working with coal transitioning communities to explore business and economic development opportunities;
- making recommendations that inform the Governor’s policy on rural economic development matters; and
- measuring the success of program outreach and conduct research on whether rural communities receive more statewide funding as a result of the office’s efforts.

Background

OEDIT currently funds the Rural Opportunity Office with grants set to expire in FY 2023-24 and an ongoing memorandum of understanding with an outside consultancy group. The office currently has 6.0 FTE, two of which are grant-funded and will expire in the next year.

State Expenditures

The bill increases state General Fund expenditures in OEDIT by \$371,082 in FY 2023-24 and \$494,215 in out years. The costs are shown in Table 2 and explained below.

Table 2
Expenditures Under SB 23-006

	FY 2023-24	FY 2024-25
Office of Economic Development		
Personal Services	\$294,738	\$392,984
Operating Expenses	\$4,455	\$5,400
Centrally Appropriated Costs ¹	\$71,889	\$95,831
Total	\$371,082	\$494,215
Total FTE	3.0 FTE	4.0 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Office of Economic Development. OEDIT requires 4.0 FTE, including a director and three rural opportunity representatives, to implement the duties of the office. This represents a continuation of current staff levels, with the exception of 2.0 term-limited FTE. Standard operating costs are included; capital outlay costs are omitted as staff is already in place. First-year costs are prorated for a September 1, 2023, effective date and the General Fund pay date shift.

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 shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2023-24, the bill requires a General Fund appropriation of \$299,193 to the Office of Economic Development and International Trade, and 3.0 FTE.

State and Local Government Contacts

Office of Economic Development

Information Technology