

**Schedule 13**  
**Funding Request for the 2014-15 Budget Cycle**

Department: Office of Economic Development and International Trade

Request Title: Economic Gardening Pilot Program

Priority Number: R-8

Dept. Approval by: [Signature] Date 10/24/13

OSPB Approval by: [Signature] Date 10/29/13

- Decision Item FY 2014-15
- Base Reduction Item FY 2014-15
- Supplemental FY 2013-14
- Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
<b>Total of All Line Items</b>	<b>Total</b>	1,713,918	-	1,497,043	100,000	100,000
	FTE	4.0	-	4.0	-	-
	GF	484,522	-	286,397	100,000	100,000
	GFE	-	-	-	-	-
	CF	18,750	-	-	-	-
	RF	-	-	-	-	-
	FF	1,210,646	-	1,210,646	-	-
<b>(4) Economic Development Programs, Small Business Development Centers</b>	<b>Total</b>	1,713,918	-	1,497,043	100,000	100,000
	FTE	4.0	-	4.0	-	-
	GF	484,522	-	286,397	100,000	100,000
	GFE	-	-	-	-	-
	CF	18,750	-	-	-	-
	RF	-	-	-	-	-
	FF	1,210,646	-	1,210,646	-	-

Letternote Text Revision Required? Yes:  No:  If yes, describe the Letternote Text Revision:

Cash or Federal Fund Name and COFRS Fund Number:

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes:  No:  Not Required:

Schedule 13s from Affected Departments:

Other Information:



# COLORADO

Office of Economic Development  
and International Trade

Priority: R-8  
Economic Gardening Pilot Program  
FY 2014-15 Change Request

## ***Cost and FTE***

- This request is for \$100,000 General Fund in both FY 2014-15 and FY 2015-16 to fund the second and third year of the Economic Gardening Pilot Program created in H.B. 13-1003.

## ***Current Program***

- H.B. 13-1003 appropriated funds for the creation of an economic gardening pilot project in the Colorado Office of Economic Development and International Trade (OEDIT) over a three year period. Statewide economic prosperity and job creation are advanced significantly by creating, promoting and retaining local start-up companies and small businesses with high growth potential. Such businesses can benefit from specialized business assistance to refine core strategies and form access to in-depth market research, competitor analyses, geographic information systems and other strategic information which is the goal of the Economic Gardening Pilot Program.

## ***Problem or Opportunity***

- Creating and implementing the Economic Gardening Pilot Program includes educating team members and staff, developing a certification process, and coordinating and gathering services, resources, and partners. Funding for these activities is only appropriated for FY 2013-14.
- Funding subsequent years of the program vastly increases the return on investment as the cost, time, and resources will be focused directly on assisting businesses, and no longer on start-up and certification processes.

## ***Consequences of Problem***

- If the proposed solution is not approved, the State will not benefit from the time and resources spent on project implementation in FY 2013-14. Funding in subsequent years greatly increases the viability of the program and the potential return on investment.

## ***Proposed Solution***

- The proposed solution is to fund the second and third year of the Economic Gardening Pilot Program pursuant to H.B. 13-1003; \$100,000 General Fund is being requested each year for a total of \$200,000.
- The subsequent two years of the Program are strictly execution-based; therefore, funding is vital to the Program's success and the ability to measure its economic impact. The return on investment will be measured by in the number of jobs created, capital formation, sales, and exported goods for the selected Colorado second-stage companies.

***FY 2014-15 CHANGE REQUEST***  
***Priority: R-8 Economic Gardening Pilot Program***  
***Request Detail***

***Problem or Opportunity:***

H.B. 13-1003 appropriated funds for the creation of an economic gardening pilot project in the Colorado Office of Economic Development and International Trade (OEDIT) over a three year period. Although H.B. 13-1003 established a three-year pilot program, funding was only provided for the first year, FY 2013-14. This request would provide funding for FY 2014-15 and FY 2015-16. Statewide economic prosperity and job creation are advanced significantly by creating, promoting and retaining local start-up companies and small businesses with high growth potential. Such businesses can benefit from specialized business assistance to refine core strategies and form access to in-depth market research, competitor analyses, geographic information systems and other strategic information which is the goal of the Economic Gardening Pilot Program. Creating and implementing an Economic Gardening Pilot Program includes educating team members and staff, developing a certification process, and coordinating and gathering services, resources, and partners. This request would provide funding for FY 2014-15 and FY 2015-16. Funding subsequent years of the program vastly increases the return on investment, as the cost, time, and resources are focused directly on helping the businesses and no longer on start-up and certification processes.

***Proposed Solution:***

Pursuant to H.B. 13-1003, \$100,000 General Fund is being requested for the second and third years of the Economic Gardening Pilot Program for a total of \$200,000. Much of the first year of the pilot project is devoted to creating and starting up the program, including certification of Small Business Development Center (SBDC) Network staff, gathering databases, and establishing program partners. The subsequent years are strictly execution-based; therefore, funding is vital to ensure success of the Program and the ability to measure its economic impact. If the proposed solution is not approved, the State will not benefit from the time and resources spent on project implementation in FY 2013-14. Funding in subsequent years greatly increases the viability of the program and the potential return on investment.

***Anticipated Outcomes:***

Outcomes of this pilot project are measured by the number of jobs created in Colorado, new capital formation, growth in sales, and growth in exported goods for the target companies. These outcomes positively affect the Colorado economy and increase the local tax base. It is important to the overall health and growth of the state's economy to promote favorable conditions for those expanding Colorado businesses that demonstrate the ability to grow. By not providing subsequent funding, the original intent of the pilot program is compromised, thus negatively impacting the metrics stated above.

***Assumptions and Calculations:***

The General Assembly appropriated \$200,000 for the first year of funding for this three-year pilot project. Of this total amount, \$120,000 is allocated towards databases, licenses, and technical support. \$20,000 is

allocated towards Small Business Development Centers Directors and staff members' education and certification. The subsequent \$200,000 (\$100,000 per year over the next two fiscal years) will be used to renew databases and licenses, provide high-level business consulting, and conduct database research and analysis including market research and strategy, business modeling, identification of sales leads, and other business-related resources.