

STATEMENT OF PURPOSE

RS25497

This bill is the FY 2018 appropriation to the Idaho State Controller that includes \$8,346,000 from the General Fund and \$7,812,600 in dedicated funds for a total of \$16,158,600. Full-time equivalent positions are capped at ninety-five (95). It includes \$84,000 in benefit cost increases, \$57,600 for replacement items, a reduction of \$1,100 for statewide cost allocation, \$1,000 for annualization of the Controller's salary as prescribed by statute, \$210,400 for an ongoing merit-based increase in employee compensation for permanent employees to be distributed at the discretion of the Controller, and \$81,000 for cybersecurity insurance.

The bill also includes \$618,500 in ongoing operating expenditures from the General Fund for the Divisions of Administration, Statewide Accounting, and Statewide Payroll to pay for the cost of services provided by the Computer Service Center (CSC). The CSC is the fourth budgeted program in the agency and it operates on billings from its customers, including the other programs in the Controller's office. The Idaho Transportation Department (ITD), and the Department of Labor (DOL) are two agencies that historically utilized the CSC's technology services but have made business decisions to seek technology services elsewhere. These decisions are significantly impacting the CSC's ability to cover its costs without additional state General Fund support. Line item 3 provides \$45,000 to improve the office's physical security by modifying the entrance to the office areas. This request covers the construction of physical security improvements and will ensure employees have a safe and secure work area, appropriate public access is maintained, and sensitive information is protected. Line item 4 includes \$390,000 from the General Fund for a statewide analysis of core functional and technical systems requirements needed to modernize Idaho's accounting, financial, payroll, human resources, and procurement infrastructure. Line item 5 provides \$35,000 in ongoing operating expenditures from the General Fund to purchase financial reporting software, service, and appropriate training for staff. This solution will help meet audit standards and better support the development of the Comprehensive Annual Financial Report (CAFR). This software and service will help provide greater transparency for the CAFR, improve process collaboration with auditors, and reduce the time required to produce and distribute the CAFR.

There are two section of intent language in the bill. The first accounts for the statewide cost allocation plan transfer that happens annually on June 30th. The second section of intent language allows for dedicated fund reappropriation authority in the Computer Service Center program for FY 2017 to be used for expenditures in that program for the period of July 1, 2017, through June 30, 2018.

FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2017 Original Appropriation	95.00	7,524,400	7,798,300	0	15,322,700
Reappropriation	0.00	29,800	2,198,800	0	2,228,600
FY 2017 Total Appropriation	95.00	7,554,200	9,997,100	0	17,551,300
Removal of One-Time Expenditures	0.00	(534,300)	(2,379,800)	0	(2,914,100)
Base Adjustments	0.00	0	0	0	0
FY 2018 Base	95.00	7,019,900	7,617,300	0	14,637,200
Benefit Costs	0.00	37,800	46,200	0	84,000
Replacement Items	0.00	30,000	27,600	0	57,600
Statewide Cost Allocation	0.00	(500)	(600)	0	(1,100)

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Annualizations	0.00	1,000	0	0	1,000
Change in Employee Compensation	0.00	88,300	122,100	0	210,400
FY 2018 Program Maintenance	95.00	7,176,500	7,812,600	0	14,989,100
2. Cover Costs of Computer Service Center	0.00	618,500	0	0	618,500
3. Office Security	0.00	45,000	0	0	45,000
4. System Modernization Analysis	0.00	390,000	0	0	390,000
5. Financial Reporting Software	0.00	35,000	0	0	35,000
Cybersecurity Insurance	0.00	81,000	0	0	81,000
1. Budget Law Exceptions	0.00	0	0	0	0
FY 2018 Total	95.00	8,346,000	7,812,600	0	16,158,600
Chg from FY 2017 Orig Approp	0.00	821,600	14,300	0	835,900
% Chg from FY 2017 Orig Approp.	0.0%	10.9%	0.2%		5.5%

Contact:

Robyn Lockett
 Budget and Policy Analysis
 (208) 334-4745

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