

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE IMPLEMENTATION OF THE COLORADO FINANCIAL REPORTING SYSTEM MODERNIZATION PROJECT.

Prime Sponsors: Senator Steadman
Representative Gerou

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Phone: 303-866-2061
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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 02/26/13.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill*
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

*As indicated by the Legislative Council Staff Fiscal Note, annual capital construction lease purchase appropriations of approximately \$3,861,000 will be reflected as reappropriated funds. The underlying operating budget appropriations required to support the reappropriated amount will be derived from multiple funding sources. Based on fund splits appropriated for the first year of the project, approximately 44 percent of the underlying annual operating expense amounts (\$1.7 million) will be from the General Fund, 39 percent from cash and reappropriated funds, and 17 percent from federal funds.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
L.001	Bill Sponsor amendment - does not changes fiscal impact

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2013-14.

Description of Amendments in This Packet

L.001 Bill Sponsor amendment **L.001** (attached) specifies that the Office of Information Technology will report to the Capital Development Committee (in addition to the Joint Budget Committee) about the COFRS modernization project. It further specifies that if a meeting is necessary for any required report, when possible the meeting may be a joint meeting of the Joint Budget Committee and the Capital Development Committee.

This amendment does not change the fiscal impact of the bill. Legislative Council Staff concurs with this analysis.

Points to Consider*Related Budget Information*

Appropriations necessary to cover annual payments for this agreement, in addition to other costs associated with the COFRS modernization project, are included in the FY 2012-13 Long Bill and are expected to be included in the Long Bill for FY 2013-14 and future years. Appropriations for the project, comprised of multiple fund sources, are included in each department's operating budget, and the total is reappropriated in the capital construction section of the budget for capital construction-related costs, including lease-purchase payments.

The lease purchase payments represent a portion of the total cost of the COFRS project, which is projected to require approximately \$86 million in appropriations through FY 2021-22. Annual appropriations averaging \$8.6 million will include amounts for the lease-purchase payment, as well as direct payments to the vendor for development, maintenance and operation of the system, and appropriations for oversight of the project by the Governor's Office of Information Technology.