

STATEMENT OF PURPOSE

RS29132C1 / H0729

Modernizing the State's business information infrastructure will require a modern support structure to sustain the continuous information security and standards of the new systems. The intent of this bill is to provide a funding structure that properly incentivizes state agencies to manage their use of support through a direct bill cost versus the current two-year lag of the statewide cost allocation plan (SWCAP).

This bill extends the deposit of money from the indirect cost recovery fund into the business information infrastructure fund (BIIF) for one additional year, until June 30, 2023. Additionally, this bill removes the sunset provision of the BIIF. The removal of the sunset provision provides the structure for the State Controller's Office (SCO) to move from a general fund support organization to a dedicated fund, direct bill organization. The additional one year of funds will allow for the transition to a dedicated fund, fee-for-service model.

This bill is part of a multi-year plan to work with the Legislature and Governor to transition central services of the SCO to a shared-services, dedicated fund, fee-for-service model. During the transition, the SCO's on-going need for general funding will decrease as the fee for services dedicated fund recovers the cost for centralized services of SCO. Full transition to the new billing structure is expected to begin FY 2026. After full transition it is estimated to decrease SCO's on-going need for general funds by approximately \$85 million.

FISCAL NOTE

The amount of funds for one additional year to be transferred from the indirect cost recovery fund is approximately \$23 million. A reduction of general fund appropriation to the SCO over several years will be replaced by a dedicated, fee-for-service funding model. There is no fiscal impact to the local units of government of the state.

Contact:

Joshua C. Whitworth
State Controller's Office
(208) 334-3100

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).