JOINT BUDGET COMMITTEE

SUPPLEMENTAL BUDGET REQUESTS
FY 2016-17

CAPITAL CONSTRUCTION
INFORMATION TECHNOLOGY
PROJECTS

PREPARED BY:
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JANUARY 26, 2017

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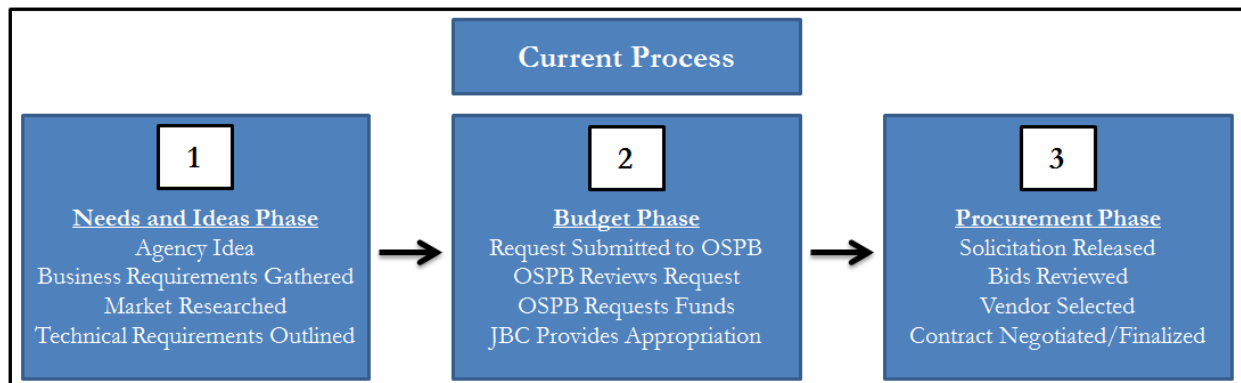# CAPITAL CONSTRUCTION INFORMATION TECHNOLOGY PROJECTS

OVERVIEW

Pursuant to statute (Section 2-3-1704 (11) (a), C.R.S.), the Joint Technology Committee is tasked with producing a written report setting forth recommendations and other comments with respect to each capital construction information technology project supplemental budget request submitted for funding. This report must be provided to the Joint Budget Committee no later than January 15th of each year.

For FY 2016-17, the Joint Technology Committee took action on supplemental requests on Friday, January 13, 2017 and voted to recommend to the Joint Budget Committee that all of the funding requests be approved in the amounts requested.

LEGISLATION RECOMMENDATION

The Joint Budget Committee may recall that staff's briefing presentation for the Office of the Governor's on November 17, 2016 included an issue entitled "Capital Construction Information Technology Potential Legislation" that highlighted several issues occurring within the existing information technology procurement process for capital construction projects.

One of the issues pointed out by staff is that the current process asks the Joint Budget Committee and the General Assembly to appropriate money for a project before the vendor costs for that project are fully understood. An agency does its due diligence to formulate an educated and researched guess on the level of funds that will be needed to conduct a project based on a variety of data points (current technologies, similar projects, etc.). That figure, however, remains a guess based on a snapshot in time.

Current Process

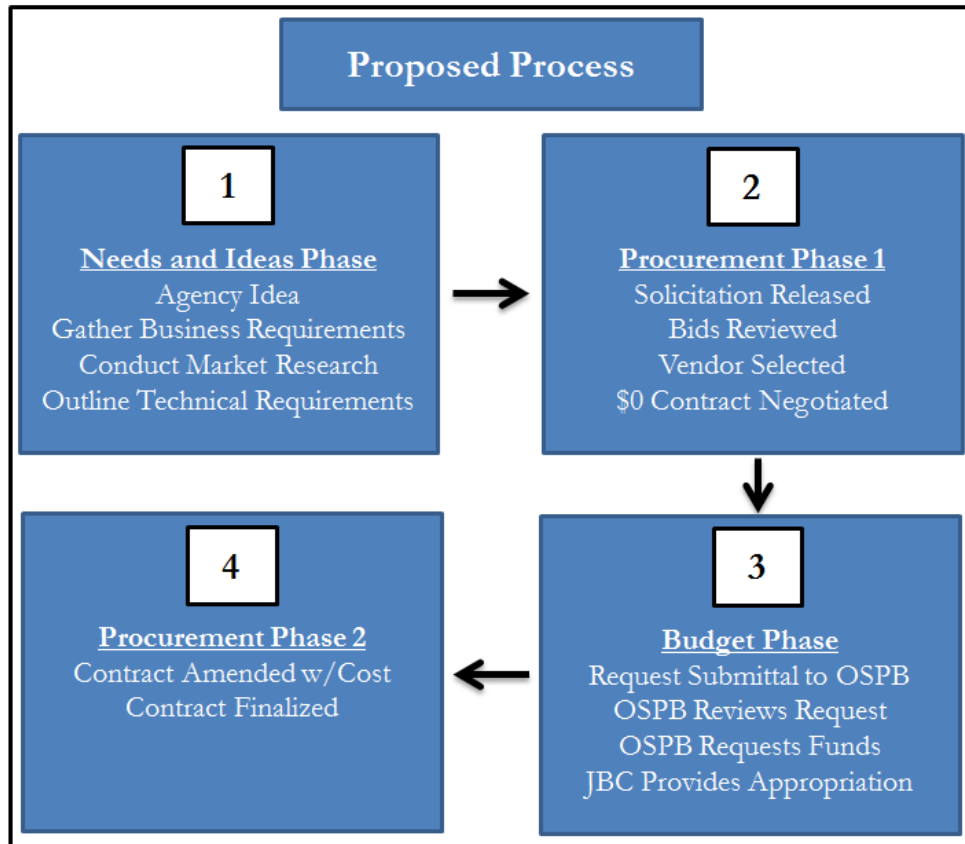| 1 Needs and Ideas Phase	2 Budget Phase	3 Procurement Phase
Agency Idea	Request Submitted to OSPB	Solicitation Released
Business Requirements Gathered	OSPB Reviews Request	Bids Reviewed
Market Researched	OSPB Requests Funds	Vendor Selected
Technical Requirements Outlined	JBC Provides Appropriation	Contract Negotiated/Finalized

The Joint Budget Committee may also remember that staff's briefing issue included a sample (fictitious) scenario to illustrate how the current process works and the challenges associated with it that introduce difficulties in the budgeting process. In a case of "life imitating art," three of the executive branch's FY 2016-17 supplemental submittals highlight the issues raised in staff's sample scenario. As summarized below, the requests show how the current process places the Joint Budget Committee in the position of being asked to provide funding above the original cost estimates because the estimates were made before costs were fully understood.

- Child Care Automated Tracking System Modernization (Department of Human Services) – The original appropriation request for FY 2014-15 indicated that the project would cost $2,991,250 total funds. The General Assembly appropriated the first portion of the project funds for FY 2015-16 based on this estimate and, upon request, appropriated the remaining funds for FY 2016-17. After all funds were approved by the General Assembly, the Department reviewed responses received via the solicitation process to perform the project work. All vendors proposed a different, more comprehensive solution requiring additional funding and time to complete. Subsequently, the Department revised the project plan according to the vendor recommendations and awarded contracts to two vendors. The Department has now submitted a supplemental request for FY 2016-17 for an additional $4,170,725 for the project. This represents an increase of 139.4 percent from the estimated project cost to the actual project cost.

- DeCORuM Offender Management System (Department of Corrections) – The original appropriation request for FY 2014-15 indicated that the project would cost $19,848,750 to complete. The General Assembly appropriated the first portion of the project funds for FY 2014-15 based on this estimate and, upon request, appropriated the second portion of funds for FY 2015-16. After the two rounds of funding were approved, the Department selected a vendor and developed a system architecture plan. As a result, the total cost of the project has grown by 52.7 percent from the original estimate, from $19,848,750 General Fund to $30,300,901 General Fund.

  Of this $10,452,151 increase in project costs, the Department is asking for $845,057 General Fund for FY 2016-17 (the remainder of the cost increases will be presented to the Joint Budget Committee during the FY 2017-18 figure setting process). Specifically, the supplemental request is due to the plan calling for the system to have high availability (continuously operational), disaster recovery capabilities (resume operations after an incident), and be in compliance with State data center standards. These requirements require funding above what was originally estimated by the Department and approved by the General Assembly. Additionally, the plan calls for the use of a database technology that costs more to license than was originally estimated by the Department and approved by the General Assembly.

- Laboratory Information Management System (Department of Public Health and Environment) – The original appropriation request for FY 2016-17 indicated that the project would cost $606,743 total funds. The General Assembly appropriated the first portion of the project funds for FY 2016-17 based on this calculation. Subsequently, the Department solicited bids for the project and determined that it would cost $1,019,190. The Department has now submitted a supplemental request for FY 2016-17 for an additional $412,447 for the project based on the bids received to do the work. This represents an increase of 68.0 percent from the estimated project cost to the actual project cost.

To begin addressing this issue, the Joint Technology Committee voted to draft legislation to implement a concept referred to as "zero dollar contract" for future capital construction information technology projects. The "zero dollar contract" concept is intended to better forecast the vendor costs of a project prior to submitting a budget request to the General Assembly. Additionally, it is aimed at giving the State more leverage in negotiating the price of contracts by not telegraphing the amount of funds available prior to a negotiation.

Proposed Process

1 — Needs and Ideas Phase
Agency Idea
Gather Business Requirements
Conduct Market Research
Outline Technical Requirements

2 — Procurement Phase 1
Solicitation Released
Bids Reviewed
Vendor Selected
$0 Contract Negotiated

4 — Procurement Phase 2
Contract Amended w/Cost
Contract Finalized

3 — Budget Phase
Request Submittal to OSPB
OSPB Reviews Request
OSPB Requests Funds
JBC Provides Appropriation

As was suggested during staff's briefing presentation, it is recommended that the Joint Budget Committee send a letter to the Joint Technology Committee stating support for the goals of the proposed legislation. The letter would demonstrate the Joint Budget Committee's desire to advance conversations about revamping the capital construction information technology project procurement process in a manner that reduces project cost projection inaccuracies contained in budget requests and strengthens the bargaining position of the State with vendors. Note, the recommended letter would not endorse the draft bill, as it is not available for review at this date (the Joint Technology Committee has yet to schedule a time to review the draft legislation). It is simply a show of support from the Joint Budget Committee that this topic is important to continue to address.

Staff's proposed letter is attached to the end of this document as Appendix A.

SUMMARY: FY 2016-17 APPROPRIATION AND RECOMMENDATION

CAPITAL CONSTRUCTION INFORMATION TECHNOLOGY PROJECTS: RECOMMENDED CHANGES FOR FY 2016-17

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2016-17 APPROPRIATION					
HB 16-1405 (Long Bill)	$49,941,522	$10,697,409	$25,727,659	$0	$13,516,454
CURRENT FY 2016-17 APPROPRIATION	**$49,941,522**	**$10,697,409**	**$25,727,659**	**$0**	**$13,516,454**
RECOMMENDED CHANGES					
Current FY 2016-17 Appropriation	$49,941,522	$10,697,409	$25,727,659	$0	$13,516,454
Child Care Automated Tracking System Modernization	4,170,725	0	0	0	4,170,725
DeCORuM Offender Management System	845,057	845,057	0	0	0
Laboratory Information Management System	412,447	0	0	0	412,447
Community College of Denver Technology Infrastructure	295,751	0	295,751	0	0
AgLicense, Inspection, and Enforcement	285,000	0	285,000	0	0
Workers' Compensation Roll-forward Authority	0	0	0	0	0
RECOMMENDED FY 2016-17 APPROPRIATION	**$55,950,502**	**$11,542,466**	**$26,308,410**	**$0**	**$18,099,626**
RECOMMENDED INCREASE/(DECREASE)	**$6,008,980**	**$845,057**	**$580,751**	**$0**	**$4,583,172**
Percentage Change	12.0%	7.9%	2.3%	n/a	33.9%
FY 2016-17 EXECUTIVE REQUEST	**$55,950,502**	**$11,542,466**	**$26,308,410**	**$0**	**$18,099,626**
Request Above/(Below) Recommendation	$0	$0	$0	$0	$0

REQUEST/RECOMMENDATION DESCRIPTIONS

CHILD CARE AUTOMATED TRACKING SYSTEM MODERNIZATION: The Department of Human Services requests an increase of $4,170,725 federal funds from the Child Care Development Fund and Race to the Top money for FY 2016-17 to complete the Child Care Automated Tracking System (CHATS) replacement project. Staff recommends approving this request.

DeCORuM OFFENDER MANAGEMENT SYSTEM: The Department of Corrections requests an increase of $845,057 General Fund for FY 2016-17 for additional database licenses for its integrated offender management system and electronic health record system. Staff recommends approving this request.

LABORATORY INFORMATION MANAGEMENT SYSTEM: The Department of Public Health and Environment requests an increase of $412,447 federal funds from grants from the U.S. Department of Health and Human Services for FY 2016-17 to purchase an off-the-shelf Laboratory Information

Management System (LIMS) to replace the existing Laboratory Information Tracking System (LITS). Staff recommends approving this request.

CCD TECHNOLOGY INFRASTRUCTURE: The Community College of Denver requests $295,751 additional cash funds spending authority from existing institutional funds for FY 2016-17 for data security upgrades, fiber cabling, and video conferencing systems. Staff recommends approving this request.

AGLICENSE, INSPECTION, AND ENFORCEMENT: The Department of Agriculture requests $285,000 cash funds for FY 2016-17 to configure and deploy a consolidated system for licensing and inspection activities. Staff recommends approving this request.

WORKERS' COMPENSATION ROLL-FORWARD AUTHORITY: The Department of Labor and Employment requests roll forward authority to expend $2,045,243 cash funds through the end of FY 2017-18 to complete the Workers' Compensation claims system modernization project. Staff recommends approving this request.

SUPPLEMENTAL REQUESTS

CHILD CARE AUTOMATED TRACKING SYSTEM MODERNIZATION

	REQUEST	RECOMMENDATION
TOTAL	**$4,170,725**	**$4,170,725**
General Fund	0	0
Cash Funds	0	0
Reappropriated Funds	0	0
Federal Funds	4,170,725	4,170,725

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	**YES**
[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made

DEPARTMENT REQUEST: The Department of Human Services requests an increase of $4,170,725 federal funds from the Child Care Development Fund and Race to the Top money for FY 2016-17 to complete the Child Care Automated Tracking System (CHATS) replacement project.

JOINT TECHNOLOGY COMMITTEE RECOMMENDATION: The Joint Technology Committee recommended funding the Department's request for FY 2016-17.

STAFF RECOMMENDATION: The current information technology procurement process asks the General Assembly to provide appropriations to commence projects without accurate knowledge of how much money the projects will cost to complete. This request, like two others in this document, seeks ad hoc funding now that the project cost has been determined. As was recommended in the "Legislation Recommendation" section of this document, the Joint Budget Committee may wish to work with the Joint Technology to explore options for fixing this issue. In the meantime, however, it is staff's opinion that the deficiencies of the current procurement process should not halt a project already underway. Thus, staff recommends that the Committee approve the Department's request.

STAFF ANALYSIS: The Colorado Child Care Assistance Program (CCCAP) provides financial assistance to low-income families that are working, searching for employment or are in training, and families that are enrolled in the Colorado Works Program and need child care services to support their efforts toward self-sufficiency. CCCAP is administered through county departments of social services under the direction of the Department's Division of Child Care.

CHATS is the information technology system for entering, storing, and reporting CCCAP data. The system also includes the point-of-sale (POS) system used by child care providers for CCCAP participant attendance tracking. CHATS is based on technology implemented by Pennsylvania to support its child care assistance program and went live in 2010. The system never functioned as was anticipated. As a result of performance issues, the General Assembly provided funding in FY 2013-14 to conduct a needs assessment to identify options for the future operational and functional sustainability of CHATS. The Department contracted with BerryDunn to undertake the assessment, which included in-depth interviews with county CHATS personnel.

Following the needs assessment, the legislature provided an appropriation of $1,533,125 federal funds from the Child Care Development Fund for the first year of a capital construction project to modernize CHATS. The Department received an additional appropriation of $1,458,125 federal funds from the Child Care Development Fund for FY 2016-17 for the continuation of the CHATS project based on the premise that the project would meet its scheduled completion by April 2017.

After the Department received $2,991,250 federal funds spending authority to modernize CHATS, the responses received via the solicitation process to perform the work all recommended a different, more comprehensive solution, requiring additional funding and time to complete. Subsequently, the Department revised the project plan according to the vendor recommendations and awarded contracts to two vendors, Deloitte Consulting and Vertiba LLC, to perform the work. Full completion of the project has been changed from April 2017 to July 2018. The full cost of the project has risen from $2,991,250 to $7,161,975.

Nearly all of the previously appropriated funds for the project have been encumbered as of December 15, 2016 ($2,138,500 of $2,991,250). This money was encumbered to create the project plan (completed in August 2016) and to develop the system design, including an operating and maintenance plan (completed in September 2016). The earmarked funds also set aside money to develop a new POS attendance tracking system for child care providers and CCCAP participants. The Department is short $4,170,725, however, to complete the final system development, county staff training, and implementation of a modernized CHATS. These projects are slated for completion in May 2018 and July 2018, respectively.

As a result of the funding gap between what is currently appropriated and what is needed to complete the amended project plan, the Department requests an appropriation of $4,170,725 federal funds for FY 2016-17. To pay for this request, the following is proposed:

- *[Action Already Taken by JBC]* Reduce federal funds from the Child Care Development Fund by $877,525 in the Child Care Assistance line item in the Division of Early Childhood for FY 2016-17. These funds are earmarked for CHATS development and do not impact child care subsidies. Note, this proposal was submitted as operating supplemental "S6 Child Care Development Fund Transfer." The Committee took action on S6 and approved the request.

- *[Action Not Yet Taken by JBC]* Increase the federal funds appropriation from the Child Care Development Fund by $877,525 in the Child Care Automated Tracking System Enhancement line item in the capital construction budget for FY 2016-17.

- *[Action Already Taken by JBC]* Reduce federal funds from the Child Care Development Fund by $338,200 in the Micro Loans to Increase Access to Child Care line item in the Division of Early Childhood for FY 2016-17. Note, this proposal was submitted as operating supplemental "S6 Child Care Development Fund Transfer." The Committee took action on this component of S6 and approved the request to eliminate funding for this line item for FY 2016-17.

- *[Action Not Yet Taken by JBC]* Increase the federal funds appropriation from the Child Care Development Fund by $338,200 in the Child Care Automated Tracking System Enhancement line item in the capital construction budget for FY 2016-17.

- *[Action Already Taken by JBC]* Reduce federal funds from the Child Care Development Fund by $455,000 available to the Department to implement H.B. 14-1317 (Colorado Child Care Assistance Program Changes). This appropriation was originally provided to the Department for FY 2014-15 to make modifications to CHATS. Subsequently, the General Assembly authorized the Department to spend the money through the end of FY 2016-17. These funds have not been expended to date, however. Note, this proposal was submitted as operating supplemental "S6 Child Care Development Fund Transfer." The Committee took action on this component of S6 and approved the request to eliminate roll-forward authority for FY 2016-17 in the amount of $455,000.

- *[Action Not Yet Taken by JBC]* Increase the federal funds appropriation from the Child Care Development Fund by $455,000 in the Child Care Automated Tracking System Enhancement line item in the capital construction budget for FY 2016-17.

- *[Action Not Yet Taken by JBC]* Increase the federal funds appropriation from the Race to the Top grant by $2,500,000 in the Child Care Automated Tracking System Enhancement line item in the capital construction budget for FY 2016-17. The Department received this grant in April 2012 for $44,888,832 to support the building of a statewide system to raise the quality of early learning and development programs and increase access to high-quality programs for children with high needs, so that all children enter kindergarten ready to succeed. Of the total grant award to the State, the Department has set aside funds for information technology projects. If these funds are not expended for this project or other information technology endeavors, the money will revert to the federal government at the end of 2017.

Staff recommends approving the Department's request. The funds will allow for the final system development (system build, testing, and validation) to be completed, as well county staff training and execution of a modernized CHATS.

DECORUM OFFENDER MANAGEMENT SYSTEM

	REQUEST	RECOMMENDATION
TOTAL	**$845,057**	**$845,057**
General Fund	845,057	845,057
Cash Funds	0	0
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	YES
[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

DEPARTMENT REQUEST: The Department of Corrections requests an increase of $845,057 General Fund for FY 2016-17 for additional database licenses for its integrated offender management system and electronic health record system.

JOINT TECHNOLOGY COMMITTEE RECOMMENDATION: The Joint Technology Committee recommended funding the Department's request for FY 2016-17.

STAFF RECOMMENDATION: The current information technology procurement process asks the General Assembly to provide appropriations to commence projects without accurate knowledge of how much money the projects will cost to complete. This request, like two others in this document, seeks ad hoc funding now that the project cost has been determined. As was recommended in the "Legislation Recommendation" section of this document, the Joint Budget Committee may wish to work with the Joint Technology to explore options for fixing this issue. In the meantime, however, it is staff's opinion that the deficiencies of the current procurement process should not halt a project already underway. Thus, staff recommends that the Committee approve the Department's request.

STAFF ANALYSIS: The Department of Corrections is in the midst of a three-phase project to implement an integrated offender management system and electronic health record system. The new system will be deployed within the Department's 20 facilities, the Division of Parole, Parole Board, private prison partners, community corrections, and the Department's headquarters office. The project replaces the Department's current legacy system known as the Department of Corrections Information Management System (DCIS). The table below summarizes the total capital construction appropriations for the project.

DeCORuM Offender Management System Total Capital Construction Costs of the Project		
Fiscal Year	TOTAL FUNDS	GENERAL FUND
FY 2014-15 Appropriation	$5,796,000	$5,796,000
FY 2015-16 Appropriation	11,049,761	11,049,761
FY 2016-17 Appropriation	0	0
FY 2017-18 Request	12,610,083	12,610,083
Total	**$29,455,844**	**$29,455,844**

The Department signed a ten-year contract with Marquis Software Development, Inc. to implement a commercial off-the-shelf (COTS) electronic offender management system. Phase I, completed in November 2016, included a new database management system and an electronic health records (EHR) system, while Phase II seeks to migrate data to the new system. Phase III will replace the parole and community Colorado Web-based Integrated Support Environment (C-WISE) system, the parole electronic system, and the required enhancements to approximately 16 modules to complete a fully integrated offender management information system.

The Department received appropriations for the Phase I and Phase II of the project before the development of the system architecture plan was fully completed. After the vendor was selected and the system architecture was developed, two determinations were made that impact the scope of the project:

- The Department selected Oracle as the preferred database solution to support the new system. The cost associated with licensing Oracle technology is greater than the database cost estimates made prior to the solicitation and vendor selection process. Appropriations provided by the General Assembly to the Department for the project were based on these estimates.

- The developed system architecture plan calls for the system to have high availability (continuously operational), disaster recovery capabilities (resume operations after an incident), and be in compliance with State data center standards. These requirements drive a greater database need than was estimated prior to the solicitation and vendor selection process. Appropriations provided by the General Assembly to the Department for the project were based on these estimates.

As a consequence of these two changes in the project plan, the Department requests an additional $845,057 General Fund for FY 2016-17 to cover the increased costs associated with licensing Oracle technology and associated with the amount of Oracle technology needed to support a high availability system. Staff recommends approving the Department's request. The funds will allow for the project to continue and fulfill its intended goals.

LABORATORY INFORMATION MANAGEMENT SYSTEM

	REQUEST	RECOMMENDATION
TOTAL	**$412,447**	**$412,447**
General Fund	0	0
Cash Funds	0	0
Reappropriated Funds	0	0
Federal Funds	412,447	412,447

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	**YES**
[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

DEPARTMENT REQUEST: The Department of Public Health and Environment requests an increase of $412,447 federal funds from grants from the U.S. Department of Health and Human Services for FY 2016-17 to purchase an off-the-shelf Laboratory Information Management System (LIMS) to replace the existing Laboratory Information Tracking System (LITS).

JOINT TECHNOLOGY COMMITTEE RECOMMENDATION: The Joint Technology Committee recommended funding the Department's request for FY 2016-17.

STAFF RECOMMENDATION: The current information technology procurement process asks the General Assembly to provide appropriations to commence projects without accurate knowledge of how much money the projects will cost to complete. This request, like two others in this document, seeks ad hoc funding now that the project cost has been determined. As was recommended in the "Legislation Recommendation" section of this document, the Joint Budget Committee may wish to work with the Joint Technology to explore options for fixing this issue. In the meantime, however, it is staff's opinion that the deficiencies of the current procurement process should not halt a project already underway. Thus, staff recommends that the Committee approve the Department's request.

STAFF ANALYSIS: The new LIMS will replace LITS that was issued for free by the federal Centers for Disease Control (CDC). The Department has used LITS since 2001 to track, process, and report end-to-end laboratory data for the Laboratory Services Division (LSD). The Department plans to purchase the LIMS software and support from an outside vendor. The new tools will include federal Health Insurance Portability and Accountability Act of 1996 (HIPAA)-compliant electronic reporting, electronic billing capabilities, electronic test requisitions, and the ability to interface with laboratory.

The Department received an appropriation of $515,972 total funds, including $192,119 cash funds and $323,853 federal funds, for FY 2016-17 to license and implement the LIMS software. However, during the solicitation and vendor selection process, it was determined that the appropriated funding for FY 2016-17 is not sufficient to fund a system that will meet all the Department's needs. The additional funding needed to complete the project is $412,447.

The Department identified, applied for, and received additional federal funding for use to assist with replacement of the system. This additional federal funding is sufficient to cover the $412,447 gap between the current appropriation and the amount needed to complete the project. Thus, the

Department requests an additional appropriation of $412,447 federal funds for FY 2016-17 for LIMS.

Staff recommends approving the Department request for FY 2016-17 to complete the project.

COMMUNITY COLLEGE OF DENVER TECHNOLOGY INFRASTRUCTURE

	REQUEST	RECOMMENDATION
TOTAL	**$295,751**	**$295,751**
General Fund	0	0
Cash Funds	295,751	295,751
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	**NO**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: This request does not meet supplemental criteria because the request comes as a result of the 2016 General Assembly not providing funds for this purpose in the amount desired by the requesting agency. This does not qualify as an act of God, a technical error, a data availability issue, or an unforeseen contingency.

DEPARTMENT REQUEST: The Community College of Denver requests $295,751 additional cash funds spending authority from existing institutional funds for FY 2016-17 for data security upgrades, fiber cabling, and video conferencing systems.

JOINT TECHNOLOGY COMMITTEE RECOMMENDATION: The Joint Technology Committee recommended funding the Department's request for FY 2016-17.

STAFF RECOMMENDATION: Despite staff's opinion that the request does not meet supplemental criteria, staff nonetheless recommends that the Committee approve the College's request for FY 2016-17. The College is able to pay for the request with its own institutional funds and the Committee may wish to consider this fact as a valid reason to disregard staff's opinion that the submittal does not meet supplemental criteria.

STAFF ANALYSIS: The College received an appropriation of $1,046,383 total funds, including $774,323 General Fund, for FY 2016-17 to update and improve its technology infrastructure and telephony equipment. Specifically, the plans call for updating data security, installing and replacing fiber cabling, and integrating video conferencing systems with the telephone system.

The amount of funding appropriated for this project for FY 2016-17 was $295,751 General Fund below the amount requested by the College. Subsequently, the school has identified institutional funds that can be used to pay for the project components not funded by the General Assembly for FY 2016-17.

Staff recommends increasing the FY 2016-17 appropriation for technology infrastructure upgrades at the College by $295,751 cash funds from institutional sources.

AGLICENSE, INSPECTION, AND ENFORCEMENT

	REQUEST	RECOMMENDATION
TOTAL	**$285,000**	**$285,000**
General Fund	0	0
Cash Funds	285,000	285,000
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	**YES**
[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

DEPARTMENT REQUEST: The Department of Agriculture requests $285,000 cash funds for FY 2016-17 to configure and deploy a consolidated system for licensing and inspection activities.

JOINT TECHNOLOGY COMMITTEE RECOMMENDATION: The Joint Technology Committee recommended funding the Department's request for FY 2016-17.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the Department's request for FY 2016-17.

STAFF ANALYSIS: The Department of Agriculture is in the process of configuring and deploying a web-based application to facilitate licensing and inspection activities. The project was originally funded with $700,000 cash funds in FY 2014-15. This money was used to complete the first two phases of the project (online registration components for 15 of the Department's 23 programs) and to pay for the third phase which is scheduled to be completed by February 2017 (online registration components for six additional programs). Additional funding is needed to complete the project by rolling the system out to the Department's two remaining projects as part of a fourth and final phase.

The Department requests additional cash funds spending authority in the amount of $285,000 for phase four to complete the project. If approved, this phase is anticipated to be completed by spring 2018. The source of the cash funds requested is $127,500 from the Inspection and Consumer Services Cash Fund, $127,500 from the Plant Health, Pest Control, and Environmental Protection Fund, and $30,000 from the Pet Animal Care and Facility Fund.

Staff recommends approving the Department request for FY 2016-17 to complete the project.

WORKERS' COMPENSATION ROLL-FORWARD AUTHORITY

	REQUEST	RECOMMENDATION
TOTAL	**$0**	**$0**
General Fund	0	0
Cash Funds	0	0
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?   **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

DEPARTMENT REQUEST: The Department of Labor and Employment requests roll forward authority to expend $2,045,243 cash funds through the end of FY 2017-18 to complete the Workers' Compensation claims system modernization project.

JOINT TECHNOLOGY COMMITTEE RECOMMENDATION: The Joint Technology Committee recommended funding the Department's request for FY 2016-17.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the Department's request for roll-forward authority for this project through FY 2016-17.

STAFF ANALYSIS: The Department received an appropriation of $5,932,500 cash funds spending authority beginning in FY 2014-15 to implement a Workers' Compensation claims system modernization project. This project entails replacing a 23 year old mainframe system with a more modern platform.

As the project progressed, the Department determined that it could not be completed within the three year window in which capital construction appropriations are available for expenditure. The Department asks that $2,045,243 cash funds of the $5,932,500 originally appropriated be authorized for expenditure until June 30, 2018 rather than June 30, 2017 (current law).

Staff recommends approving the Department's request for roll-forward authority for this portion of the original appropriation to allow for the completion of the project.

STATE OF COLORADO

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January 26, 2017

Senator Beth Martinez Humenik
Chair
Joint Technology Committee
200 East Colfax Avenue
Denver, CO 80203

Dear Senator Martinez Humenik:

The Joint Budget Committee supports the effort of the Joint Technology Committee to address issues with the current procurement process for capital construction information technology projects. Specifically, the Joint Budget Committee is interested in the Joint Technology Committee's work to put policies in place that reduce cost projection inaccuracies contained in budget requests and strengthen the bargaining position of the State with vendors.

The Joint Budget Committee looks forward to reviewing any potential legislation that may come forth as your discussions continue on the procurement process for capital construction information technology projects.

If you have any questions concerning the support of the Joint Budget Committee for the Joint Technology Committee's endeavors in this area, please contact Kevin Neimond, Joint Budget Committee staff analyst, at 303-866-4958.

Sincerely,

Kent Lambert,
Chair, Joint Budget Committee

cc:
John Ziegler, JBC Staff
Jean Billingsley, JTC Staff
Kevin Neimond, JBC Staff