



**Colorado
Legislative
Council
Staff**

HB16-1014

FISCAL NOTE

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

Drafting Number: LLS 16-0720
Prime Sponsor(s): Rep. Williams
Sen. Tate

Date: January 25, 2016
Bill Status: House Business Affairs and Labor
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BILL TOPIC: SOS BUSINESS INTELLIGENCE CENTER

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue	Potential increase	
State Expenditures	<u>\$60,000</u>	<u>\$60,000</u>
General Fund	\$60,000	\$60,000
TABOR Impact	Potential increase	
FTE Position Change		
Appropriation Required: \$60,000 - Office of Information Technology (FY 2016-17).		
Future Year Impacts: Ongoing state expenditure increase and potential revenue increase.		

Summary of Legislation

The Secretary of State's Office currently operates a Business Intelligence Center (BIC) under its Business and Licensing Division to streamline access to public data and provide resources to make the data more useful. This bill formally creates the BIC in statute and authorizes the department's operation of the program. In operating the program, the department may:

- assist state agencies in formatting and publishing data to a public platform;
- provide resources to facilitate the more effective use of data;
- solicit feedback from the business community to identify types of public data and research tools that would be helpful;
- conduct public contests to develop application software and other tools to help business effectively use public data, for which the department may provide cash awards or other incentives; and
- assist local governments in publishing public data.

The department is also authorized to contract with public or private entities to operate the BIC and may seek, accept and expend gifts, grants or other donations for the program.

This bill also establishes the BIC Advisory Board to assist in the operation of the program. The bill specifies the membership of the board and the Secretary of State or designee will serve as the chairperson. There will be up to eleven members appointed to the board, all of whom serve

without compensation or reimbursement for expenses. The advisory board is scheduled for repeal September 1, 2026. The Department of Regulatory Agencies must review the advisory board before the repeal.

Background

The BIC was established in FY 2013-14 to collect, standardize, publish, and maintain datasets of high value to the business community from across state agencies to improve access to public information. To date, the BIC has published a total of 154 datasets on the Colorado Information Marketplace and plans to add an additional 32 datasets by the end of FY 2015-16. The BIC also hosts the Go Code Colorado statewide application challenge event, where teams of software developers and members of the Colorado business community are charged with developing apps that utilize the data gathered and maintained by BIC to solve business-related problems.

During the FY 2015-16 budget process, the department was appropriated \$775,000 from the Department of State Cash Fund and provided an allocation of 1.0 FTE to operate the BIC. Funding for the Go Code Colorado event is supplemented by financial contributions and in-kind donations from various sponsors and totaled \$195,000 for the 2014 challenge and \$231,000 for the 2015 challenge. The Office of Information Technology (OIT) currently receives an annual appropriation of \$65,000 to support the BIC.

The Office of the State Auditor released a performance audit of the Department of State on December 8, 2015. The audit found that the BIC program lacks oversight, structure, and documented policies, procedures, and processes and recommended statutory changes.

State Revenue

The bill may increase cash fund revenue to the Department of State. Specifically, this revenue may come from gift, grants and donations to the BIC. Revenue received for this purpose will be deposited into the Department of State Cash Fund and continuously appropriated to the department for the BIC program.

TABOR Impact

While most of the revenue received by the BIC is expected to come from gifts and donations which are exempt from TABOR, some revenue in the form of grants could be received. Therefore, this bill potentially increases state revenue from grants which will increase the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund.

State Expenditures

This bill increases General Fund costs in the Office of Information Technology by **\$60,000 per year beginning in FY 2016-17**. Minimal state agency workload impacts are also expected.

Office of Information Technology. The Office of Information Technology requires \$60,000 per year to continue supporting the estimated volume of data on the BIC. This includes \$45,000 for software licensing and \$15,000 for software maintenance.

Department of State. The Department of State currently receives an annual appropriation to operate the BIC. No additional appropriation is required, but minimal workload impacts are anticipated. With the formalization of the BIC, an initial workload increase is expected in the department's finance unit to set up the accounting for the BIC. Department staff will continue to support the BIC advisory board and workload could increase depending on the needs of the board, which could include preparing information for advisory board meetings, inviting representatives to attend and participate in meetings, and filling vacancies by appointing new members to the board. Lastly, the department will continue to work with state agencies and local governments to identify and publish data through the BIC.

Other state agency workload. State agency assistance is needed to provide access to data in a format that allows it to be utilized through the BIC. It is assumed that data currently collected and published under the Business Intelligence Center pilot project will continue to be collected and published. State agency workload and costs may increase as access to public data is expanded under the BIC. The extent of this expansion is unknown at this time, but it is assumed that state agencies will be able to absorb any increases in workload resulting from their work with the BIC. This bill does not require agencies to provide public data to the BIC. However, if state agency workload increases beyond the level that can be absorbed by existing staff and providing access to the data is deemed necessary by the agency and BIC, additional appropriations may be sought through the annual budget process.

Local Government Impact

Local government participation in the BIC is voluntary and any workload impact is expected to be minimal. To the extent that local governments participate in the BIC, workload could increase as access to public data is expanded.

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2016-17, this bill requires a General Fund appropriation of \$60,000 to the Office of Information Technology.

State and Local Government Contacts

All Departments Counties Municipalities