

JOINT BUDGET COMMITTEE



STAFF BUDGET BRIEFING FY 2024-25

INFORMATION TECHNOLOGY PROJECTS (IT CAPITAL) AND ITEMS REFERRED TO THE JTC

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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INFORMATION TECHNOLOGY PROJECTS (IT CAPITAL)

IT CAPITAL OVERVIEW

The *Information Technology Projects* or “IT Capital” section of the Long Bill includes appropriations to state departments and institutions of higher education for information technology projects. In 2020, the JBC approved the addition of a separate *Information Technology Projects* section of the Long Bill for the 2021 Long Bill.

Pursuant to Section 2-3-1704 (11)(a), C.R.S., the Joint Technology Committee, or JTC, is tasked with producing a report to the JBC setting forth recommendations and prioritization for information technology budget requests submitted for inclusion in the Long Bill by February 15th each year.

The Joint Budget Committee is required to consider the prioritized list of information technology budget requests made by the Joint Technology Committee. If the Joint Budget Committee alters the determinations of priority established by the Joint Technology Committee, the JBC is required to notify the JTC and allow for a joint meeting to discuss the differences.

Senate Joint Resolution 14-039 created *Joint Rule 45*, which added guidelines and threshold amounts (\$500,000 for IT projects) for the categorization of operating, building capital, and IT budget requests. It also establishes a generally open referral process for budget requests that may be more appropriately reviewed or referred for technical review by one of the other committees.

JOINT TECHNOLOGY COMMITTEE

Established in 2013 in H.B. 13-1079, *Creation of the Joint Technology Committee*, the JTC is a statutory, six-member committee of the Colorado Senate and House of Representatives. The JTC was created to provide legislative oversight for the Governor's Office of Information Technology (OIT).

Additionally, prior to FY 2015-16, IT budget requests were submitted and considered as capital construction budget requests and were reviewed and prioritized by the Capital Development Committee (CDC) alongside building capital requests. House Bill 14-1395, *Information Technology Budget Requests*, transferred review of IT capital budget requests to the JTC. The JBC also occasionally seeks the JTC's review of operating budget requests for IT.

STATUTORY DEFINITIONS

Definitions were amended in legislation related to the creation of the JTC in H.B. 14-1395, *Information Technology Budget Requests*. Joint Technology Committee responsibilities and definitions are located at Part 17 of Article 3 of Title 2, C.R.S. Additionally, H.B. 21-1236, a JTC bill, most recently amended definitions to additionally provide for IT-related "maintenance" and repealed prior restrictions on post-implementation support, hardware life-cycle replacement, or maintenance. Sections 2-3-1701 (7) and (8), C.R.S., now define *information technology* and *information technology budget request* as follow (emphasis added):

(7) “Information technology” means technology, infrastructure, equipment, systems, or software that controls, displays, switches, interchanges, transmits, and receives data or information, including audio, video, graphics, and text. “Information technology” shall be construed broadly to incorporate future technologies that change or supplant those in effect as of September 7, 2021.

(2.5) “Information technology budget request” means a budget request from a state agency or state institution of higher education for the installation, development, maintenance, or upgrade of information technology, including the purchase of services from the office on the condition that the use of such services is the most cost beneficial option or falls within the duties and responsibilities of the office or the office’s chief information officer as described in sections 24-37.5-105 and 24-37.5-106. “Information technology budget request” does not include budget requests that are primarily operational in nature or a budget request where the majority of funding will be used to support or modify state staffing levels.

In 2023, the General Assembly adopted Joint Budget Committee bill S.B. 23-142 (Information Technology Project Appropriation Process), which clarified that while independent agencies are not required to submit IT projects for prioritization to the JTC, those agencies can request and receive appropriations from the IT Capital Account of the Capital Construction Fund. It also clarified that while those requests are initially made to the JBC, agencies are required to provide data and/or periodic project updates at the request of the JTC.

FUND SOURCES AND THE IT CAPITAL ACCOUNT

House Bill 15-1266, *Information Technology Budget Request Process*, created the Information Technology Capital Account in the Capital Construction Fund (IT Capital Account) in Section 24-75-302 (3.7), C.R.S. This account was created to provide dedicated state funding for information technology projects in the capital construction budget while keeping such funding distinct from dedicated funding for building capital projects. The IT Capital Account earns interest and is credited for reversions which incrementally increase funds available for projects in a given fiscal year. IT capital projects may also be funded from cash funds, reappropriated funds, or federal funds. Like those made from the Capital Construction Fund, all appropriations made from the IT Capital Account carry a three-year appropriation period, providing flexibility to project managers to delay payments until milestones are met despite spanning fiscal years.

IT CAPITAL BUDGET: RECENT APPROPRIATIONS

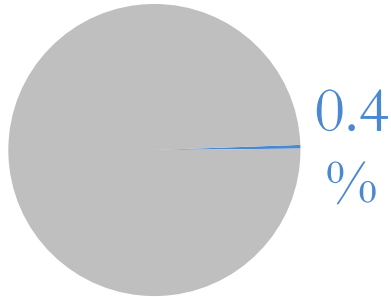
FUNDING SOURCE	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25*
Capital Construction Fund	\$33,162,750	\$109,102,442	\$64,890,922	\$96,567,141
Cash Funds	29,977,393	17,186,989	8,184,071	20,333,090
Reappropriated Funds	0	0	996,386	0
Federal Funds	7,246,200	20,139,004	50,190,455	57,261,529
TOTAL FUNDS	\$70,386,343	\$146,428,435	\$124,261,834	\$174,161,760

*All requested appropriations from OSPB and institutions of higher education.

Capital Construction funding appropriated in FY 2023-24 consists of 52.2 percent Capital Construction Fund, 40.4 percent federal funds, 6.6 percent cash funds, and 0.8 percent reappropriated funds.

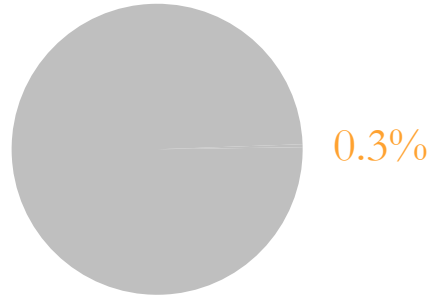
IT CAPITAL BUDGET: GRAPHIC OVERVIEW

IT Capital's Share of Statewide General Fund



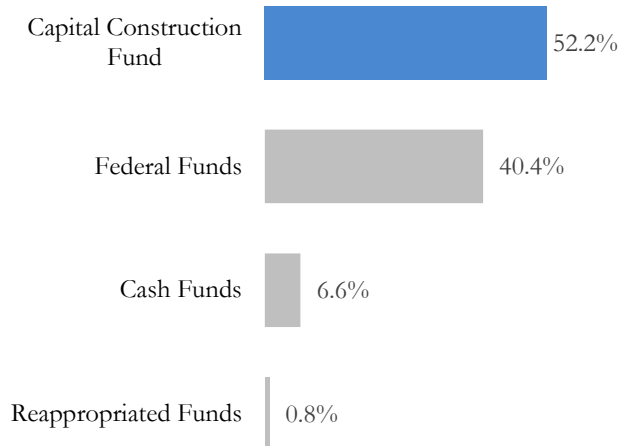
Based on the FY 2023-24 appropriation.

IT Capital's Share of Statewide General Fund: 5-year



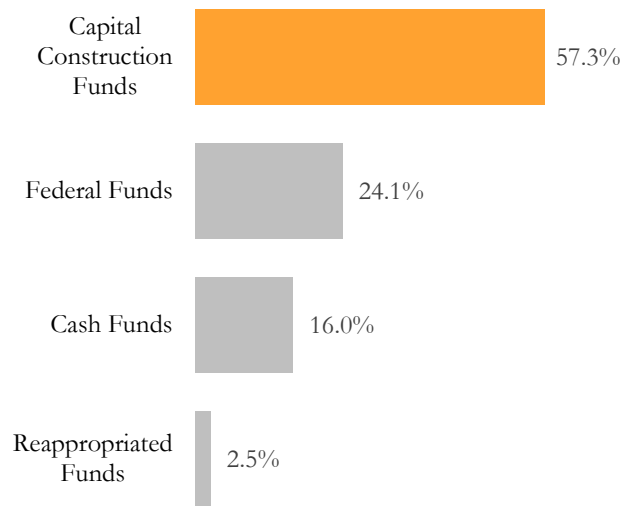
Based on the General Fund transfer to the IT Account fiscal years 2019-20 through 2023-24.

IT Capital Funding Sources



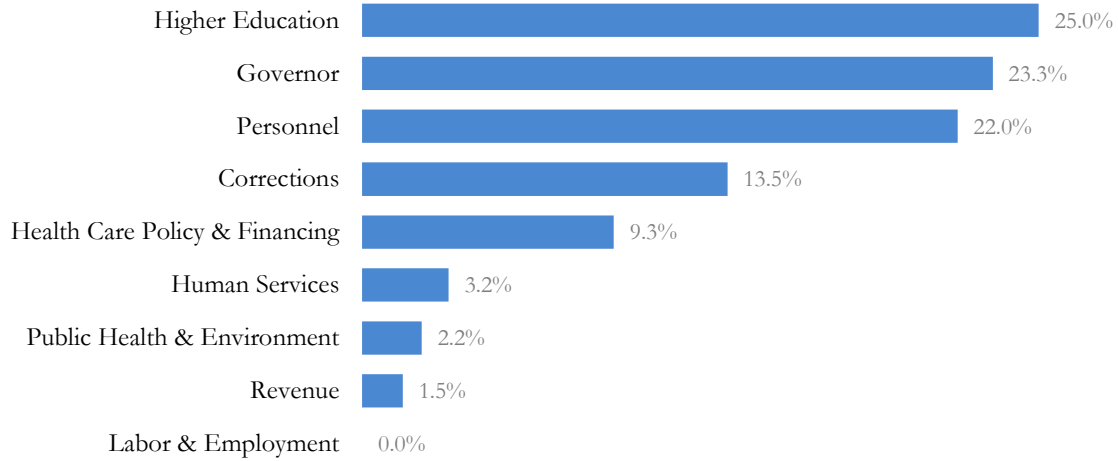
Based on the FY 2023-24 appropriation.

IT Capital Funding Sources: 5-year



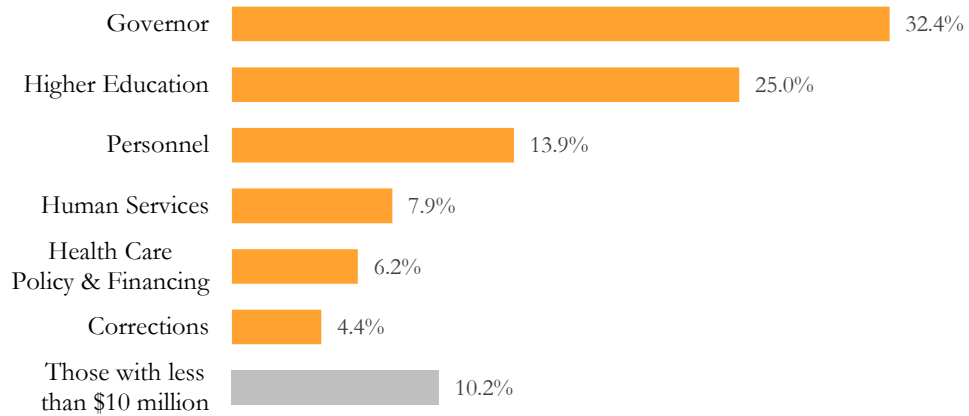
Based on the General Fund transfer to the IT Account fiscal years 2019-20 through 2023-24.

Distribution of Capital Construction Fund by Department



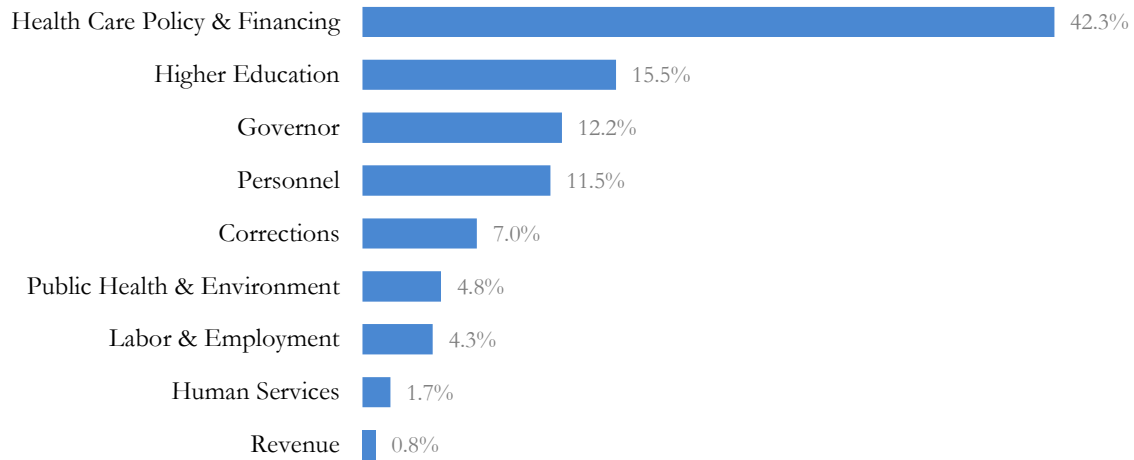
Based on the FY 2023-24 appropriation.

Distribution of Capital Construction Fund by Department: 5-year



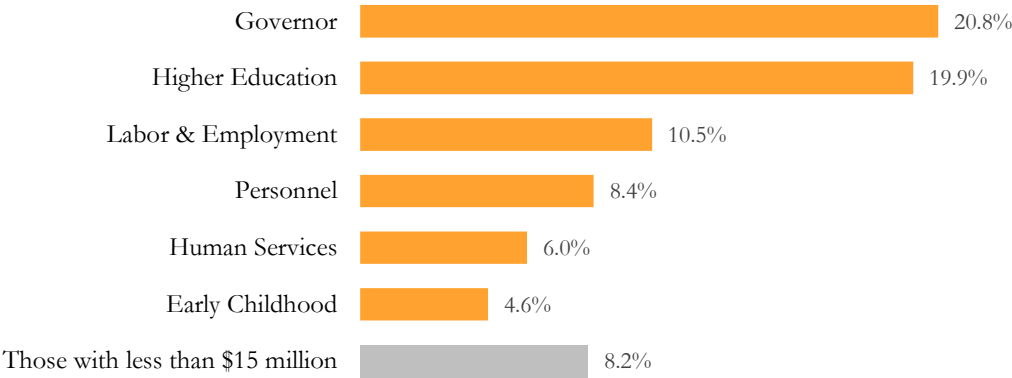
Based on appropriations for fiscal years 2019-20 through 2023-24.

Distribution of Total Funds by Department



Based on the FY 2023-24 appropriation.

Distribution of Total Funds by Department - 5-year



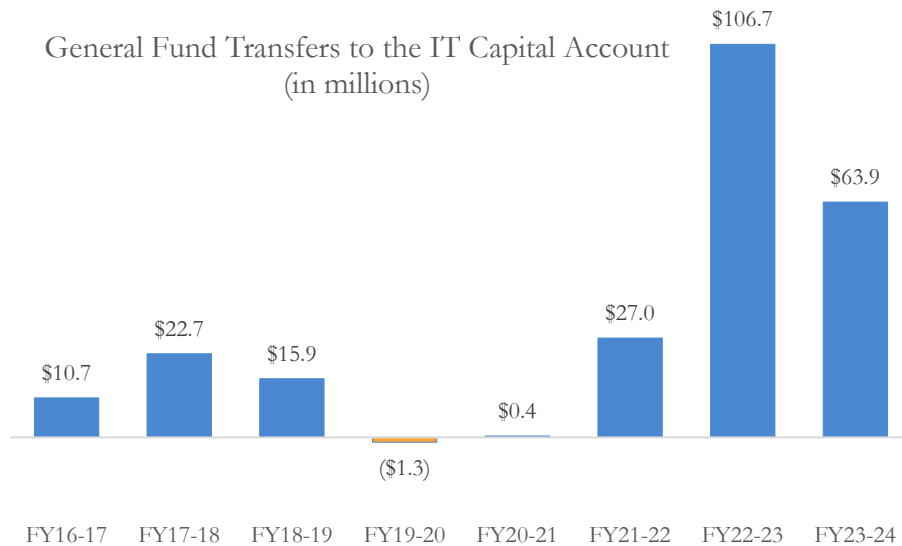
Based on the General Fund transfer to the IT Account fiscal years 2019-20 through 2023-24.

GENERAL FACTORS DRIVING THE BUDGET

REVENUE AVAILABLE FOR IT CAPITAL

The primary budget driver is General Fund revenue available in any given year. Transfers to the IT Capital Account of the Capital Construction Fund from the General Fund vary from year-to-year. The amount appropriated for IT capital is based on the Governor's request, Joint Technology Committee recommendations, and on the most recent forecast of revenues available, given constitutional, statutory, and other budget constraints.

General Fund transfers to the IT Capital Account are not necessarily equal to appropriations from the IT Capital Account due to annual interest earnings and reversions credited to the Account in any year. Appropriations from the IT Capital Account are the best data point available to track annual state-funded commitment for IT Capital. However, General Fund transfers to the Account provide a generally equivalent reflection of the state-funded commitment for IT Capital over time. The following chart outlines General Fund transfers to the IT Capital Account since FY 2016-17.



Capital Construction Fund appropriations in FY 2019-20 totaled \$19.8 million. However, reversions from the FY 2015-16 appropriation generated a surplus balance that was transferred back to the General Fund for balancing purposes in the 2020 budget cycle. This resulted in the negative \$1.3 million transfer reflected in the chart.

SUMMARY: FY 2023-24 APPROPRIATION & FY 2024-25 REQUEST

Similar to last year but a change from prior years, the OSPB budget request submission has not prioritized recommendations for institutions of higher education. Therefore, staff has included all requests in the summary table in order to capture all requests that may be recommended for funding by the JTC. All identified requests total \$174.2 million, including \$96.6 million in state funds. Current requests are anticipated to require an additional \$67.0 million in state funding in FY 2025-26 or FY 2026-27. Please note that for discussion purposes General Fund, Capital Construction Fund, and funds from the IT Capital Account of the Capital Construction Fund are used interchangeably because the principal of the IT Capital Account of the Capital Construction Fund is from General Fund transfers.

FY 2024-25 INFORMATION TECHNOLOGY PROJECTS - GOVERNOR'S REQUEST						
	TOTAL FUNDS	CAPITAL CONSTR'N FUND	CASH FUNDS	REAPP'D FUNDS	FEDERAL FUNDS	ADD'L OUT-YEAR STATE FUNDS
FY2023-24 APPROPRIATION						
S.B. 23-214 Long Bill	\$124,261,834	\$64,890,922	\$8,184,071	\$996,386	\$50,190,455	
TOTAL	\$124,261,834	\$64,890,922	\$8,184,071	\$996,386	\$50,190,455	
OSPB FY2024-25 OSPB PRIORITIZATION						
1 PER Payroll Modernization	\$17,203,705	\$17,203,705	\$0	\$0	\$0	\$15,461,933
2 HCPF Medicaid Enterprise Solutions Reprocurement	36,865,695	4,239,554	0	0	32,626,141	0
3 HUM OCFMH Info Mgmt Systems and Reporting	2,205,218	2,205,218	0	0	0	1,647,221
4 REV Licensing & Case Mgmt Software	9,000,000	9,000,000	0	0	0	0
5 HCPF CBMS Reprocurement Phase I of III	1,705,158	318,028	0	0	1,387,130	0
6 PubHea WIC Systems Upgrade	1,456,092	500,000	0	0	956,092	500,000
7 PubSaf Sex Offender Registry	3,250,000	3,250,000	0	0	0	0
8 GOV/OIT Modernizing Aging IT System	15,000,000	15,000,000	0	0	0	0
9 HUM Seamless Human Services Delivery	16,516,500	3,716,625	0	0	12,799,875	3,831,497
10 HCPF Social health Info Exchange	11,031,650	1,539,359	0	0	9,492,291	1,947,758
11 HED MSU Reimagining the Digital Exp.	9,256,163	8,406,163	850,000	0	0	0
12 HUM Health Infrastructure roll-forward	0	0	0	0	0	0
13 REV Seed to Sale tracking for MED	4,080,000	0	4,080,000	0	0	500,000
14 LAB CoCo Workers' Comp Project	8,626,812	0	8,626,812	0	0	22,104,732
SUBTOTAL - OSPB PRIORITIZED REQUESTS	\$136,196,993	\$65,378,652	\$13,556,812	\$0	\$57,261,529	\$45,993,141
CCHE FY2024-25 CCHE PRIORITIZATION						
1 Duplicate of the MSU Digital Exp.			See OSPB #11			
2 UNC Wireless First	\$5,344,448	\$5,125,326	\$219,122	\$0	\$0	\$0
3 FRCC College Wide Cellular Improvements	2,995,000	2,695,500	299,500	0	0	0
4 Mines Network Modernization & Refresh	10,000,000	7,300,000	2,700,000	0	0	0
5 Auraria Campus Network Infrastructure Modernization	4,614,341	4,614,341	0	0	0	3,746,390
6 Otero Security Access Software and Equipment Upgrades	518,000	438,000	80,000	0	0	0
7 CSU Human Capital Management	14,492,978	11,015,322	3,477,656	0	0	15,244,752
SUBTOTAL - CCHE PRIORITIZED REQUESTS	\$37,964,767	\$31,188,489	\$6,776,278	\$0	\$0	\$18,991,142
TOTAL - ALL IT CAPITAL REQUESTS	\$174,161,760	\$96,567,141	\$20,333,090	\$0	\$57,261,529	\$66,984,283

FY 2024-25 INFORMATION TECHNOLOGY PROJECTS - GOVERNOR'S REQUEST

	TOTAL FUNDS	CAPITAL CONSTR'N FUND	CASH FUNDS	REAPP'D FUNDS	FEDERAL FUNDS	ADD'L OUT-YEAR STATE FUNDS
TOTAL INCREASE/(DECREASE)	\$49,899,926	\$31,676,219	\$12,149,019	(\$996,386)	\$7,071,074	
Percentage Change	40.2%	48.8%	148.4%	(100.0%)	14.1%	
TOTAL INCREASE/(DECREASE) OSPB Only	\$11,935,159	\$487,730	\$5,372,741	(\$996,386)	\$7,071,074	
Percentage Change	9.6%	0.8%	65.6%	(100.0%)	14.1%	

REQUEST DESCRIPTIONS – OSPB PRIORITIZATION

1. PER PAYROLL MODERNIZATION: The Department of Personnel requests \$17.2 million from the IT Capital Account in FY 2024-25, and \$15.5 million from the IT Capital Account in FY 2025-26, to continue development on the creation and implementation of a payroll modernization on a statewide basis, for a total project cost of \$52.9 million. This request is not a continuation of the HRWorks project that was previously halted; this is a new project that was funded for the first time with a \$6 million appropriation in FY 2022-23. This request is the second request of an agile phased approach to modernize the State’s payroll system and is anticipated to span four years for implementation concluding in FY 2025-26. As of June 2023, \$5.9 million has been spent or encumbered for this project against the FY 2022-23 \$6 million appropriation with \$9,142 not spent or encumbered. Since the entire \$6 million was part of the Department’s budget request for a new payroll system, the Department also requests that the FY 2022-23 appropriation be modified to provide three-year funding.

2. HCPF MEDICAID ENTERPRISE SOLUTIONS REPROCUREMENT: The Department requests \$36.9 million total funds, including \$4.2 million Capital Construction Fund (CCF) and 0.0 FTE in FY 2024-25 for continuation funding for a *Systems Enhancement Regulatory Compliance IT project* to comply with state procurement regulations and the Center for Medicare and Medicaid Services (CMS) procurement requirements for the Department’s Medicaid Enterprise Solutions (MES). This funding request is for year two of the MES reprocurement project and the fiscal year request is the remaining funding needed for the project, taking into consideration appropriations made in FY 2023-24.

3. HUM OFFICE OF CIVIL AND FORENSIC MENTAL HEALTH INFORMATION MANAGEMENT SYSTEMS AND DATA REPORTING: The Department of Human Services (DHS, Department), Office of Civil and Forensic Mental Health (OCFMH) requests \$2.2 million from the IT Capital Account in FY 2024-25 and \$1.6 million from the IT Capital Account in FY 2025-26 for the continued purchase, development, and enhancement of OCFMH data and information systems. The project represents a System Replacement for current technology that is not meeting the needs of the Office and applications that are becoming obsolete. This Information Technology capital request is for out-year funding for a continuation project that received initial funding of \$2,093,951 General Fund in FY 2023-24, including multiple sub-projects which will be more effective if they can be developed as part of a coherent strategic IT plan for the Office. This project would provide direct and critical business functionality for programs within the Office consisting of the Office’s Forensic Services Division (FSDV), the Colorado Mental Health Hospital in Pueblo (CMHHIP), and the Colorado Mental Health Hospital in Fort Logan (CMHHIFL).

4. REV LICENSING & CASE MANAGEMENT SOFTWARE: The Department of Revenue requests continuation funding of \$9.0 million from the IT Capital Account in FY 2024-25 for the second phase of its project to update the licensing and case management software many of its subprograms utilize to track work each performs. There is an annual operating cost estimated to be \$150,000 cash funds

per year, appropriated from each of the impacted program's cash funds and beginning in FY 2025-26. Programs that rely on this software include Auto Industry Division, Gaming, Liquor and Tobacco Enforcement, Racing, Marijuana Enforcement Division (MED), vehicle emissions program, and the Lottery division. Previous market research provided by the Department states that the divisions do not have sufficient funds in current cash reserves to secure a new system. If the funding request is not approved, the impacted divisions would need to deplete any remaining fund balances and significantly increase fees. Fee increases would increase the statewide level of TABOR revenue (except the MED revenue increases, which are TABOR-exempt).

5. HCPF CBMS REPROCUREMENT PHASE I OF III: The Department of Health Care Policy and Financing (HCPF) is requesting \$1.7 million total funds, including \$0.3 million from the IT Capital Account, in FY 2024-25 for Phase I of a Systems Enhancement Regulatory Compliance project. The Department is requesting funding to comply with Colorado contract term limits and CMS federal funding requirements. The Department is required every 10 years to procure contracts related to the CBMS both under state procurement rules and CMS regulation. CMS requires that CBMS contracts be procured in a modular format because federal regulations no longer permit IT eco-systems to be procured as a single vendor solution. This request would provide funding to assist with the re-procurement work and ensure the Department stays on schedule. The contractor resources will operate as subject matter experts (SME) who can draft necessary solicitation documents and procurement requirements. The contractors' work will ensure that the solicitation of the CBMS and its modules is done accurately and stays on schedule within the confines of both the state and federal timelines.

6. PUBHEA WIC SYSTEMS UPGRADE: The Department of Public Health and Environment request \$1.5 million total funds, including \$0.5 million from the IT Capital Account, in FY 2024-25 and \$1.9 million total funds, including \$0.5 million from the IT Capital Account, in FY 2025-26 for a system replacement request which supports the modernization of Colorado's WIC program. The system will facilitate a transition to a new participant-centered Management Information System (MIS) that better addresses programmatic and participant needs. WIC MIS encompasses the database and related systems responsible for compliance, reporting, integration, and service delivery for WIC participants throughout the state. As such, state and local public health agency staff are the system's primary users, while WIC participants and WIC eligible Coloradans are its primary beneficiaries. Although the program's current MIS, Compass, has fulfilled its purpose for over a decade, more advanced alternatives have emerged in other states. State funds will allow the Department to have access to federal funds to make a transition to one of those systems and in the absence of these state funds we risk missing this opportunity to leverage temporarily available federal funds.

7. PUBSAF SEX OFFENDER REGISTRY: The Department of Public Safety requests a one-time \$3.3 million from the Capital IT Account in FY 2024-25 to overhaul and ensure regulatory compliance with the Colorado Sex Offender Registry (Colorado Registry) and to enhance the system. The Colorado Registry is maintained on the Colorado Crime Information Center (CCIC) computer system for Colorado law enforcement agencies, and on the internet for the public. The CCIC system works in conjunction with the National Crime Information Center (NCIC) system, exchanging registration information throughout the United States, the Indian Tribes, and the US territories. This information is also shared with the National Sex Offender Registry public website. While the public-facing site provides a clearinghouse of information about sex offenders that is available as determined by State statute, the CCIC system is the location where the actual tracking of the sex offenders occurs.

Enhancements include record-making simplification and elimination of duplicative work necessary for law enforcement to perform leading to increased reliability of actionable data.

8. GOV/OIT MODERNIZING AGING IT SYSTEMS (PHASE III TECH DEBT): The Governor’s Office of Information Technology (OIT) requests \$15.0 million from the IT Capital Account for FY 2024-25 to extend another round of investment for agency network equipment remediation needs, security audit finding remediation support, and for the remaining funding gap for the enterprise identity project from OIT’s Modernizing Aging IT Systems phase II request last year. OIT is requesting for these IT capital funds to be directly appropriated to OIT and to be allowed to prioritize which projects the funds are used on to reduce tech debt based on the amount of funding approved. This funding is targeted at addressing the states “tech debt.”

9. HUM SEAMLESS HUMAN SERVICES DELIVERY: The Department of requests a one-time appropriation of \$33.7 million total funds, including \$7.5 million from the IT Capital Account, in FY 2024-25, to build a high-quality, unified, county-driven, data system to provide business process, data, and document management. This system will increase efficiencies for our county partners who administer many of Colorado’s human services programs and improve the customer experience of our clients. This will allow state systems (CBMS, ACSES, CHATS and Trails), to talk to one another, which will result in better connecting clients to safety net benefits and services, starting with Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Child Care Assistance, and Child Support and Child Welfare.

10. HCPF SOCIAL HEALTH INFORMATION EXCHANGE: The Office of eHealth Innovation (OeHI), in partnership with the Department of Health Care Policy and Financing (HCPF), the Office of the Lieutenant Governor, and the Behavioral Health Administration requests \$11.0 million total funds, including \$1.5 million from the IT Capital Account, and 5.5 FTE in HCPF, and 2.0 FTE for the Office of Information Technology in FY 2024-25 to support the continued expansion and implementation of technical infrastructure that enables prescribers and community partners to facilitate access to health improvement supports and Social Health information Exchange (SHIE). This project has also been described as Prescriber Tool Phase II in a number of strategic documents and presentations. This request is for continuation of the project after being initially developed through a \$15.0 million Home and Community-Based Services (HCBS) cash fund investment.

11. HED MSU REIMAGINING THE DIGITAL EXPERIENCE: Metropolitan State University (MSU) requests \$9.3 million total funds, including \$8.4 million from the IT Capital Account to implement a modern Student Information System to deliver a world-class, modern, accessible, mobile-friendly, and cloud-based digital experience for MSU students. MSU seeks to replace a disparate collection of proprietary and third-party applications and apps students use to interact with the university digitally.

12. HUM BHA HEALTH INFRASTRUCTURE ROLL-FORWARD: The Department of Human Services and the Behavioral Health Administration (BHA) requests an extension of spending authority, through FY 2024-25, to continue projects related to Behavioral Health Infrastructure Investments. This funding was authorized initially in FY 2021-22 through FY 2023-24. The total amount approved was \$8,446,918, including \$6,616,918 from the IT Capital account and \$1,830,000 federal funds. The funds were appropriated to develop or improve upon bed capacity tracking system, behavioral health data collection system, the health information exchange, and the vital crisis telehealth application. Due to legislative changes to the BHA and delays due to establishing the organization, technology expenditures moved more slowly than planned or desired and there were multiple material changes to

technology requirements and priorities based on changes in BHA's founding structure and funding. The BHA is requesting an additional year of spending authority to continue in designing and delivering technology that will ultimately be most impactful to Coloradans. The BHA is not requesting any additional funding for this request.

13. REV SEED TO SALE TRACKING SYSTEM FOR MED: The Department of Revenue requests \$4.1 million from the Marijuana Tax Cash Fund in FY 2024-25 for a seed-to-sale inventory tracking system for the Marijuana Enforcement Division (MED) to maintain regulatory compliance with procurement rules and guidelines as well as meet statutory requirements for the regulation of marijuana. The current contract is in an optional renewal window with options to extend ending October 2026. A third-party system developed, hosted, and maintained by a vendor has been the only solution utilized by the state to this point in time. The current system has been in place since January 1, 2014, and has been specifically developed, designed, and implemented to meet the regulatory requirements for the commercial marijuana industry in Colorado. The Department is seeking an appropriation from the Marijuana Tax Cash Fund and not the Marijuana Cash Fund, which is derived from regulatory fees, because the fund reserves and Department's fee schedule do not support the additional expenditures requested.

14. LAB COCO WORKERS' COMPENSATION PROJECT: The Department of Labor and Employment and Division of Workers' Compensation is requesting \$8.6 million from the Workers' Compensation Cash Fund in FY 2024-25 to replace its workers' compensation computer system and database, commonly known as CoCo. The Division completed a system modernization project in 2018 which migrated its legacy system off of the mainframe. While the state mandate to transition off of a legacy system was met, limited funding prevented a full system modernization. The recent COVID-19 pandemic has expedited the need to transform the system, streamline workflows, and eliminate the reliance on paper filings. The Division is requesting a full system replacement of the migrated mainframe legacy workers' compensation application and database, CoCo. The new system will integrate all workers' compensation system related workflows and processes, allow all forms to be filed electronically, eliminate potential entry errors, allow external stakeholder access, improve reliability of data and access to it, and align with other industry accepted filing standards.

REQUEST DESCRIPTIONS – CCHE PRIORITIZATION

1. MSU REIMAGINING THE DIGITAL EXPERIENCE: See the description for this project under those prioritized by the Office of State Planning and Budgeting (OSPB) above. This item was prioritized as number eleven by OSPB and number one by CCHE and thus appears in the table twice.

2. UNC WIRELESS FIRST: The University of Northern Colorado (UNC) requests \$5.3 million total funds, including \$5.1 million from the IT Capital Account, in FY 2024-25 for work to expand its wireless footprint, and address the significant tech debt associated with our aging networking equipment. Funding the upgrades of our aging equipment will also significantly improve the security posture of our networking edge hardware. Transforming UNC's focus from a wired to the *Wireless First* model will reduce future costs. The cost reductions will result from reducing the number of physical connections because the new strategy will only offer a wireless environment. We are also transitioning away from wired physical phones to softphone technology. Changes are expected to significantly reduce the network switch count required and future tech debt.

3. FRCC COLLEGE WIDE CELLULAR IMPROVEMENTS: Front Range Community College's request \$3.0 million total funds, including \$2.7 million from the IT Capital Account, in FY 2024-25 to deploy infrastructure to enhance the availability of cell phone wireless service on the Westminster, Boulder County, and Larimer County campuses, which is expected to improve student and faculty experience, improve security communications, and improve facility operations. Unique challenges exist on each campus to effectively deliver wireless connectivity within large buildings that tend to be built on higher education campuses. Lack of effective and reliable cellular connectivity is likely to even present a threat to public safety which was highlighted during a recent first responder training where participants were unable to access cellular networks. The College also recently completed Hazardous Vulnerability Assessments of all three campuses, and the lack of seamless communication for our employees and first responders was highlighted as a critical obstacle to successfully saving lives and respond/recover from a major emergency or disaster.

4. MINES NETWORK MODERNIZATION AND REFRESH: The Colorado School of Mines requests \$10.0 million total funds, including \$7.3 million from the IT Capital Account, in FY 2024-25 to replace network infrastructure to address the changing information technology landscape, support and enhance the student experience, and streamline university business processes. Mine's wants to provide students a campus network that provides pervasive coverage and can support the connection of multiple laptops, smartphones, tablets, and smart watches. The network infrastructure is integral to any university's campus operations. After completing two preliminary studies Mines will replace and modernize the campus network by implementing a modern design with increased coverage, resiliency, enhanced security, and a partnership with a vendor to ensure reliable and responsive support to enhance student and faculty experience while simplifying management overhead.

5. AURARIA CAMPUS NETWORK INFRASTRUCTURE MODERNIZATION: The Auraria Campus Institutions request \$4.6 million from the IT Capital Account in FY 2024-25, and \$3.8 million from the IT Capital Account in FY 2025-26, for a comprehensive network infrastructure update that impacts every program offered by the collective. Auraria Campus seeks to provide a more stable and reliable foundation for their combined enterprise networks, updating to a modern network platform to provide greater monitoring capabilities and security measures for increased cyber security, improving technological resources for students, staff, and faculty for all institutions on campus. Funding requested for the first phase of a two-phase project to modernize the network infrastructure, address deferred maintenance, and to provide more current network infrastructure to support emerging technology for hybrid classrooms, virtual reality, robotics for simulated medical/surgery labs.

6. OTERO SECURITY ACCESS SOFTWARE AND EQUIPMENT UPGRADES: Otero College requests \$0.5 million total funds, including \$0.4 million from the IT Capital Account, for FY 2024-25 to replace and upgrade end-of-life technology equipment and maintain state of the art technology in their computer laboratories, library, and classrooms. The funding will also allow the College to invest in a significant number of computers to be made available for students to check out and utilize for an entire semester at no charge to allow them access online, streaming capabilities, and remote delivery reception. To provide educational opportunities our students demand and pay for; the College must invest in the most current technology so that we can offer the latest learning and teaching techniques to our students and instructional staff. This environment is continually evolving and requires the College to make significant monetary investment on a regular basis to attract and retain students and remain viable as an educational institution of higher learning.

7. CSU HUMAN CAPITAL MANAGEMENT: Colorado State University (CSU) requests \$14.5 million total funds, including \$11.0 million from the Capital IT Account, in FY 2024-25 and a total of \$15.2 million from the Capital IT Account in FY 2024-25 and FY 2025-26, to partner on the replacement of multiple, outdated, and at risk, Human Resources systems. CSU's primary goal is to develop a shared multi-campus Human Capital Management service with a modern, cloud-based solution that will meet the growing and diverse needs of CSU's campuses, allowing our institutions to attract, develop, and motivate a modern workforce that is charged with fulfilling the academic, research, and outreach missions that serve the state of Colorado. This proposal seeks funding for software acquisition and related contingency planning. CSU is committed to funding the staff backfill and professional services costs if the Capital IT request is funded by the General Assembly.

ISSUE: OTHER IT PROJECTS RECOMMENDED FOR REFERRAL TO JOINT TECHNOLOGY COMMITTEE PURSUANT TO JOINT RULE 45

The Joint Budget Committee is substantially aided in making better decisions related to IT projects because of the structure, oversight, and technical staff resources of the Joint Technology Committee (JTC). Additionally, the Committee is aided in gaining broad General Assembly support for projects funded in this section of the budget. One operating request was recommended to be referred to the JTC by JBC Staff during the 2023 briefing cycle.

RECOMMENDATION:

Staff recommends that Committee approve referring the identified operating request to the JTC for potential progress tracking and oversight if the JTC determines to exercise such oversight, which also includes approving the attached letter to the JTC.

DISCUSSION:

Joint Rule 45(b) provides that the Joint Budget Committee may refer any budget request to the Joint Technology Committee (JTC). Over the course of 2023 staff briefings, staff identified budget requests for IT projects, IT systems enhancements, IT staff, or IT-related policy issues, either submitted as or as part of larger operating requests that the Committee may wish to refer to the JTC.

This issue brief provides a summary of the actions taken by the Joint Budget Committee to refer IT budget requests made in the operational budget to the Joint Technology Committee for further review and recommendations.

For FY 2024-25, the only operating request recommended to be referred to the JTC is the Department of Revenue's *R1 GenTax & DRIVES Support Funding*.

For 2023, JBC staff did not recommend any IT projects requested as operating be included in the Capital IT section of the budget, therefore, all items are recommended to remain in the operational budget after JTC review. If this recommendation changes due to new information, staff will make updated recommendation about including such items in the IT Capital Section of the Long Bill.

The following description provides a brief summary of the request being referred to the JTC.

R1 GEN TAX & DRIVES SUPPORT FUNDING: The Department of Revenue requests funding for ongoing support of the DRIVES and GenTax system, including \$866,221 total funds comprised of \$547,734 General Fund, \$318,487 cash funds from the Colorado DRIVES Vehicle Services Account (DRIVES), and 8.3 FTE in FY 2024-25. This request annualizes to \$866,979 total funds, including \$548,187 General Fund, \$318,792 DRIVES cash funds, and 9.0 FTE in FY 2025-26.

Over the previous two fiscal years, the Department of Revenue's DRIVES and GenTax support teams have made operating enhancements which address how to prioritize the backlog of SQRs (service change requests). Despite incremental improvement, the level of demand still significantly outweighs

current capacity. Consequently, even the highest priority requests are only sometimes completed. This backlog hinders the department's ability to meet customer needs and ensure compliance with all federal and state laws and regulations. The DRIVES system is slated for a significant upgrade beginning on July 1, 2024, and running through March 31, 2026. This effort will approach 70,000 hours of programming and testing, spanning 18-24 months. Funding for this upgrade is included in the vendor contract; however, there will be substantial challenges to any updates made to the DRIVES system during this upgrade.

STATE OF COLORADO

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EMILY SIROTA
ROD BOCKENFELD

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December 14, 2023

Joint Technology Committee
Colorado General Assembly
200 East Colfax
Denver, CO 80203

Re: Operating Requests Referred by Joint Budget Committee for Joint Technology Committee Review

Dear Chairman Priola:

This letter is to notify that, pursuant to Joint Rule 45(b), the Joint Budget Committee (JBC) has referred for the technical review of the Joint Technology Committee (JTC) an operating request from the Department of Revenue for FY 2024-25. If deemed appropriated by the JTC, the JBC also recommends the project, if approved, be reviewed periodically by the JTC for progress tracking and oversight. A summary of the budget request follows the end of this letter. If there are any questions or concerns, JBC Staff for IT Capital projects can be contacted at scott.thompson@coleg.gov or 303-866-4957.

Sincerely,

Shannon Bird, Chair

SUMMARY OF REQUESTS REFERRED

R1 GENTAX & DRIVES SUPPORT FUNDING: The Department of Revenue requests funding for ongoing support of the DRIVES and GenTax system, including \$866,221 total funds comprised of \$547,734 General Fund, \$318,487 cash funds from the Colorado DRIVES Vehicle Services Account (DRIVES), and 8.3 FTE in FY 2024-25. This request annualizes to \$866,979 total funds, including \$548,187 General Fund, \$318,792 DRIVES cash funds, and 9.0 FTE in FY 2025-26.

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