



**Colorado
Legislative
Council
Staff**

SB16-028

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0077
Prime Sponsor(s): Sen. Carroll
Rep. Fields

Date: February 4, 2016
Bill Status: Senate SVMA
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BILL TOPIC: COMMUNITY REINVESTMENT ACT

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	<u>\$531,361</u>	<u>\$330,075</u>
General Fund	518,176	323,111
Centrally Appropriated Costs	13,185	6,964
FTE Position Change	1.0 FTE	0.5 FTE
Appropriation Required: \$518,176 — Department of Personnel and Administration (FY 2016-17).		
Future Year Impacts: Ongoing expenditure increase.		

Summary of Legislation

The bill adds to the list of required information reported on the Transparency Online Project (TOP) website to include information about the number of local businesses, women, and minorities that contract with governmental entities in Colorado. The bill defines "governmental entities" to include the state, a county, a city and county, or a city in Colorado. The TOP website is a searchable database of financial information. The data currently reported on the TOP website includes data posted in the statewide accounting system by state agencies that participate in the state procurement code.

State Expenditures

Expanding the TOP website to include additional reporting categories and entities, particularly local governments, is estimated to require **\$531,361 General Fund and 1.0 FTE in FY 2016-17 and \$330,075 General Fund and 0.5 FTE in FY 2017-18, as shown in Table 1.** There will be additional ongoing costs to maintain the system used to collect the data reported to the website and for user software licenses. This fiscal note assumes DPA will begin implementing the changes under the bill on July 1, 2016.

Table 1. Expenditures Under SB 16-028		
Cost Components	FY 2016-17	FY 2017-18
Personal Services	\$60,239	\$32,857
FTE	1.0	0.5
Operating Expenses and Capital Outlay Costs	5,653	950
Vendor Development and Maintenance Costs	262,857	84,723
CORE and CMS Licensing Costs	189,427	204,581
Centrally Appropriated Costs*	13,185	6,964
TOTAL	\$531,361	\$330,075

* Centrally appropriated costs are not included in the bill's appropriation.

Department of Personnel and Administration. The department will incur one-time vendor costs to modify the Contracts Management System (CMS) to capture information about governmental entity contracts with small businesses, women, and minorities. Additionally, an unlimited user license will be purchased so cities and counties can access the CMS system. The licensing costs are ongoing. Based on a January 2016 estimate provided by the CMS vendor, the FY 2016-17 cost to modify the system and license users is estimated at \$452,284. The FY 2017-18 cost to maintain the system and license users is estimated at \$289,304. Beginning in FY 2018-19, the ongoing costs are estimated to be about \$338,000 a year.

DPA requires \$65,892 and 1.0 FTE at the General Professional IV level in FY 2016-17 to develop system protocols and to assist the new user population. This analysis assumes the bill will expand reporting to include 335 governmental entities, including 64 counties and 271 cities. Costs for tracking and maintaining information about contracts with small businesses, women, and minorities will require \$33,807 and 0.5 FTE on an ongoing basis beginning in FY 2017-18. First-year costs shown in Table 1 reflect the General Fund pay date shift and one-time capital outlay costs.

State agencies. Executive Branch departments and higher education institutions will be required to report information about contracts executed with small businesses, women, and minorities. These activities are not anticipated to require an increase in appropriations for any state agency.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under SB 16-028		
Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$8,030	\$4,020
Supplemental Employee Retirement Payments	5,155	2,944
TOTAL	\$13,185	\$6,964

Local Government Impact

City and county governments are anticipated to incur additional costs to track and report on the number of contracts executed with small businesses, women, or minorities. The impact is dependent on the number of contracts executed by a particular local government and has not been estimated. This fiscal note assumes that tracking software and training will be provided by DPA.

Effective Date

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

State Appropriations

For FY 2016-17, DPA requires a General Fund appropriation of \$523,652 and an allocation of 1.0 FTE.

State and Local Government Contacts

Colorado Counties
Information Technology

Colorado Municipal League
Personnel

Higher Education