



**Report to the
Colorado General Assembly**

**Joint Technology
Committee**

Prepared by

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January 2017

Members of the Seventieth-first General Assembly:

Submitted herewith is the 2016 Joint Technology Committee (JTC) final report. The purpose of the JTC final report is to provide annual and historical information on the information technology (IT) capital development process. The 2016 final report provides a complete summary of all IT capital construction appropriations during the 2016 session. The report concludes with a description of other actions taken by the JTC in FY 2016-17.

The JTC final report serves as a permanent record of IT capital development funding. The report also serves as an informational document for any other entity or individual interested in the progress of IT capital development in the state of Colorado.

Respectfully submitted,

Mike Mauer
Director

Joint Technology Committee

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Committee Charge

Establishment and Procedural Matters

Membership. Pursuant to Section 2-3-1702, C.R.S., the Joint Technology Committee (JTC) is established consisting of the following, who shall have experience in the areas of information technology (IT), business analysis, or business process:

- three members of the House of Representatives, two of whom are appointed by the Speaker of the House and one of whom is appointed by the House Minority Leader; and
- three members of the Senate, two of whom are appointed by the Senate President and one of whom is appointed by the Senate Minority Leader.

“Information technology” is defined as information technology and computer-based equipment and related services designed for the storage, manipulation, and retrieval of data by electronic and mechanical means, or both. The term includes, but is not limited to:

- central processing units, servers for all functions, and equipment and systems supporting communications networks;
- all related services, including feasibility studies, systems design, software development, system testing, external off-site storage, and network services, whether provided by state employees or others;
- the systems, programs, routines, and processes used to employ and control the capabilities of data processing hardware, including operating systems, compilers, assemblers, utilities, library routines, maintenance routines, applications, application testing capabilities, storage system software, hand-held device operating systems, and computer networking programs; and
- the application of electronic information processing hardware, software, or telecommunications to support state government business processes.

It does not mean post-implementation support, hardware life-cycle replacement, or routine maintenance, unless such replacement or maintenance is part of a larger computer system upgrade.

Appointees to the JTC may be designated after the general election, but prior to the convening of the General Assembly. The appointees may be current members or members-elect. Prior to being sworn in, members-elect are to have the same powers and duties and be entitled to the same compensation and expense allowance as current members.

Chair and vice-chair. The committee is required to elect a chair and vice-chair, one from the House and one from the Senate. The chair and vice-chair serve in those roles for the first regular session of the General Assembly after they are so elected and switch roles for the second session.

Organization, procedures, and meetings. The committee is permitted to develop its own procedural rules. The JTC may meet as often as necessary to perform its functions, but it is required to meet at least once a year to review the Governor's budget submissions related to IT.

Repeal. The committee is repealed, effective July 1, 2018.

Powers and Duties

Oversight duties. The committee has oversight responsibility for the Governor's Office of Information Technology (OIT). "Oversee" is defined as reviews of significant IT projects, reviews of the OIT's budget requests for IT projects, and ensuring that IT projects follow best practice standards as established by the OIT. Such oversight includes, but is not limited to:

- a review of the state of IT;
- any general IT needs;
- any anticipated short-or-long-term IT changes for OIT;
- OIT's responsibilities related to the statewide communications and information infrastructure; and
- OIT's responsibilities for statewide geographic information system coordination.

Oversight does not include interference with the general responsibilities of OIT. State law directs OIT to assist the JTC as necessary to facilitate the committee's oversight of OIT. This includes a number of advisory duties and reporting requirements. Specifically, the JTC should receive regular reports from OIT concerning the following:

- any emergency acquisition or purchase of IT resources made in the preceding fiscal year;
- an accurate account of all activities related to the Public Communications Trust Fund; and
- annual updates to the statewide information technology plan.

Other JTC oversight duties include:

- the state's Chief Information Security Officer and his or her duties;
- any telecommunications coordination in the state performed by the state's Chief Information Officer;
- the General Government Computer Center; and
- state agencies regarding:
 - any IT purchased or implemented that is not managed or approved through OIT;
 - any IT that a state agency purchased or implemented that does not follow the standards set by OIT; and
 - any IT that a state agency purchased or implemented that has the same function as IT already created, purchased, or implemented by OIT.

IT budget requests. An "IT budget request" means a budget request from a state agency or state institution of higher education for the installation, development, or upgrade of IT, including the purchase of services from OIT. It does not include budget requests that are primarily operational in nature or where the majority of funding will be used to support or modify state staffing levels.

Each fiscal year, the JTC is required to study and prioritize all IT budget requests made by state agencies and all state-funded IT budget requests made by state institutions of higher education. After hearing from state agencies, institutions of higher education, OIT, and other sources of information about the amount of revenue available, the committee is required to submit written reports to the Joint Budget Committee (JBC) setting forth its recommendations, prioritization, findings, and comments regarding each IT budget request submitted to the JTC.

Reports regarding supplemental IT budget requests are due no later than January 15 of each year, and new or amended requests for the upcoming fiscal year are due no later than February 15 of each year. The JBC may also choose to seek the JTC's review of any operating budget request for IT.

The JTC is required to forecast the state's needs for future IT budget requests in order to facilitate the planning and implementation of state IT projects.

Committee review. The committee is required to review any legislative measure that is determined by the Speaker or the President to deal with IT. The committee is authorized to make advisory recommendations about such measures to the full House and Senate, the JBC, the Capital Development Committee (CDC), and any committees of reference, as appropriate.

Upon request of the JTC, executive branch agencies, the Judicial Department, and the departments of Law, State, and Treasury are required to make available to the committee any data, reports, or information necessary for the performance of the committee's duties. The information is to be provided by November 1 of the calendar year the request was made. Upon request of the General Assembly, the JTC, or the JBC, agencies are required to provide satisfactory evidence of compliance.

Additionally, the committee is authorized to review the actions of the Statewide Internet Portal Authority (SIPA). SIPA is required to submit a report to the JTC on or before November 1 of each year that sets forth a complete and detailed operating and financial statement of SIPA during the relevant fiscal year. The report must also include any recommendations for legislation or other action that may be necessary to carry out the functions of SIPA.

Reporting requirements. On the first day of each regular legislative session, the JTC is required to submit a written report on the committee's findings and recommendations to the JBC. The report may include:

- legislation recommended by the committee, which is exempt from the five-bill limit specified in Joint Rule 24;
- any recommendations based on the committee's statutory oversight; and
- the status of IT budget requests that were previously approved for phasing in or for incremental implementation over a period exceeding one year.

Executive branch agencies are encouraged to submit a written report on or before November 1 of each year to the JTC concerning IT matters that are not managed by OIT. The Judicial Department and the departments of Law, State, and Treasury are also encouraged to submit such a report on or before November 1 of each year.

Advisory board membership. If a vacancy arises for the legislative branch position on the Government Data Advisory Board, such vacancy must be filled by a member of the JTC.

Information security plan. Legislative service agency directors are required to maintain an information security plan and keep the JTC advised of the plan.

Staff assistance. Legislative Council Staff and the Office of Legislative Legal Services are required to assist the JTC in performance of its duties. This includes:

- acting as a liaison between state agencies and the committee;
- receiving and analyzing information and requests from state agencies for the committee's review;
- managing the committee's schedule for meetings and travel;
- providing background material and legal analysis about the matters before the committee;
- drafting bills recommended by the committee; and
- tracking and reporting on legislation and projects related to the committee's charge.

Legislative Council Staff is required to assist and advise the committee by reviewing and summarizing IT budget requests made by all state agencies and state institutions of higher education. Staff also arranges such hearings as necessary for the JTC to consider all IT budget requests.

Committee Activities

The committee met six times in 2016. This report highlights the committee's work from December 2015 through September 2016 regarding the FY 2016-17 IT capital budget. In addition, the committee discussed and was briefed on a broad range of IT-related issues by executive branch agencies and the State Internet Portal Authority (SIPA), a quasi-governmental body. Discussion and briefing topics included: FY 2016-17 IT capital budget requests; FY 2014-15 supplemental budget requests; SIPA projects; IT procurement; OIT project oversight, including dashboard updates; cybersecurity; a Colorado Benefits Management System (CBMS) update; and a tour of the Colorado Division of Motor Vehicles (DMV).

IT Capital Budget Requests

The JTC's charge gives the committee oversight responsibility for approving IT capital budget requests. The committee discussed and was briefed by representatives from the Colorado Department of Human Services (DHS), the Colorado Department of Public Health and Environment (CDPHE), the Colorado Department of Labor and Employment (CDLE), the Community College of Denver, Lamar Community College, Otero Junior College, Pueblo Community College, Colorado State University-Pueblo, and the University of Northern Colorado. The committee approved eight state-funded IT capital budget requests and three cash-funded (including federal funds spending authority) IT budget requests, for a total of \$12,032,217 Capital Construction Fund (CCF) and \$37,909,305 cash funds (CF), including federal funds, spending authority.

Table 1 provides more information about the 11 IT capital budget requests for FY 2016-17 that were recommended by the JTC in 2016, including the agency making the request, a project title, and the amount and type of funds requested (CCF or CF).

Table 1
FY 2015-16 IT Capital Budget Requests Approved by the JTC in 2016

| Department | Project Name | JTC FY 2015-16 Recommended Appropriations |
|------------------------------------|--|--|
| Colorado State University – Pueblo | Technology Infrastructure Upgrade | \$1,826,475 CCF |
| University of Northern Colorado | Technology Infrastructure Upgrade | \$2,412,750 CCF |
| Community College of Denver | Technology Infrastructure Upgrade | \$774,323 CCF \$272,060 CF |
| Lamar Community College | Technology Infrastructure Upgrade | \$170,900 CCF |
| Otero Junior College | Technology Infrastructure Upgrade | \$250,000 CCF |
| Pueblo Community College | Technology Infrastructure Upgrade | \$959,300 CCF |
| Human Services | IT Systems Interoperability | \$928,852 CCF \$8,359,668 CF |
| Human Services | Child Welfare Case Management System Replacement | \$4,709,617 CCF \$2,040,000 CF |
| Human Services | Child Care Automated Tracking System | \$1,458,125 CF |
| Public Health and Environment | Laboratory Information Management System | \$515,972 CF |
| Labor and Employment | Unemployment Insurance Mainframe Migration and Modernization | \$25,263,480 CF |
| Total | | \$12,032,217 CCF |
| | | \$37,909,305 CF |
| | | \$49,941,522 |

Source: Legislative Council Staff

The JBC only approved funding for the critical portions of the higher education requests. Also, additional federal funds were secured for the Child Welfare Case Management System Replacement, with the final appropriation resulting in \$3,374,809 in CF and \$3,374,808 in CCF. The FY 2016-17 Long Bill funded 11 IT capital budget requests, including \$10,697,409 CCF and \$39,244,113 CF (including federal funds).

Supplemental IT Budget Requests

The JTC's charge gives the committee oversight responsibility for approving supplemental IT budget requests. The committee discussed and was briefed by representatives from CDLE about a supplemental IT budget request for FY 2014-15 at the September 9, 2016, meeting. CDLE requested an extension of spending authority by one year, until June 30, 2018, for the Workers' Compensation Mainframe Migration and Modernization Project.

SIPA

Jack Arrowsmith, Executive Director of SIPA, presented SIPA's annual report to the committee. He updated the committee on the Colorado State Web Portal (www.colorado.gov) currently in development with SIPA's partner, Colorado Interactive. Mr. Arrowsmith discussed SIPA's use of mobile applications and SIPA's involvement in IT procurement. The committee discussed SIPA services for local government and the fees charged for credit card transactions.

IT Procurement

The committee formed an IT Procurement Task Force, which continues to meet on a regular basis to discuss possible improvements to the state's IT procurement process. The committee received updates on the group's progress throughout the year. The committee discussed solutions for how to avoid attaching value to IT projects during appropriation and before procurement.

Additionally, the JTC voted to draft legislation regarding a "zero dollar contract." The bill creates a system in which the contract and negotiations process for a major IT project are completed prior to appropriation. This new "zero dollar contract" process aims to give the state additional leverage in negotiating projects and keeps the funding available for a specific project unknown to vendors before contracting and negotiations. The JTC plans to review this draft bill at a future meeting in 2017.

OIT Project Oversight

William Chumley, OIT Chief Customer Officer, presented several IT project dashboard updates to the committee. IT project dashboards are utilized to keep the committee updated about on-going state IT projects. The committee discussed the best format for these project dashboards and received several updated versions of project dashboards from OIT at meetings throughout 2016.

Cybersecurity

Pam Greenberg, representing the National Conference of State Legislatures, presented to the committee on state cybersecurity laws and legislation. Ms. Greenberg discussed recent laws enacted related to security breaches, data disposal, data security, and computer crimes. She also highlighted recent cybersecurity initiatives by the National Institute of Standards and Technologies.

In addition, Deborah Blyth, OIT Chief Information Security Officer, updated the committee on Secure Colorado. Ms. Blyth discussed the strategic program priorities of Secure Colorado, including protecting information and systems, research and development, partnerships, and compliance. She noted Secure Colorado's interactions and key partnerships with the private sector, the Cybersecurity Steering Committee, and the Cybersecurity Task Force. Ms. Blyth noted that Secure Colorado's plans to focus on improved incident preparedness and

intelligence, along with identity and access management, in future years. The committee discussed Secure Colorado and OIT's role in the new National Cybersecurity Information Center.

Colorado Benefits Management System Update

David McCurdy, OIT Chief Technology Officer, updated the committee on CBMS. Mr. McCurdy highlighted a year-over-year comparison of CBMS, including a decrease in number in the lines of computer code, a decrease in legacy programs, an increase in batch programs, and an increase in client correspondence. Also, he discussed a comparison of the PEAK system from 2014 to 2015, as well as new universal applications related to PEAK. Additionally, he noted customer service improvements related to CBMS, including a significant reduction in the number of help-desk tickets. Finally, he discussed recent project updates to CBMS and forthcoming projects, including an electronic document management system.

Division of Motor Vehicles Project Updates and Tour

The committee took a tour of the DMV state office in Lakewood. The committee received updates on the Wait Less program, along with receiving demonstrations of various programs and components of the DMV's systems. In addition, the committee received an update and demonstration of the Driver License, Record, Identification, and Vehicle Enterprise Solution (DRIVES) project.

Office of the State Auditor

Matt Devlin, Deputy State Auditor, and Cindi Radke, Managing Legislative Auditor, presented the Office of the State Auditor's (OSA) *Annual Report of Audit Recommendations Not Fully Implemented*. They highlighted outstanding financial, performance, and IT audit recommendations. The committee discussed audit metrics, accountability for IT-specific recommendations, and OIT's plans to address the recommendations presented.

The committee also heard an audit regarding CORE Phase II in executive session.

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Resource Materials

Meeting summaries are prepared for each meeting of the committee and contain all handouts provided to the committee. The summaries of meetings and attachments are available at the Division of Archives, 1313 Sherman Street, Denver (303-866-2055). The listing below contains the dates of the committee meetings and the topics discussed at those meetings. Meeting summaries are also available on our website at:

<https://www.colorado.gov/pacific/cga-legislativecouncil/joint-technology-committee>

Meeting Date and Topics Discussed

December 12, 2015

- ♦ Presentation from the Department of State with regard to IT purchased and implemented
- ♦ Election of chair and vice-chair
- ♦ Update on the Offender Management System Project, Department of Corrections
- ♦ Presentation from the Department of Higher Education on project prioritization
- ♦ Community College of Denver FY 2016-17 budget request
- ♦ Otero Junior College FY 2016-17 budget request
- ♦ Lamar Community College FY 2016-17 budget request
- ♦ Pueblo Community College FY 2016-17 budget request
- ♦ University of Northern Colorado FY 2016-17 budget request
- ♦ Colorado State University-Pueblo FY 2016-17 budget request
- ♦ Colorado Department of Transportation FY 2016-17 budget request
- ♦ Colorado Department of Human Services FY 2016-17 budget request
- ♦ Colorado Department of Public Health and Environment FY 2016-17 budget request
- ♦ OIT Presentation on FY 2016-17 budget requests

January 11, 2016

- ♦ Introduction of staff
- ♦ SIPA update
- ♦ Office of the State Auditor audit recommendations
- ♦ OIT project dashboards
- ♦ Potential legislation
- ♦ Colorado Department of Labor and Employment FY 2016-17 budget request

January 29, 2016

- ♦ Election of vice-chair
- ♦ FY 2016-17 cash-funded projects
- ♦ Prioritization of FY 2016-17 IT capital budget requests
- ♦ IT Procurement Task Force

February 5, 2016

- ♦ Prioritization of FY 2016-17 IT capital budget requests
- ♦ Discussion of potential legislation

February 12, 2016

- ♦ Prioritization of FY 2016-17 IT capital budget requests
- ♦ Discussion of potential legislation

June 6, 2016

- ♦ OIT project dashboards and watchlist
- ♦ Trends in state cybersecurity laws and legislation
- ♦ Cybersecurity presentation
- ♦ CBMS update
- ♦ Update on Senate Bill 16-191 and House Bill 16-1453

September 15, 2016

- ♦ Office of the State Auditor presentation
- ♦ Colorado Department of Labor and Employment supplemental budget request
- ♦ OIT project watchlist
- ♦ Other business
- ♦ DMV and DRIVES tour