

JOINT BUDGET COMMITTEE



SUPPLEMENTAL BUDGET REQUESTS FY 2021-22 AND FY 2018-19

IT CAPITAL

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

PREPARED BY:
ALFREDO KEMM, JBC STAFF
JANUARY 20, 2022

JOINT BUDGET COMMITTEE STAFF
200 E. 14TH AVENUE, 3RD FLOOR • DENVER • COLORADO • 80203
TELEPHONE: (303) 866-2061 • TDD: (303) 866-3472
<https://leg.colorado.gov/agencies/joint-budget-committee>

CONTENTS

Summary: FY 2018-19 Appropriation and Recommendation	1
Summary: FY 2021-22 Appropriation and Recommendation	2
IT CAPITAL SUPPLEMENTALS RECOMMENDED BY THE JTC	
DEC, Data Systems (FY 2021-2022)	3
DHS, County Infrastructure Upgrade (FY 2021-22)	5
PREVIOUSLY-APPROVED INTERIM SUPPLEMENTALS	
CDPHE, Electronic Birth Registration (FY 2018-19).....	7
Appendix A: JTC Letter to JBC, January 13, 2022	8

IT CAPITAL

The Information Technology Projects (IT Capital) section of the Long Bill includes funding appropriated to state departments and institutions of higher education for information technology capital projects. Capital construction appropriations are primarily supported by General Fund transferred to the Information Technology Capital Account (IT Capital Account) within the Capital Construction Fund. The Joint Technology Committee reviews all IT capital requests and makes IT capital funding recommendations to the Joint Budget Committee.

SUMMARY: FY 2018-19 APPROPRIATION AND RECOMMENDATION

IT CAPITAL: RECOMMENDED CHANGES FOR FY 2018-19					
	TOTAL FUNDS	CAPITAL CONSTRUCT. FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 APPROPRIATION					
HB 18-1322 (Long Bill - IT Cap only)	\$49,272,912	\$15,206,760	\$10,518,326	\$18,368,326	\$5,179,500
HB 18-1006	1,862,500	700,000	1,162,500	0	0
SB 21-052	546,976	0	546,976	0	0
CURRENT FY 2018-19 APPROPRIATION:	\$51,682,388	\$15,906,760	\$12,227,802	\$18,368,326	\$5,179,500
RECOMMENDED CHANGES					
Current FY 2018-19 Appropriation	51,682,388	15,906,760	12,227,802	18,368,326	5,179,500
CDPHE, Electronic Birth Registration	0	0	0	0	0
RECOMMENDED FY 2018-19 APPROPRIATION:	\$51,682,388	\$15,906,760	\$12,227,802	\$18,368,326	\$5,179,500
RECOMMENDED INCREASE/(DECREASE)	\$0	\$0	\$0	\$0	\$0
Percentage Change	0.0%	0.0%	0.0%	n/a	0.0%
REQUESTED CHANGES					
CDPHE, Electronic Birth Registration	0	0	0	0	0
FY 2018-19 EXECUTIVE REQUEST	\$51,682,388	\$15,906,760	\$12,227,802	\$18,368,326	\$5,179,500
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0

CDPHE, ELECTRONIC BIRTH REGISTRATION: The Committee approved this interim supplemental request in June 2021 for two additional years of spending authority through June 30, 2023 (FY 2022-23) for the Electronic Birth Registration System Replacement Project in the Department of Public Health and Environment. The appropriation totals \$2,440,000, including \$745,000 General Fund and \$1,695,000 cash funds from the Vital Statistics Records Cash Fund.

SUMMARY: FY 2021-22 APPROPRIATION AND RECOMMENDATION

IT CAPITAL: RECOMMENDED CHANGES FOR FY 2021-22					
	TOTAL FUNDS	CAPITAL CONSTRUCT. FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2021-22 APPROPRIATION					
SB 21-205 (Long Bill)	\$65,935,383	\$28,711,790	\$29,977,393	\$0	\$7,246,200
CURRENT FY 2021-22 APPROPRIATION:	\$857,385,790	\$624,209,011	\$175,210,066	\$53,541,713	\$4,425,000
RECOMMENDED CHANGES					
Current FY 2021-22 Appropriation	\$857,385,790	\$624,209,011	\$175,210,066	\$53,541,713	\$4,425,000
DEC, Data Systems	3,500,000	3,500,000	0	0	0
DHS, County Infrastructure Upgrade	950,690	950,690	0	0	0
RECOMMENDED FY 2021-22 APPROPRIATION:	\$861,836,480	\$628,659,701	\$175,210,066	\$53,541,713	\$4,425,000
RECOMMENDED INCREASE/(DECREASE)	\$4,450,690	\$4,450,690	\$0	\$0	\$0
Percentage Change	0.5%	0.7%	0.0%	n/a	0.0%
REQUESTED CHANGES					
DEC, Data Systems	3,500,000	3,500,000	0	0	0
DHS, County Infrastructure Upgrades	950,690	950,690	0	0	0
FY 2021-22 EXECUTIVE REQUEST	\$861,836,480	\$628,659,701	\$175,210,066	\$53,541,713	\$4,425,000
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0

DEC, DATA SYSTEMS: The request from the Governor's Office on behalf of the new Department of Early Childhood (DEC), JTC recommendation, and staff recommendation is for an additional \$3.5 million Capital Construction Fund to expand current system functionalities to support the launch of the new Universal Preschool Program.

DHS, COUNTY INFRASTRUCTURE UPGRADE: The request, JTC recommendation, and staff recommendation is for an additional \$950,690 Capital Construction Fund for the replacement of routers and switches for county human services departments for FY 2021-22.

SUPPLEMENTAL REQUESTS

DEPARTMENT OF EARLY CHILDHOOD, DATA SYSTEMS (FY 2021-22)

	REQUEST	RECOMMENDATION
TOTAL	\$3,500,000	\$3,500,000
Capital Construction Fund	3,500,000	3,500,000
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 an unforeseen contingency.

DEPARTMENT REQUEST: The Governor's Office, on behalf of the new Department of Early Childhood, requests \$3.5 million Capital Construction Fund to expand current system functionalities to support the launch of the new Universal Preschool Program.

JTC RECOMMENDATION: The Joint Technology Committee (JTC) recommends approval of the request.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the request.

Staff also recommends the Committee pursue legislation for a General Fund transfer to the IT Capital Account of the Capital Construction Fund of \$4,450,690, or the amount approved by the Committee, to accommodate the two state-funded information technology projects recommended to be included in the supplemental bill.

STAFF ANALYSIS:

The project consists of the following five components:

- **Provider Hub changes – \$300,000:** The Department of Human Services (DHS) Office of Early Childhood Provider Hub allows early childhood providers to access a variety of systems, including the Quality Rating and Improvement System (QRIS), also known as Colorado Shines; the Attendance Tracking System (ATS); and the Grants Management and Operating Status modules. Funds from this project will be used to update the Provider Hub to include system functionality that will allow Universal Preschool Program providers to meet program requirements, such as updating current capacity in real time and completing license application and renewal forms.
- **Attendance Tracking System changes – \$228,000:** The Office of Early Childhood ATS is currently used by providers and parents to check children in and out of daycare facilities and view child care enrollments. Funds from this project will be used to update the ATS to support the Universal Preschool Program, including enabling the ATS to send information to the Child Care Automated Tracking System (CHATS), which is the system used by the state and counties to manage and monitor the Colorado Child Care Assistance Program (CCCAP). The CCCAP provides child care

assistance to families who are working, searching for employment, or are in training, and families who are enrolled in the Colorado Works program and need child care services.

- Licensing System changes – \$300,000: The Division of Early Care and Learning (DECL) licensing system is currently used to license over 5,000 child care facilities in Colorado. Funds from this project will be used to update the licensing system to add a new license type for Universal Preschool Program providers, allow new profiles for state users to be created to review and approve preschool provider licensing applications, and enable preschool provider information to be sent to CHATS to enable authorizations and payments.
- CHATS Enhancements – \$792,000: CHATS is currently used to process applications, create authorizations, associate providers, and pay providers based on attendance for the CCCAP. Funds from this project will be used to leverage existing CHATS capabilities to expand the system functionalities to accommodate a variety of Universal Preschool Program requirements.
- PEAK Enhancements – \$800,000: The Colorado Program Eligibility and Application Kit (PEAK) website currently allows Coloradans to apply to a variety of public assistance programs, such as Health First Colorado (Colorado’s Medicaid program), the Colorado Supplemental Nutrition Assistance Program (SNAP), the Colorado Low-income Energy Assistance Program (LEAP), the Colorado Supplemental Nutrition Program for Women, Infants, and Children (WIC), and others, through one self-service, online application. Funds from this project will be used to add an eligibility module and application for the Universal Preschool Program to PEAK.

The project also includes software licensing and storage (\$50,000), application programming interface (API) (\$355,000), independent verification and validation (IV&V) (\$500,000), and a 5.0 percent contingency (\$175,000).

SUPPLEMENTAL JUSTIFICATION

According to the Governor's Office, the Governor's Office of Information Technology (OIT) is tasked with having the Universal Preschool Program online and setup to receive applications, payments, and data sharing by spring 2023 in order to allow for enrollment in advance of the 2023-24 school year. To meet this timeline, OIT will need to initiate their planning and analysis efforts by March of 2022.

PROJECT SCHEDULE

Planning: March 2022 – June 2022

Implementation: June 2022 – September 2022

Testing: July 2022 – November 2022

Closing: October 2022 – December 2022

DEPARTMENT OF HUMAN SERVICES, COUNTY INFRASTRUCTURE
UPGRADE (FY 2021-22)

	REQUEST	RECOMMENDATION
TOTAL	\$950,690	\$950,690
Capital Construction Fund	950,690	950,690
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 an unforeseen contingency.

DEPARTMENT REQUEST: The Department of Human Services (DHS) requests \$950,690 Capital Construction Fund for the replacement of 10-year-old routers and switches for county human services departments.

JTC RECOMMENDATION: The Joint Technology Committee (JTC) recommends approval of the request.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the request.

STAFF ANALYSIS: DHS is responsible for supporting and managing all county IT infrastructure at varying levels of support, depending on county size and internal IT staff resources. This request will fund the replacement of 100 switches and 80 routers for all counties and three additional DHS and vendor sites, and also make eight switches and seven routers available for future replacement needs.

These routers are no longer being supported by vendors and are therefore unable to receive security patches or product updates. The Department also states that increased usage of video conferencing, video training, and other remote work needs due to the COVID-19 pandemic has highlighted bandwidth issues caused by out-of-date county IT equipment.

SUPPLEMENTAL JUSTIFICATION

Critical findings from a December 2021 Internal Revenue Service (IRS) audit of the department's Automated Child Support Enforcement System (ACSES) relate to the counties' outdated routers. These critical audit findings are required to be remediated within 90 days of the official report or the department risks corrective action fines being issued by the IRS of anywhere from \$10,000 to \$1.0 million. The IRS could also disallow the use of the Department's data, which would result in the Department losing the ability to intercept tax refunds.

Replacement of routers and switches is intended to address four goals: (1) to ensure that counties can efficiently serve their clients; (2) to address data security concerns; (3) to increase speed and response for county staff accessing portal based applications; and (4) to lessen or mitigate the risk that the current system configuration poses.

The total cost for the purchase and installation of the routers and switches is \$750,690:

- 97 24p switches at \$5,550 each;
- 11 48p switches at \$7,850 each;
- 52 PA-200 routers at \$1,014 each; and
- 35 PA-220 routers at \$2,094 each.

The project also includes \$200,000 for two, term-limited staff to perform the duties required to complete the system refresh. This will include traveling to each county with new equipment, installing the new equipment at each site, disposing of old equipment, and developing a monitoring structure.

PROJECT SCHEDULE

Planning: December 2021 – February 2022

Implementation: April 2022 – October 2022

Testing: July 2022 – December 2022

Closing: December 2022

PREVIOUSLY APPROVED INTERIM SUPPLEMENTAL REQUESTS

INTERIM SUPPLEMENTAL #1 (FY 2018-19), INFORMATION TECHNOLOGY PROJECTS, DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, ELECTRONIC BIRTH REGISTRATION SYSTEM REPLACEMENT PROJECT

	REQUEST	RECOMMENDATION	
TOTAL		\$0	\$0
Capital Construction Fund/General Fund		0	0
Cash Funds		0	0
Reappropriated Funds		0	0
Federal Funds		0	0

DEPARTMENT REQUEST: The Department of Public Health and Environment requested an extension of spending authority, for an additional three years, for its FY 2018-19 Electronic Birth Registration System Replacement Project.

JTC RECOMMENDATION: The Joint Technology Committee recommended approval of an additional two years of spending authority.

COMMITTEE ACTION: The Committee approved an additional two years of spending authority.

SUMMARY:

The Electronic Birth Registration System Replacement Project, approved for FY 2018-19, included a total appropriation of \$2,440,000, including \$745,000 General Fund and \$1,695,000 cash funds from the Vital Statistics Records Cash Fund, and received three years of spending authority through June 30, 2021.

The project is intended to replace the Colorado Vital Information System, or COVIS, which is used to issue birth and death certificates. COVIS is on an annual renewal cycle with a third party vendor. The Department's Vital Records Program has been using COVIS since 2007 to issue birth certificates and collect and report on birth statistics, including birth defects, maternal and infant mortality, and the teen birth rate. This system also collects fees for the issuance of death certificates using data from the Electronic Death Reporting System (EDRS).

The Department states that due to the reallocation of resources toward the COVID-19 pandemic response and an unforeseen reduction in public demand for birth certificate issuance causing a decline in cash fund revenue, the Department is unable to complete the project by June 30, 2021.



Joint Technology Committee

State Capitol Building, Room 029
Denver, Colorado 80203-1784
(303) 866-3521



January 13, 2022

Representative Julie McCluskie
Chair, Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, Colorado 80203

Dear Representative McCluskie,

On January 10, 2022, the Joint Technology Committee (JTC) met to review FY 2021-22 information technology (IT) supplemental budget requests from the Governor's Office and the Colorado Department of Human Services (CDHS). The JTC also reviewed one FY 2022-23 IT operating budget request from the CDHS that was referred to the committee by the Joint Budget Committee pursuant to Joint Rule 45 (a)(3)(B). The JTC recommends fully funding these three requests, as submitted and as outlined below. JTC staff analysis of each request can be found here: <https://leg.colorado.gov/content/jitcjitc2022acommcurrent>.

FY 2021-22 Department of Early Childhood Data Systems Supplemental Request

The JTC recommends fully funding the FY 2021-22 IT Capital supplemental budget request from the Governor's Office, on behalf of the new Department of Early Childhood, for \$3.5 million Capital Construction Funds to expand current system functionalities to support the launch of the new Universal Preschool Program.

FY 2021-22 Department of Human Services County Infrastructure Upgrades Supplemental Request

The JTC recommends fully funding the FY 2021-22 IT Capital supplemental budget request from the CDHS for \$950,690 Capital Construction Funds for the replacement of routers and switches for county human service departments.

FY 2022-23 Department of Human Services R-03 County Trails Refresh and Support Operating Request

The JTC fully supports the FY 2022-23 R-03 operating budget request from the CDHS for \$1.8 million General Fund ongoing to create a separate line item in the Long Bill for county child welfare IT needs, including computers for county caseworkers.

As this new line item for IT needs is developed, the JTC encourages the JBC and the CDHS to consider broadening the scope of the line item beyond Trails specifically to encompass all county human services IT support needs, including computer support, routers and switches covered in the above supplemental request, and other county IT needs that are currently spread throughout the budget or are not receiving adequate funding.

If you have any questions or concerns about the JTC's recommendations, please call Luisa Altmann, Legislative Council Staff, at 303-866-3518.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Bridges", with a long horizontal flourish extending to the right.

Senator Jeff Bridges, Chair

c: Joint Budget Committee Members
 Joint Technology Committee Members
 Joint Technology Committee Staff
 Lauren Larson, Governor's Office of State Planning and Budgeting
 Vanessa Reilly, Governor's Office of State Planning and Budgeting
 Michael McReynolds, Governor's Office of Information Technology
 Carolyn Kampman, Joint Budget Committee Staff
 Alfredo Kemm, Joint Budget Committee Staff
 Emily Hansen, Joint Budget Committee Staff