

STATEMENT OF PURPOSE

RS25959

This bill provides the funding source and governance model for the State Controller's statewide initiative to modernize the state's business information infrastructure including the accounting, payroll, human resources, budget, and procurement systems. The current system is 30 years old and quickly approaching its end of supportable life, and the estimated replacement cost is approximately \$102 million over a projected five-year project timeline. A consistent and secure funding source is created by redirecting the indirect cost recovery funding collected by the Division of Financial Management pursuant to section 67-3531 Idaho Code from the General Fund into a newly created Business Information Infrastructure Fund. Redirecting these funds will not affect the rates paid by state agencies for centralized services. The Business Information Infrastructure Fund is continuously appropriated to the State Controller to procure and implement a modern statewide system under its authority pursuant to section 67-1021, Idaho Code. Any funds remaining after June 30, 2023 will be reverted to the General Fund, and indirect cost recovery funding will resume flowing into the General Fund at that time. To ensure the modernization of the state's business information infrastructure is successful, this bill provides a statewide governance structure led by a council comprised of the Governor, Speaker of the House, President Pro Tempore, and State Controller. This will create statewide sponsorship and support for the initiative and act as the authority to resolve any issues brought to it by the State Controller.

FISCAL NOTE

There will be a General Fund revenue reduction of \$18,517,100 in FY 2018 and \$20,760,500 in FY 2019. Estimations of General Fund revenue reduction after FY 2019 are not forecasted at this time, but are expected to be similar through FY 2022.

Co-Sponsors

C.L. "Butch" Otter, Governor
Brandon Woolf, State Controller
Senator Shawn Keough
Representative Maxine Bell

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).