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FISCAL NOTE

Drafting Number: LLS 19-0899 Date: April 18, 2019
Prime Sponsors: Sen. Rankin; Todd Rep. Hansen; Titone Bill Status: Senate Appropriations
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Bill Topic: REQUIREMENTS OF OIT BASED ON EVALUATION RECOMMENDATIONS

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

Joint Budget Committee. The bill implements several recommendations from a recent evaluation of the Governor's Office of Information Technology. The bill increases state expenditures beginning in FY 2019-20.

Appropriation Summary: In FY 2019-20, the bill requires an appropriation of \$775,000 to the Governor's Office of Information Technology.

Fiscal Note Status: The fiscal note reflects the introduced bill, as recommended by the Joint Budget Committee.

Table 1 State Fiscal Impacts Under SB 19-251

Table with 3 columns: Category, FY 2019-20, FY 2020-21. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total), Total FTE, Transfers, and TABOR Refund.

Summary of Legislation

The bill implements several recommendations from a recent evaluation of the Governor's Office of Information Technology (OIT). The bill requires that:

- the project management plan for every major IT project include a change management plan;
- on or before July 1, 2020, OIT develop and implement a communications and stakeholder management plan for interacting with its customers, and develop a method to annually solicit customer feedback;
- on or before January 1, 2021, OIT convene a working group to create and implement a strategic plan for how state agencies use technology to provide services, data, and information to citizens and businesses; and
- OIT convene a working group during the 2019 legislative interim to determine the cost and feasibility of transferring the ownership of information technology (IT) assets to OIT and to report to the General Assembly by December 1, 2019 with any recommendations.

Background

House Bill 17-1361 required the State Auditor to contract with a qualified, independent third-party consulting firm to conduct an evaluation of the state's IT resources. The evaluation is required to include information about:

- whether the consolidation of state agency IT resources into OIT has met the goals of the General Assembly with regard to the management of daily IT operations;
- whether the Executive Branch has a strategic plan in place to guide the evaluation, prioritization, and selection of IT projects;
- opportunities for the state to interface with the public through technology;
- OIT's working relationship with state agencies, departments, and institutions of higher education that weren't included in the consolidation, but rely on OIT to provide certain IT resources; and
- consumer satisfaction among state agencies with the management of state agency IT resources.

The Office of the State Auditor contracted with BerryDunn to conduct the evaluation, which was released in December 2018.

State Expenditures

The bill increases state General Fund expenditures by \$810,987 and 2.0 FTE in FY 2019-20 and \$216,135 and 2.0 FTE in FY 2020-21. These impacts are summarized in Table 2 and described below.

**Table 2
 Expenditures Under SB 19-251**

| | FY 2019-20 | FY 2020-21 |
|--|-------------------|-------------------|
| Governor's Office of Information Technology | | |
| Central Administration | \$575,000 | - |
| Project Management | \$200,000 | \$184,503 |
| Centrally Appropriated Costs* | \$31,632 | \$31,632 |
| Total Cost | \$810,987 | \$216,135 |
| Total FTE | 2.0 FTE | 2.0 FTE |

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

Office of Information Technology. The bill appropriates \$775,000 and 2.0 FTE in FY 2019-20. These expenditures are discussed in detail below.

- *Change management plan.* The bill appropriates \$200,000 and 2.0 FTE project managers to implement change management best practices for major IT projects.
- *Communications and stakeholder management plan.* The bill appropriates \$250,000 to OIT to procure vendor services to create the plan and an annual survey tool to gauge customer satisfaction with the plan.
- *Strategic plan for technology.* The bill appropriates \$250,000 to OIT to procure vendor services to work with the working group to create and implement a strategic plan for how state agencies use technology to provide services, data, and information to citizens and businesses.
- *IT asset ownership.* The bill appropriates \$75,000 to OIT to procure vendor services to assist the working group in determining the cost and feasibility of transferring the ownership of information technology (IT) assets to OIT.

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. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$31,632 in FY 2019-20 and FY 2020-21.

Effective Date

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

State Appropriations

In FY 2019-20, the bill requires a General Fund appropriation of \$775,000 to the Governor's Office of Information Technology.

State and Local Government Contacts

Information Technology