

FISCAL IMPLICATIONS

The appropriation of \$2 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2016 shall revert to the general fund.

The estimated additional operating budget impact includes the potential cost for one additional FTE to administer the program.

SIGNIFICANT ISSUES

EDD reports it administered a cooperative advertising program similar to the program provided for in this bill. According to agency records, EDD allocated approximately \$425 thousand annually as part of the recurring base budget to the cooperative advertising program in FY07 and FY08.

EDD included the following information in its analysis.

In 2008, EDD reported it awarded approximately 40 awards at an estimated \$8,000 to \$10 thousand each. The program was used as a matching fund to help communities maximize their advertising dollars. In 2008, the agency reported 68 percent of the funds were awarded to rural communities versus 32 percent for urban communities. Rural communities had the greatest need for the matching dollars as the smaller, rural communities did not have funds available to promote their communities.

PERFORMANCE IMPLICATIONS

EDD notes it would have to establish performance measures to demonstrate the outcomes of the program. The Tourism Department has a cooperative advertising program, which may provide insight to establishment of performance measures that could be applicable to this program.

ADMINISTRATIVE IMPLICATIONS

EDD reports it might require one additional FTE to administer this program.

DUPLICATION

The bill duplicates SB 163.

JC/bb/aml