

**STATE
FISCAL IMPACT**

Drafting Number: LLS 12-0410
Prime Sponsor(s): Rep. Nikkel
 Sen. Spence

Date: February 24, 2012
Bill Status: House Education
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TITLE: CONCERNING THE CREATION OF AN ON-LINE DATABASE FOR A STATE INSTITUTION OF HIGHER EDUCATION'S FINANCIAL INFORMATION.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures General Fund appropriation to Institutions of Higher Education	\$1.0 million	\$360,000
FTE Position Change		
Effective Date: August 8, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

No later than July 1, 2013, this bill requires that certain institutions of higher education develop, maintain, and make publicly available a searchable, online revenue and expenditure database. The bill requires that the institutions include the same information related to revenue and expenditures that is currently required of the Colorado Department of Transportation (CDOT).

In addition to that information, the bill requires that the institutions also supply current fiscal year information for each professor at the institution that includes: annual salary, total contributions paid as benefits, expense reimbursements, and any other payment made by the state institution of higher education to the professor. The database must also contain information on the number of classes the professor has taught and the amount of grant moneys the professor received. The database must be searchable and updated at least every 5 business days to include new transactions.

The bill applies only to the following institutions of higher education:

- Colorado State University;
- University of Colorado;
- Colorado School of Mines; and
- University of Northern Colorado.

Background

House Bill 11-1002 required that the CDOT develop and maintain a publicly accessible, searchable, online database of its revenue and expenditure data. That database is required to link to the state's existing Transparency Online Project website, and meet the following requirements:

- revenue transaction detail must include the amount received, date received, source of revenue, reason for payment, account credited, and program for which moneys were received;
- expenditure transaction detail must include the amount expended, date expended, vendor that received the payment, purchase category, and fund from which the expenditure was made; and
- detail on payments made to employees is limited to the employee's personnel area, job title, and gross year-to-date payments.

State Expenditures

This bill will increase costs for institutions of higher education by \$1.0 million in FY 2012-13 and \$360,000 in FY 2013-14. Each affected institution of higher education will have increased costs to create the searchable, online revenue and expenditure database, and to include additional detail for teaching staff, compensation, benefits, and reimbursements. Costs include hardware and software, licensing, and data testing, in order to implement the database by July 2013. The estimates for up-front cost range from \$250,000 to \$499,000 per institution.

Additionally, institutions will have ongoing maintenance costs, since the database must be updated every 5 business days, and much of the transaction detail must be input manually. Estimates for ongoing staff cost beginning in FY 2013-14 range from \$90,000 to \$307,000 annually.

In the absence of more detailed information concerning these variances, this fiscal note uses the lowest cost estimate of \$250,000 for each institution of higher education in FY 2012-13 for one-time implementation costs, and \$90,000 for each institution in FY 2013-14 to pay for ongoing updates and maintenance. As additional information and specifications become available, actual appropriations may require adjustment during the annual budget setting process.

State Appropriations

In FY 2012-13, this bill requires General Fund appropriations as follows:

- \$250,000 to the Board of Governors of the Colorado State University System;
- \$250,000 to the Board of Regents of the University of Colorado;
- \$250,000 to the Board of Trustees of the Colorado School of Mines; and
- \$250,000 to the Board of Trustees of the University of Northern Colorado.

Departments Contacted

Higher Education Office of Information Technology Personnel & Administration