

Colorado Legislative Council Staff Fiscal Note
**STATE, LOCAL, and
 STATUTORY PUBLIC ENTITY
 FISCAL IMPACT**

Drafting Number: LLS 09-0949	Date: April 13, 2009
Prime Sponsor(s): Sen. Cadman	Bill Status: Senate Business, Labor, and Technology
	Fiscal Analyst: Chris Ward (303-866-5834)

TITLE: CONCERNING THE COLORADO SHARED SERVICES AUTHORITY.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: August 5, 2009, assuming the General Assembly adjourns May 6, 2009, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2009-2010: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

This bill creates the Colorado Shared Services Authority to provide services to eligible public sector entities, including state agencies, on a fee-for-service basis. Among other things, the authority is charged with developing a shared services delivery model and Colorado economic development initiative. Shared services could include payroll, human resources, financial reporting, law enforcement (such as 911), utility billing, data center hosting, and electronic mail.

The Governor's Office of Information Technology (OIT) is required to enter into contracts with the authority to implement shared services for state agencies. Local governments, including counties, municipalities, school districts, and special districts may contract with the authority.

The authority is established as a political subdivision of the state, but is not an agency of state government or subject to direction by any state agency. It can contract with any public or private parties and may take advantage of any existing governmental price agreements. It may also issue bonds payable from revenue generated by fees charged for services. Such bonds would be a debt of the authority, but not of the state or any local government.

State Expenditures

Allowing for state agencies to purchase shared services could lead to economies of scale and reduce the cost of those services to state agencies. However, actual savings in state expenditures and FTE, if any, cannot be determined at this time.

Shared services provided by the authority may replace services provided by other state agencies, such as the OIT and the Department of Personnel and Administration (DPA). Alternatively, the authority could contract with state agencies to provide services to a larger pool of public entities.

No new state appropriations are necessary to implement the bill. To the extent that any appropriation adjustments are needed in the future, this fiscal note assumes such changes will be considered as part of the annual budget process.

Statutory Public Entity Impact

The bill establishes an authority to provide shared services to public entities, receive revenue, and incur expenses. No specific information is available to determine the authority's expected revenue or expenditures.

Local Government Impact

The bill provides an option for counties, municipalities, school districts (including charter schools), and special districts to contract for shared services, which might reduce costs for those entities.

Departments Contacted

Governor - Office of Information Technology

Personnel and Administration