

Colorado Legislative Council Staff Fiscal Note

**STATE
FISCAL IMPACT**

Drafting Number: LLS 15-0771	Date: March 20, 2015
Prime Sponsor(s): Rep. Rankin Sen. Lambert	Bill Status: House SVMA Fiscal Analyst: Jessika Shipley (303-866-3528)

BILL TOPIC: INFORMATION TECHNOLOGY BUDGET REQUEST PROCESS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Minimal increase—See State Expenditures section	
FTE Position Change		
Appropriation Required: None required.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill, **recommended by the Joint Budget Committee (JBC)**, makes changes to the process for the submission and consideration of information technology (IT) capital budget requests from state agencies and higher education institutions. Under current law, IT budget requests are not included in the definition of capital construction. Additionally, IT budget requests must be funded from the General Fund rather than the Capital Construction Fund (CCF).

The bill creates a new account within the CCF specifically for appropriations for IT budget requests and establishes a process for the consideration and funding of supplemental IT budget requests that mirrors the existing process for supplemental capital construction and general operating requests. New, amended, or supplemental IT budget requests that are submitted to the Joint Technology Committee (JTC) are required to clearly identify and quantify anticipated administrative and operating efficiencies or program enhancements and service expansion through cost-benefit analyses and return-on-investment calculations.

Background

Until 2014, IT budget requests fell under the umbrella of capital construction. House Bill 14-1387 removed IT budget requests from the definition of capital construction. In addition, House Bill 14-1395 moved the responsibility of reviewing and prioritizing IT requests from the Capital Development Committee (CDC) to the JTC.

When these changes were made, there was not a specific supplemental process for IT budget requests, which caused some confusion during the FY 2014-15 supplemental budget request process. Additionally, funding for IT budget requests defaulted to the General Fund.

State Expenditures

Assumptions. Based upon feedback from the Governor's Office of State Planning and Budgeting and the departments, the fiscal note assumes that most state agencies are already performing a cost benefit analysis for new IT requests.

State agencies. This bill requires the quantification of such cost benefits and return-on-investment calculations to be included in the budget requests submitted to JTC and JBC staff. For state agencies that do not already quantify such savings, the bill will minimally increase workload. In any case, any increased work is expected to be accomplished within existing resources.

Although there was no specific supplemental budget request for IT in FY 2014-15, agencies proceeded using the process that was in place prior to the 2014 legislative session. The bill's establishment of a specific IT supplemental process is not expected to change workload or costs for requesting agencies in any way.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

All State Departments