



**Colorado
Legislative
Council
Staff**

SB17-255

FISCAL NOTE

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

Drafting Number: LLS 17-0976
Prime Sponsor(s): Sen. Lambert
Rep. Rankin

Date: March 27, 2017
Bill Status: Senate Appropriations
Fiscal Analyst: Jessika Shipley (303-866-3528)

BILL TOPIC: TECHNOLOGY ADVANCEMENT & EMERGENCY FUND

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue	<u>\$0</u>	<u>\$0</u>
<i>State Transfers</i>		
General Fund	(2,000,000)	(2,000,000)
Cash Funds	2,000,000	2,000,000
State Expenditures	<u>\$3,200,000</u>	
Cash Funds	3,200,000	
Appropriation Required: \$3,200,000 - Governor's Office (FY 2017-18)		
Future Year Impacts: Potential ongoing expenditures from the Technology Advancement and Emergency Fund, subject to annual appropriations from the General Fund.		

Summary of Legislation

This bill, **recommended by the Joint Budget Committee**, creates the Technology Advancement and Emergency Fund in the Governor's Office of Information Technology (OIT) to be used for one-time costs associated with emergency information technology (IT) expenditures, addressing deferred maintenance of state agency IT assets, and providing additional services to address unforeseen IT service demands. Specifically, the bill:

- creates the Technology Advancement and Emergency Fund;
- transfers \$2.0 million General Fund to the fund on July 1, 2017, and July 1, 2018;
- makes the fund subject to annual appropriations;
- defines how money in the fund may be used;
- indicates that OIT shall own any asset purchased with money from the fund;
- specifies the information to be reported by OIT to the General Assembly concerning expenditures from the fund;
- indicates that unexpended General Fund money appropriated to state agencies for the procurement of technology resources or projects shall be transferred to the Technology Advancement and Emergency Fund. Current law transfers these funds into OIT's Information Technology Revolving Fund;
- specifies that the Technology Advancement and Emergency Fund is not subject to the statutory limitation on uncommitted cash funds reserves; and
- appropriates \$3.2 million cash funds from the Technology Advancement and Emergency Fund to OIT for FY 2017-18.

State Revenue

State transfers. The bill requires a transfer of \$2.0 million on July 1, 2017, and July 1, 2018, from the General Fund to the Technology Advancement and Emergency Fund. Any money left in the Technology Advancement and Emergency Fund at the end of the fiscal year remains in the fund and does not revert to the General Fund.

State Expenditures

The bill makes \$3.2 million available to OIT in FY 2017-18 to cover one-time costs associated with emergency IT expenditures, to address deferred maintenance of state agency IT assets, and to provide additional services to address unforeseen service demands. The source of the \$3.2 million is a \$2.0 million transfer from the General Fund discussed in the previous section, as well as an expected \$1.2 reversion to the Technology Advancement and Emergency Fund (that would have been transferred to the Information Technology Revolving Fund under current law). Given the state's large and aging IT infrastructure, the fiscal note assumes that the entire amount in the fund will be spent each year the General Assembly chooses to appropriate money to it.

Effective Date

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

State Appropriations

For FY 2017-18 and FY 2018-19, the bill requires a General Fund transfer of 2.0 million to the Technology Advancement and Emergency Fund. In FY 2017-18, the bill requires an appropriation of \$3.2 million from the Technology Advancement and Emergency Fund to the Governor's Office for use by OIT.

State and Local Government Contacts

Information Technology Treasury