

Drafting Number: LLS 12-0102 **Date:** February 15, 2012

Prime Sponsor(s): Rep. Murray Bill Status: House Economic & Business Development

Sen. Bacon Fiscal Analyst: Kori Donaldson (303-866-4976)

TITLE: CONCERNING THE ADMINISTRATION OF INFORMATION TECHNOLOGY

PROJECTS IN STATE GOVERNMENT.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures General Fund	See State Expenditures section.	
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

The bill requires the Governor's Office of Information Technology (OIT) to develop a comprehensive risk assessment to apply to all new information technology (IT) projects in order to assess a project's risk level and to determine whether the project should be classified as a major IT project. The bill also requires OIT to establish project budgets for projects of all sizes. State agencies are required to consult with and obtain OIT approval before undertaking a major IT project. State agencies are further directed to include the following components in the plan for any major IT projects:

- a project manager;
- the information security requirements and best practices;
- a disaster recovery plan;
- the inclusion of the project in the agency's business continuity plan;
- an independent third party verification and validation of the project; and
- a funding strategy for the ongoing maintenance and eventual disposal of the system.

Finally, the bill expands the definition of capital construction to include the purchase of services from OIT.

State Expenditures

To the extent that new IT projects would not have otherwise included the components required by the bill, there may be initial increased capital costs. However, this fiscal note anticipates that the initial increased capital costs will be offset by a reduction in the incidence of project failure and a longer useful system life.

OIT. The OIT has already developed a comprehensive risk assessment and allocates resources to annually update and revise the assessment, as needed. The bill may increase the scope of projects requiring OIT approval or oversight. Since the bill does not set a dollar threshold of a major IT project, the OIT can make strategic decisions about its level of involvement in certain projects in order to work within its existing resources. This fiscal note assumes that if the OIT requires additional resources in the future, they will be requested through the annual budget process.

All state agencies. The increased agency staff time required to prepare projects for OIT review and approval may require additional resources in the future. This fiscal note assumes that the additional workload will either be absorbed within existing resources or requested through the annual budget process.

Legislative Council Staff. Expanding the definition of capital construction to include services provided by OIT may increase the workload of the Capital Development Committee staff, within the Legislative Council Staff. It is anticipated that this increased workload will be absorbed within existing appropriations.

State Appropriations

None required.

Departments Contacted

All Departments