

**STATE
FISCAL IMPACT**

Drafting Number: LLS 08-0739
Prime Sponsor(s): Sen. Cadman
 Rep. Kerr A.

Date: February 17, 2008
Bill Status: Senate SVMA
Fiscal Analyst: Chris Ward (303-866-5834)

TITLE: CONCERNING THE CENTRALIZATION OF THE MANAGEMENT OF STATE AGENCY INFORMATION TECHNOLOGY RESOURCES IN THE OFFICE OF INFORMATION TECHNOLOGY.

Fiscal Impact Summary	FY 2008-2009	FY 2009-2010
State Revenue		
State Expenditures General Fund Cash Funds - Various	No net change see State Expenditures section	
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: Upon signature of the Governor or upon becoming law without his signature.		
Appropriation Summary for FY 2008-2009: See State Appropriations Section.		
Local Government Impact: None.		

Summary of Legislation

This bill consolidates the responsibility for information technology (IT) oversight of the state's executive branch in the Governor's Office of Information Technology (OIT). It does not affect the legislative or judicial branches.

Specifically, the bill transfers several IT functions and staff positions from various state agencies to OIT on July 1, 2008. The largest agency transfer involves moving the Division of Information Technology from the Department of Personnel and Administration. This division includes the General Government Computer Center (GGCC), telecommunications coordination, and state archives and public records. The bill also makes the chief information officer of each state agency, as well as certain other employees, subject to the immediate supervision of the director of OIT, instead of the agency's executive director.

The bill creates the Information Technology Revolving Fund to consist of any money appropriated from the General Fund for the procurement of IT resources or major automation system projects. Money in the revolving fund is continuously appropriated to OIT to pay the costs of consolidation and IT maintenance and upgrades.

State Expenditures

The bill is not expected to significantly change state expenditures in the aggregate, but it shifts the authority over roughly \$300 million in state IT spending from a variety of state agencies to OIT. These transfers, which include personal services, operating, and some capital expenditures, are outlined in Table 1 below.

Table 1. Agencies, Staff, and Oversight Transferred Under SB 08-155 (Based on FY 2006-07 amounts, \$ in Millions)		
Agency/Position	Amount	Staff (FTE)
Division of Information Technology	\$44.4	176.3
Chief Information Security Officer/Cybersecurity	\$2.8	2.0
Chief Information Officers and IT Staff in State Agencies	\$84.1	1,070.0
IT Spending - Operating and Personal Services Contracts	\$181.1	0.0
Support Staff (from vacancies across multiple state agencies)	\$3.0	30.0
TOTAL	\$315.4	1,278.3

Further detail on the transfers is available in the Legislative Council Staff offices.

State Appropriations

The bill requires a multitude of appropriations clauses from several state agencies to the Governor's Office of Information Technology. Further detail will be provided in a revised fiscal note for the Senate Appropriations Committee.

Departments Contacted

All Departments