

*Colorado Legislative Council Staff*  
**STATE**  
**FISCAL IMPACT**

**Drafting Number:** LLS 03-0170  
**Prime Sponsor(s):** Sen. Anderson  
 Rep. Coleman

**Date:** January 7, 2003  
**Bill Status:** Senate SVMA  
**Fiscal Analyst:** Steve Tammeus (303-866-2756)

**TITLE:** CONCERNING MANAGEMENT OF PUBLIC RECORDS BY GOVERNMENTAL ENTITIES.

| Fiscal Impact Summary   | FY 2003/04          | FY 2004/05          |
|---|---------------------|---------------------|
| <b>State Revenues</b>   |                     |                     |
| General Fund  |                     |                     |
| <b>State Expenditures</b>   |                     |                     |
| General Fund  | \$66,599            | \$59,943            |
| Cash Fund   |                     |                     |
| Cash Fund Exempt*   | \$46,608            | \$11,652            |
| Federal Fund  |                     |                     |
| <b>FTE Position Change</b>  | Contracted Services | Contracted Services |
| <b>Other State Impact:</b> None   |                     |                     |
| <b>Effective Date:</b> August 5, 2003, unless a referendum petition is filed. |                     |                     |
| <b>Appropriation Summary for FY 2003/04:</b>                                  |                     |                     |
| Local Affairs - \$13,312 - General Fund                                       |                     |                     |
| Military Affairs - \$53,287 - General Fund                                    |                     |                     |
| <b>Local Government Impact:</b> None  |                     |                     |

\* *State Highway Fund - No appropriation is required. The Department of Transportation has continuous spending authority.*

**Summary of Legislation**

Current law establishes the Department of Personnel as the state's official custodian and trustee of all public records of whatever kind that are transferred to the department from any public office or political subdivision of the state. The law also stipulates that the Executive Director of the Department of Personnel shall be the chief administrative officer over state archives and public records.

This bill repeals statutory provisions that currently allow the Governor to direct any agency or political subdivision of the state to designate a records liaison officer to cooperate with and assist the executive director in the performance of duties concerning state archives and public records.

The bill requires each state agency and political subdivision, by January 1, 2004, to establish and maintain a record management program in accordance with administrative and technical procedures established by the executive director. The bill requires each agency and political subdivision to designate a records liaison officer from existing personnel to:

- cooperate with and assist the executive director to properly administer the program;
- review the agency's program policies and procedures to ensure compliance to state and federal laws;
- establish an inventory of the agency's records;
- establish record retention and disposition schedules;
- provide information about stored records; and
- ensure adequate security, public access, and proper storage for stored records.

The bill also requires each public officer who has custody of public records to consult with the Department of Personnel and the Attorney General no later than January 1, 2005, and by January 1 every two years thereafter on the value of the agency's records. Any record deemed to be unnecessary to the agency, but deemed by the Attorney General or the Department of Personnel to be of legal, administrative, or historic value may be transferred to the custody of the Department of Personnel or to a storage vendor approved by the executive director.

The bill exempts the Department of Corrections from instituting a records management program or designating a records liaison officer until July 1, 2008.

## **State Expenditures**

*Department of Corrections.* The department's records management program is in compliance with current law and portions of the proposed legislation. However, most of the department's records management procedures are not automated and are under the direction of several records liaison officers at various locations. Due to the department's extraordinary amount of inmate and personnel records (paper files), this bill will require the department to incur additional General Fund costs as shown in Table 1 starting in FY 2007-08, based upon the following assumptions:

- the records management system must be operational by July 1, 2008;
- approximately 120,000 inactive inmate records are currently inventoried, catalogued, boxed, placed in makeshift storage areas, and being retained for ten years;
- approximately 23,000 active inmate records are currently maintained and administered at the department's headquarters;
- approximately 6,000 personnel records are currently being manually stored and administered;
- the department will be required to acquire and implement an electronic records management system to comply with the bill's requirements to establish an inventory of all records, and to ensure adequate security, public access, and proper storage; and
- the department will be required to convert all existing paper records to electronic media.

| <b>Table 1. Department of Corrections<br/>Records Management System</b> |   |                            |
|---|---|----------------------------|
|   | <b>FY 2007/08<br/>(6 months start-up)</b> | <b>FY 2008/09</b>          |
| <u>Personal Services</u>  |   |                            |
| IT Professional III   | 0.5 FTE - \$24,564                        | 1.0 FTE - \$49,128         |
| IT Technician I   | <u>3.0 FTE - 99,792</u>                   | <u>6.0 FTE - 199,584</u>   |
| Subtotal  | 124,356                                   | 248,712                    |
| PERA/Medicare   | <u>14,993</u>                             | <u>29,845</u>              |
| Total   | 139,279                                   | 278,557                    |
| Operating Expenses  | 4,600                                     | 5,600                      |
| Legal Expenses  | 0   | 0                          |
| Non-Recurring Expenses  | 26,152                                    | 0                          |
| Records Management System   | 690,000                                   | 0                          |
| System Maintenance  | 0   | 88,820                     |
| <b>Total Expenses</b>   | <b>3.5 FTE - \$860,031</b>                | <b>7.0 FTE - \$372,977</b> |

**Department of Local Affairs.** The department believes to be in compliance to current records management requirements, but will incur additional General Fund contracted personal services costs to implement and administer the new records management program. Costs will be incurred for conversion of current records to an adopted format, on-going administration, records culling, and records collection and co-location throughout the state. The department estimates these contracted costs will be \$13,312 (equivalent to 0.5 FTE) for FY 2003-04 and \$6,656 (equivalent to 0.25 FTE) for FY 2004-05. Additional costs may be incurred for records storage, subject to storage and data technology requirements yet to be determined by the Department of Personnel.

**Department of Transportation.** The department currently administers a statewide records management program. The department estimates that 2.0 FTE (existing personnel) will be required statewide during FY 2003-04 to implement the additional inventory, security, and access provisions of the bill, while 0.5 FTE (existing personnel) will be required during each successive year. The costs for these personal services are \$46,608 State Highway Fund for FY 2003-04 and \$11,652 State Highway Fund for FY 2004-05.

**Judicial Department.** The department believes this bill does not apply to the Judicial Branch. In the event that it does apply, the bill may affect the department's operating expenses. The Judicial Branch's "Records Retention and Disposition Schedule" has been approved by the Chief Justice of the Supreme Court, the Attorney General, the State Auditor, and the State Archivist. If this document and associated procedures remain unchanged, any resulting fiscal impact will be minimal. However, the department may incur significant operating expenses if required to relocate existing records to approved facilities, or to conduct and maintain a more comprehensive inventory of all judicial records than is currently maintained. These costs, if any, have not been estimated.

**Military Affairs.** The department currently manually maintains a paper inventory of approximately 40,000 military personnel records according to federal guidelines, but is not in compliance with the records management recommendations of current law or the provisions of this

bill. The department experiences a turnover of approximately 1,000 military personnel per year. The department employs one full-time administrative archivist and several temporary personnel, subject to available budget, to administer the personnel records inventory. The department has been advised that federal military guidelines may require implementation of an electronic personnel records management system sometime during the next two years.

This bill will require the department to incur additional personal services costs in the amount of \$53,287 (including PERA and Medicare) General Fund starting in FY 2003-04 to initiate the record inventories and tracking procedures, and to maintain the records management program. These costs represent an upgrade of one existing administrative position to a records liaison officer and contracted services. The contracted services will be utilized until final requirements have been established for an electronic records management system. Additional costs may be incurred for records storage, subject to storage and data technology requirements yet to be determined by the Department of Personnel.

*Other state agencies.* Of the remaining state agencies, some indicate this bill will not affect operating expenses. Others indicate that any impact to operating expenses is anticipated to be minimal and may be absorbed within existing budgetary resources.

### **Expenditures Not Included**

Pursuant to the Joint Budget Committee's budget policies, the following expenditures have not been included in this fiscal note:

- health and life insurance costs;
- short-term disability costs;
- inflationary cost factors;
- leased space; and
- indirect costs.

### **State Appropriations**

The Department of Local Affairs will require a General Fund appropriation of \$13,312 for FY 2003-04.

The Department of Military Affairs will require a General Fund appropriation of \$53,287 for FY 2003-04.

### **Departments Contacted**

All departments