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**REVISED
FISCAL NOTE**

(replaces fiscal note dated March 11, 2020)

Drafting Number: LLS 20-0247
Prime Sponsors: Rep. Esgar
Sen. Hisey; Todd

Date: March 25, 2020
Bill Status: Senate Appropriations
Fiscal Analyst: Jeff Stupak | 303-866-5834
Jeff.Stupak@state.co.us

Bill Topic: **RURAL ARTS GRANT PROGRAM**

**Summary of
Fiscal Impact:**

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill creates a rural arts grant program within the Creative Industries Division of the Office of Economic Development and International Trade. Beginning in FY 2020-21, the bill creates an ongoing state transfer and increases state expenditures.

**Appropriation
Summary:**

In FY 2020-21, the bill requires and includes an appropriation of \$50,000 to the Office of Economic Development and International Trade.

**Fiscal Note
Status:**

This revised fiscal note reflects the reengrossed bill, as amended by the Senate Agriculture and Natural Resources Committee.

**Table 1
State Fiscal Impacts Under HB 20-1223**

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	Cash Funds	\$50,000	\$50,000
	Centrally Appropriated	\$3,554	\$3,689
	Total	\$53,554	\$53,689
	Total FTE	0.2 FTE	0.2 FTE
Transfers	General Fund	(\$50,000)	(\$50,000)
	Cash Funds	\$50,000	\$50,000
		\$0	\$0
TABOR Refund		-	-

Summary of Legislation

The bill creates a rural arts grant program in the Creative Industries Division of the Office of Economic Development and International Trade (OEDIT). Grants are awarded to qualified organizations that sponsor artists to complete projects outside of the Scientific and Cultural Facilities District (SCFD). A qualifying organization is a community organization outside of the SCFD that is either a local government organization or a nonprofit organization. The qualifying organization may retain up to 5 percent of the grant award for administrative costs. Grants may be awarded to projects that:

- advance the artistic and cultural goals of rural communities and their economies;
- enhance a community's culture; or
- provide incentives for cross-community collaborations and have the potential to contribute to acceptance and consideration of differing perspectives.

On August 15, 2020, and each subsequent year on July 1, \$50,000 must be transferred from the General Fund to the Creative Industries Cash Fund to be awarded as grants, and used by OEDIT for the implementation and administration of the program.

The bill establishes application and award criteria, and establishes reporting requirements for both grant recipients and OEDIT.

Background and Assumptions

OEDIT currently administers several other art grants program, including the Colorado Creates Grant, the Career Advancement Grant, and the Creative Districts program. Expenditures are estimated based on administrative needs for these other programs, scaled for size of the grant program in the bill.

State Transfers

The bill transfers \$50,000 from the General Fund to the Creative Industries Cash Fund beginning in FY 2020-21 and each subsequent year.

State Expenditures

The bill increases expenditures in OEDIT by \$50,000 from the Creative Industries Cash Fund beginning in FY 2020-21. Expenditures are shown in Table 2 and described below.

Table 2
Expenditures Under HB 20-1223

	FY 2020-21	FY 2021-22
Office of Economic Development		
Personal Services	\$16,459	\$17,956
Grants	\$33,541	\$32,044
Centrally Appropriated Costs*	\$3,554	\$3,689
Total Cost	\$53,554	\$53,689
Total FTE	0.2 FTE	0.2 FTE

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

Personal services. OEDIT will hire 0.2 FTE Project Manager to administer the newly created grant program, based on staffing requirements of other grant programs administered by OEDIT. First-year costs are prorated to reflect the August effective date.

Rural art grants. After accounting for administrative expenses, \$33,541 is available for grants in FY 2020-21 and \$32,044 is available in FY 2021-22. Grants are expected to range in size from \$2,500 to \$10,000 per project.

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 \$3,554 in FY 2020-21 and \$3,689 in FY 2021-22.

Local Government

The bill may increase local government revenue if a local government receives grant funding through the program.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2020-21, the bill requires and includes an appropriation of \$50,000 from the Creative Industries Cash Fund to the Office of Economic Development and International Trade, and 0.2 FTE.

State and Local Government Contacts

Counties
Local Affairs

Information Technology
Municipalities

Law
Office of Economic Development