

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 10-1025.01 Dan Cartin

HOUSE BILL 10-1401

HOUSE SPONSORSHIP

Ferrandino,

SENATE SPONSORSHIP

Carroll M.,

House Committees

State, Veterans, & Military Affairs

Senate Committees

State, Veterans & Military Affairs

A BILL FOR AN ACT

101 **CONCERNING THE MANAGEMENT OF INFORMATION TECHNOLOGY IN**
102 **STATE AGENCIES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Section 1 of the bill defines "collaboration, office productivity, and electronic mail solution" or "COPE" as electronic mail, calendar, instant messaging, video conferencing, word processing spreadsheets, or other office productivity applications that are provided or managed off-site via the internet in a software-as-a-service model or by other

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

HOUSE
3rd Reading Unamended
April 30, 2010

HOUSE
Amended 2nd Reading
April 29, 2010

means commonly referred to as cloud computing.

Section 2 of the bill requires that if the office of information technology (office) initiates any COPE in a state agency on or after January 1, 2010, through an agreement with the statewide internet portal authority (SIPA) or any private sector provider, it must file a report with the joint budget committee (JBC) and the legislative audit committee (LAC) no later than 30 days after the last day of the fiscal quarter in which the COPE was initiated. The report must include:

- ! An implementation plan for the COPE in the state agency that includes the estimated completion date for such implementation;
- ! A cost-benefit analysis for implementing the COPE showing the cost savings to the state agency from that implementation; and
- ! An analysis demonstrating that implementation of the COPE is in conformance with the agency's information security plan.

Following the first report, the office must thereafter file quarterly reports with the JBC for a period of 2 years containing information on the progress of the implementation of COPE in the state agency and the cost savings from that implementation.

Section 3 of the bill directs the SIPA board to periodically report to the house and senate business committees and to the JBC on:

- ! The total amount of charges or fees imposed by each state agency for accessing electronic information, products, and services through the statewide internet portal made in the preceding fiscal year; and
- ! The total amount of receipts and revenue derived by the SIPA from those transactions through the portal for the preceding fiscal year.

Section 4 of the bill requires the SIPA board to submit to and the state auditor to conduct annual financial audits of the SIPA. Additionally, the state auditor may conduct, at the state auditor's discretion, performance audits of the SIPA. The state auditor must submit a written report to the LAC upon the completion of each audit. The cost of financial audits must be paid by the SIPA, and the cost of performance audits must be paid from appropriations to the state auditor's office.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 24-37.5-102, Colorado Revised Statutes, is
3 amended BY THE ADDITION OF **THE FOLLOWING NEW**
4 **SUBSECTIONS** to read:

1 **24-37.5-102. Definitions - repeal.** As used in this article, unless
2 the context otherwise requires:

3 (1.5) (a) "COLLABORATION, OFFICE PRODUCTIVITY, AND
4 ELECTRONIC MAIL SOFTWARE" OR "COPE" MEANS SOFTWARE THAT IS
5 DELIVERED VIA AN SAAS MODEL AND OFFERED AS A SPECIFIC SERVICE BY
6 THE STATEWIDE INTERNET PORTAL AUTHORITY OR ANY PRIVATE SECTOR
7 PROVIDER OF INFORMATION TECHNOLOGY RESOURCES.

8 (b) THIS SUBSECTION (1.5) IS REPEALED, EFFECTIVE JULY 1, 2014.

9 (3.5) (a) "SOFTWARE AS A SERVICE" OR "SAAS" MEANS A MODEL OF
10 SOFTWARE DEPLOYMENT VIA THE INTERNET THAT:

11 (I) ALLOWS A CUSTOMER TO USE THE SOFTWARE AS A SERVICE ON
12 DEMAND THROUGH A SUBSCRIPTION OR A PAY-AS-YOU-GO MODEL;

13 (II) DOES NOT REQUIRE THE USER TO PURCHASE HARDWARE OR
14 SOFTWARE DIRECTLY TO RUN AN INFORMATION TECHNOLOGY APPLICATION
15 SINCE THE APPLICATION IS ACCESSIBLE VIA THE INTERNET; AND

16 (III) MAY BE UTILIZED FOR VARIOUS INFORMATION TECHNOLOGY
17 APPLICATIONS, INCLUDING BUT NOT LIMITED TO ELECTRONIC MAIL, VIDEO
18 CONFERENCING, INSTANT MESSAGING, OFFICE PRODUCTIVITY
19 APPLICATIONS, AND ELECTRONIC CALENDARING.

20 (b) THIS SUBSECTION (3.5) IS REPEALED, EFFECTIVE JULY 1, 2014.

21 **SECTION 2.** 24-37.5-105, Colorado Revised Statutes, is
22 amended BY THE ADDITION OF A NEW SUBSECTION to read:

23 **24-37.5-105. Office - responsibilities - rules - repeal.**

24 (3.5) (a) IF THE OFFICE INITIATES ANY COPE SERVICES IN A STATE
25 AGENCY ON OR AFTER JANUARY 1, 2010, THROUGH AN AGREEMENT WITH
26 THE STATEWIDE INTERNET PORTAL AUTHORITY OR ANY PRIVATE SECTOR
27 PROVIDER OF INFORMATION TECHNOLOGY RESOURCES, IT SHALL FILE A

1 REPORT WITH THE JOINT BUDGET COMMITTEE AND THE LEGISLATIVE AUDIT
2 COMMITTEE NO LATER THAN THIRTY DAYS AFTER THE LAST DAY OF THE
3 FISCAL QUARTER IN WHICH THE COPE SERVICE WAS INITIATED. SUCH
4 REPORT SHALL INCLUDE THE FOLLOWING:

5 (I) AN IMPLEMENTATION PLAN FOR THE COPE SERVICES IN THE
6 STATE AGENCY THAT INCLUDES THE ESTIMATED COMPLETION DATE FOR
7 SUCH IMPLEMENTATION;

8 (II) A COST-BENEFIT ANALYSIS FOR IMPLEMENTING THE COPE
9 SERVICES SHOWING THE COST SAVINGS TO THE STATE AGENCY FROM SUCH
10 IMPLEMENTATION; AND

11 (III) AN ANALYSIS DEMONSTRATING THAT IMPLEMENTATION OF
12 THE COPE SERVICES ARE IN CONFORMANCE WITH THE STATE AGENCY'S
13 INFORMATION SECURITY PLAN DEVELOPED PURSUANT TO SECTION
14 24-37.5-404 AND THAT APPROPRIATE INFORMATION SECURITY
15 SAFEGUARDS EXIST TO ENSURE THAT THE COMMUNICATION AND
16 INFORMATION RESOURCES OF THE AGENCY ARE NOT VULNERABLE TO A
17 SECURITY INCIDENT RESULTING FROM SUCH IMPLEMENTATION.

18 (b) FOLLOWING THE REPORT DESCRIBED IN PARAGRAPH (a) OF THIS
19 SUBSECTION (3.5), THE OFFICE SHALL FILE A QUARTERLY REPORT WITH THE
20 JOINT BUDGET COMMITTEE NO LATER THAN THIRTY DAYS AFTER THE LAST
21 DAY OF EACH SUBSEQUENT FISCAL QUARTER FOR A PERIOD OF TWO YEARS
22 CONTAINING INFORMATION ON THE PROGRESS OF THE IMPLEMENTATION OF
23 THE COPE SERVICES IN THE STATE AGENCY AND THE COST SAVINGS TO
24 THE STATE AGENCY FROM SUCH IMPLEMENTATION. NO FURTHER
25 QUARTERLY REPORTING SHALL THEREAFTER BE REQUIRED PURSUANT TO
26 THIS PARAGRAPH (b).

27 (c) THIS SUBSECTION (3.5) IS REPEALED, EFFECTIVE JULY 1, 2014.

1 **SECTION 3.** 24-37.7-106, Colorado Revised Statutes, is
2 amended BY THE ADDITION OF A NEW SUBSECTION to read:

3 **24-37.7-106. Fees and charges - no modification - new services**
4 **- reporting.** (4) ON OR BEFORE SEPTEMBER 1, 2010, AND ON OR BEFORE
5 SEPTEMBER 1 OF EACH YEAR THEREAFTER, THE BOARD SHALL PROVIDE AN
6 ANNUAL REPORT THAT INCLUDES A CERTIFIED FINANCIAL STATEMENT
7 PREPARED BY A CERTIFIED PUBLIC ACCOUNTANT TO THE BUSINESS, LABOR,
8 AND TECHNOLOGY COMMITTEE OF THE SENATE AND THE BUSINESS AFFAIRS
9 AND LABOR COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR ANY
10 SUCCESSOR COMMITTEES, AND TO THE JOINT BUDGET COMMITTEE.

11 **SECTION 4.** Article 37.7 of title 24, Colorado Revised Statutes,
12 is amended BY THE ADDITION OF A NEW SECTION to read:

13 **24-37.7-114. Financial and performance audits.** (1) (a) IF A
14 FINANCIAL AUDIT OF THE AUTHORITY IS CONDUCTED BY AN INDEPENDENT
15 CERTIFIED PUBLIC ACCOUNTANT PURSUANT TO A CONTRACT WITH THE
16 AUTHORITY, ANY STATEMENTS, RECORDS, SCHEDULES, WORKING PAPERS,
17 AND MEMORANDA PREPARED BY THE CERTIFIED PUBLIC ACCOUNTANT
18 SHALL BE MADE AVAILABLE TO THE STATE AUDITOR'S OFFICE AND SHALL
19 BE KEPT CONFIDENTIAL UNLESS A MAJORITY OF THE MEMBERS OF THE
20 LEGISLATIVE AUDIT COMMITTEE VOTE TO OPEN SUCH DOCUMENTS.

21 (b) THE STATE AUDITOR MAY, AT HIS OR HER DISCRETION,
22 CONDUCT OR CAUSE TO BE CONDUCTED PERFORMANCE AUDITS
23 COMMENCING ON OR AFTER MAY 1, 2011, OF THE AUTHORITY TO
24 DETERMINE WHETHER THE AUTHORITY IS EFFECTIVELY AND EFFICIENTLY
25 FULFILLING ITS STATUTORY OBLIGATIONS. THE STATE AUDITOR SHALL
26 MAKE NO REQUEST FOR INFORMATION FROM THE AUTHORITY OUTSIDE THE
27 SCOPE OF A PERFORMANCE AUDIT OR THAT IS GENERALLY AVAILABLE

1 THROUGH REQUESTS MADE OF STATE AGENCIES. THE STATE AUDITOR
2 SHALL CONSIDER INPUT AND RECOMMENDATIONS FROM THE AUTHORITY
3 AND THE BOARD DURING THE PLANNING PROCESS FOR ANY SUCH AUDIT SO
4 AS TO MINIMIZE THE IMPACTS ON THE AUTHORITY'S STAFF, PLANNING, AND
5 PROJECT SCHEDULES AND TO NOT CONFLICT WITH THE FINANCIAL AUDIT
6 DESCRIBED IN PARAGRAPH (a) OF THIS SUBSECTION (1).

7 (2) UPON THE COMPLETION OF A FINANCIAL OR PERFORMANCE
8 AUDIT DESCRIBED IN SUBSECTION (1) OF THIS SECTION, THE STATE
9 AUDITOR SHALL SUBMIT A WRITTEN REPORT TO THE LEGISLATIVE AUDIT
10 COMMITTEE, TOGETHER WITH ANY FINDINGS AND RECOMMENDATIONS.

11 (3) THE COST OF EACH SUCH FINANCIAL AUDIT SHALL BE PAID BY
12 THE AUTHORITY. THE COST OF ANY SUCH PERFORMANCE AUDIT SHALL BE
13 PAID FROM ANNUAL APPROPRIATIONS MADE BY THE GENERAL ASSEMBLY
14 TO THE OFFICE OF THE STATE AUDITOR.

15 **SECTION 5. Safety clause.** The general assembly hereby finds,
16 determines, and declares that this act is necessary for the immediate
17 preservation of the public peace, health, and safety.