

Background/Purpose of Proposal:

In light of the limited amounts of state revenues which have been available for information technology maintenance purposes in the past, OIT believes that a consistent source of revenues for information technology maintenance projects will better allow the state a dedicated reserve to mitigate risks associated with unstable and outdated IT infrastructure, systems, assets, and resources which directly impact the delivery of services to Colorado citizens by principal departments of the Executive Branch.

In order to address this issue, OIT proposes the following statutory changes:

24-30-1301. Definitions.

As used in this part 13, unless the context otherwise requires:

(2) (a) "Controlled maintenance" means:

(I) Corrective repairs or replacement used for existing state-owned, general-funded buildings and other physical facilities, including, but not limited to, utilities and site improvements, which are suitable for retention and use for at least five years, and replacement and repair of the fixed equipment necessary for the operation of such facilities, when such work is not funded in an agency's operating budget to be accomplished by the agency's physical plant staff;

(II) That controlled maintenance funds may not be used for:

(A) Corrective repairs or replacement for buildings and other physical facilities and replacement or repair of the fixed and movable equipment necessary for the operation of physical facilities, when such work is funded in an agency's operating budget to be accomplished by the agency's physical plant staff; for the repair and replacement of fixed and movable equipment necessary for the conduct of programs (such repair and replacement is funded as capital outlay); or for rented or leased facilities or facilities constructed and maintained by self-liquidating property funds. Minor maintenance items shall not be accumulated to create a controlled maintenance project, nor shall minor maintenance work be accomplished as a part of a controlled maintenance project unless the work is directly related.

(B) Any work properly categorized as capital construction or capital outlay.

(b) "Controlled maintenance" may include the purchase of the services of architects, engineers, and other consultants to investigate conditions and prepare recommendations for the correction thereof, to prepare plans and specifications, and to supervise the execution of such controlled maintenance projects as provided by appropriation by the general assembly.

(c) "CONTROLLED MAINTENANCE" SHALL INCLUDE "INFORMATION TECHNOLOGY CONTROLLED MAINTENANCE PROJECTS" AS DEFINED PURSUANT TO 24-37.5-102.

24-30-1302. State buildings - transfer.

(3) Whenever the powers, duties, or functions vested by this part 13 are referred to in any other statute or in any contract or other document and designate the former division of public works, or its predecessor, or the office of state planning and budgeting, such designation shall be deemed to apply solely to the department of personnel, OR THE OFFICE OF INFORMATION TECHNOLOGY.

24-30-1303. Department of Personnel - responsibilities

(d) Supervise and be responsible for the expenditure of funds appropriated by the general assembly for capital construction projects and controlled maintenance projects at the institutions and agencies of the state EXCEPT FOR INFORMATION TECHNOLOGY CONTROLLED MAINTENANCE PROJECTS;

(e) Maintain a current record of balances by project in the capital construction and controlled maintenance funds EXCEPT FOR INFORMATION TECHNOLOGY CONTROLLED MAINTENANCE PROJECTS;

(k.5) Coordinate initiation of budget requests for controlled maintenance projects and make recommendations concerning such requests to the capital development committee and to the office of state planning and budgeting EXCEPT FOR INFORMATION TECHNOLOGY CONTROLLED MAINTENANCE PROJECTS.

(t)(II) Be responsible for the preparation of the state's controlled maintenance budget request and submit recommendations for the same to the office of state planning and budgeting and the capital development committee EXCEPT FOR INFORMATION TECHNOLOGY CONTROLLED MAINTENANCE BUDGET REQUEST.

24-37.5-102. Definitions - repeal.

As used in this article, unless the context otherwise requires:

(5) "INFORMATION TECHNOLOGY CONTROLLED MAINTENANCE PROJECT" MEANS:

(A) MAINTENANCE, UPGRADE, OR REPLACEMENT OF EXISTING STATE INFORMATION TECHNOLOGY ASSETS, SYSTEMS AND RESOURCES THAT HAVE REMAINING USEFUL LIFE AND ARE NOT TECHNOLOGICALLY OBSOLETE; AND/OR

(B) REPLACEMENT AND REPAIR OF THE INFRASTRUCTURE THAT SUPPORTS SUCH ASSETS, SYSTEMS AND RESOURCES.

(6) INFORMATION TECHNOLOGY CONTROLLED MAINTENANCE FUNDS MAY NOT

BE USED FOR:

(A) MAINTENANCE, UPGRADE OR REPLACEMENT OF EXISTING STATE INFORMATION TECHNOLOGY ASSETS, SYSTEMS AND RESOURCES IF THESE ITEMS HAVE OTHERWISE BEEN INCLUDED IN OPERATING APPROPRIATIONS FOR THE SAME PURPOSE IN THE ANNUAL GENERAL APPROPRIATIONS BILL, OR ANY OTHER SPECIAL BILLS; OR

(B) ANY WORK PROPERLY CATEGORIZED AS CAPITAL CONSTRUCTION OR CAPITAL OUTLAY.

24-37.5-106. Chief information officer - duties and responsibilities - broadband inventory fund created.

(1) The chief information officer shall:

(f) In consultation with the office of state planning and budgeting, prepare and submit budget requests for all information technology resources to be utilized by state agencies; INCLUDING

(I) COORDINATION AND INITIATION OF BUDGET REQUESTS FOR INFORMATION TECHNOLOGY CONTROLLED MAINTENANCE PROJECTS WITH THE OFFICE OF STATE PLANNING AND BUDGETING;

(II) PRIORITIZATION OF RECOMMENDATIONS CONCERNING SUCH REQUESTS AND SUBMISSION OF THE PRIORITIZED RECOMMENDATIONS TO THE OFFICE OF STATE PLANNING AND BUDGETING AND THE CAPITAL DEVELOPMENT COMMITTEE;

(T) BE RESPONSIBLE FOR THE EXPENDITURE OF FUNDS APPROPRIATED BY THE GENERAL ASSEMBLY FOR INFORMATION TECHNOLOGY CONTROLLED MAINTENANCE PROJECTS

(U) MAINTAIN A CURRENT RECORD OF BALANCES BY PROJECT FOR INFORMATION CONTROLLED MAINTENANCE PROJECTS.

24-37.5-112. Information technology revolving fund.

(1) (a) There is hereby established in the state treasury the information technology revolving fund. Except as otherwise provided in subsection (2) AND (3) of this section, moneys shall be appropriated to the fund each year by the general assembly in the annual general appropriation act for the direct and indirect costs of the office.

(b) The office shall develop a method for billing users of the office's services the full cost of the services, including materials, depreciation related to capital costs, labor, and administrative overhead. The billing method shall be fully implemented for all users of the office's services on or before July 1, 2013.

(c) All interest earned on the investment of moneys in the fund shall be credited to the fund. Moneys in the revolving fund shall be continuously appropriated to the office of information technology to pay the costs of consolidation and information technology maintenance and upgrades. Any moneys credited to the revolving fund and unexpended and unencumbered at the end of any given fiscal year shall remain in the fund and shall not revert to the general fund.

(2) Notwithstanding any law to the contrary, any moneys appropriated from the general fund to the office or a state agency for the 2008-09 fiscal year and for each fiscal year thereafter, for the procurement of information technology resources or major automation system projects that are unexpended or unencumbered as of the close of the fiscal year as a result of savings achieved by the office or state agency in connection with such procurements, shall not revert to the general fund and shall be transferred by the state treasurer and the controller to the information technology revolving fund created in subsection (1) of this section.

(3) ANY APPROPRIATIONS MADE FOR INFORMATION TECHNOLOGY CONTROLLED MAINTENANCE PROJECTS SHALL BE TRANSFERRED FROM THE CONTROLLED MAINTENANCE TRUST FUND (ESTABLISHED IN 24-75-302.5) TO THE INFORMATION TECHNOLOGY REVOLVING FUND.