

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

**Drafting Number:** LLS 11-0324  
**Prime Sponsor(s):** Sen. Cadman  
 Rep. Murray

**Date:** January 24, 2011  
**Bill Status:** Senate Business Labor and Technology  
**Fiscal Analyst:** Kerry White (303-866-3469)

**TITLE:** CONCERNING THE ADMINISTRATIVE DUTIES OF THE OFFICE OF INFORMATION TECHNOLOGY.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
<b>State Revenue</b> Cash Funds Telecommunications Revolving Fund Computer Services Revolving Fund Information Technology Revolving Fund	See State Revenue section	
<b>State Transfers</b> Transfer from the Telecommunications Revolving Fund and Computer Services Revolving Fund to the Information Technology Revolving Fund	See State Transfers section	
<b>State Expenditures</b>	See State Expenditures Section	
<b>FTE Position Change</b>		
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2011-2012:</b> See State Appropriations section.		
<b>Local Government Impact:</b> None.		

**Note:** All agencies were canvassed for the purposes of this fiscal note, but not all agencies were able to respond with complete information. Therefore this fiscal note should be considered preliminary. It will be revised if further information becomes available.

**Summary of Legislation**

This bill modifies several statutes related to the Governor's Office of Information Technology (OIT). It allows the OIT to execute or approve all information technology (IT) procurements for state agencies, and to acquire and manage statewide communication and IT infrastructure. The chief information security officer (CIO) of the OIT will develop standards for teleconferencing facilities and services, and must be notified in the event of a security breach. State agencies, the Department of Higher Education, and institutions of higher education are required to develop annual IT security plans and submit them to the CIO for approval. The OIT may suspend IT resources if a security plan is not submitted or approved.

The bill also modifies several provisions concerning OIT funding. The Telecommunications Revolving Fund and Computer Services Revolving Fund are eliminated, with their fund balances and revenue redirected to the Information Technology Revolving Fund. The bill removes the requirements that OIT rates remain competitive with the private sector and that billing rates for the General Government Computer Center (GGCC) services not be increased during a fiscal year.

### **State Revenue**

This bill does not change state revenue. It decreases the revenue credited to the Computer Services Revolving Fund and Telecommunications Revolving Fund and increases the revenue credited to the Information Technology Revolving Fund by an equal amount. The amount of this change is not available at the time of this writing.

### **State Transfers**

To the extent that there are any moneys remaining in either the Telecommunications Revolving Fund or the Computer Services Revolving Fund when the bill takes effect, these fund balances will transfer to the Information Technology Revolving Fund. The amount of these transfers is not available at the time of this writing.

### **State Expenditures**

By removing a restriction that OIT rates remain competitive with private sector pricing, and by allowing the OIT to increase GGCC rates, this bill may increase IT costs for state agencies. If the OIT chooses to increase its rates, any adjustments in appropriations for affected state agencies will be addressed through the annual budget process. The bill also requires state agencies to develop IT security plans each year and submit them to the OIT for review and approval. The OIT currently provides resources to meet this requirement. Although the law places responsibility for security plans on individual state agencies, to the extent that current practices continue, no new costs will be incurred. However, a state agency could incur costs to develop an IT security plan and have its IT resources suspended if it does not comply with this requirement.

### **State Appropriations**

The bill requires multiple appropriations adjustments for state agencies that pay user fees to the Computer Services Revolving Fund and Telecommunications Revolving Fund. The Information Technology Revolving Fund is continuously appropriated to the OIT. The required adjustments in appropriations cannot be determined until the bill is signed by the Governor and takes effect.

### **Departments Contacted**

All