Department of Human Services

FY 2023-24 Funding Request

November 1, 2022

Jared Polis
Governor

Michelle Barnes
Executive Director

Department Priority: R-05
Request Detail: Reforming IT Project Ownership

Summary of Funding Change for FY 2023-24			
		Incremental Change	
	FY 2022-23 Appropriation	**FY 2023-24 Request**	**FY 2024-25 Request**
Total Funds	$82,973,035	$0	$0
FTE	486.6	0.0	0.0
General Fund	$32,379,696	$0	$0
Cash Funds	$713	$0	$0
Reappropriated Funds	$50,220,362	$0	$0
Federal Funds	$372,264	$0	$0

Summary of Request

The Colorado Department of Human Services (Department, DHS) requests a net-zero transfer of $3,657,002 total funds, including $1,337,849 in General Fund and $2,319,153 in reappropriated funds in FY 2023-24, to increase agency ownership and accountability for information technology (IT) projects. This request annualizes to $3,685,872 total funds, including $1,348,410 General Fund and $2,337,462 reappropriated funds.

The proposed changes outlined in this request will occur in partnership with the Governor's Office of Information Technology (OIT) using a phased approach over two to three years, resulting in better quality and timely delivery of information technology initiatives and allow the Department to better represent business technology needs.

Requires Legislation	Evidence Level	Impacts Another Department?	Statutory Authority
No	Step 3 Theory-Informed	Yes, OIT	Section 26-1-111, C.R.S.

Current Program

DHS has 100+ live IT systems across 80+ lines of business. The systems currently in the DHS portfolio include major systems that administer child welfare cases across the State, as well as manage child support distributions and are utilized by benefits administrations agencies at the county level across Colorado. Among many other things, these systems provide case management, financial management, and healthcare management to the Department and the citizens of Colorado. Currently, OIT, as well as multiple vendors, maintain the infrastructure and systems on behalf of the Department.

Problem or Opportunity

"Leveraging Technology" is one of the four keys in the DHS Strategic Plan. Due to the fast-paced, ever-changing, and innovative technology world and unique client needs, our client focused technology response and deployment efforts need to be sped up and DHS must respond more appropriately. The best way to position ourselves to be able to deploy strategic interventions in a way that is predictive, rather than reactive, of our clients' unique needs is to internalize many pieces of business, innovation, technology and security and ultimately change the way that DHS does our technology business.

In order to be bold and accountable, DHS needs to own its IT projects and innovate in a way that meets our customers where they are. By bringing innovation and certain IT functions internally and closer to our business needs, the Department will be able to better collaborate with our coworkers, partners and clients and utilize their mission and vision as the driver of our technological solutions, and not the other way around - where the solutions are driving the business of helping people. In addition, improving efficiencies in delivery of technology will reduce the likelihood of projects not being appropriately scoped and budgeted. DHS would like to maximize the chances that IT projects deliver the expected value on time and within budget.

As part of the Governor's Reimagine IT initiative, there is a vision to build increased agency IT accountability and ownership, collaborative IT governance and oversight, and a more nimble and process-oriented IT organization.

Consistent with that initiative, DHS created a new division for business technology called Business Innovation, Technology and Security (BITS) in November 2020 to steer through a new and modern IT approach. This proposal is formalizing and ramping up our IT management needs to address the goals of Reimagine IT and DHS to increase agency ownership and accountability. This will permit BITS to act as experts in various aspects of IT solutions to help our program offices achieve their mission and vision through technology. Most importantly, this structure will help DHS be a better partner with OIT and vendors engaged on our IT initiatives.

DHS offices and programs, in unison with BITS, are best positioned to understand our clients' needs, develop appropriate solutioning, and deploy those solutions in accordance with our mission. For example, in recent months, BITS has been able to take over the management of certain technology projects normally managed by OIT such as NextGen VPN conversion and certain portions of our MS Access Database Modernization effort. In both of these instances, BITS was able to effectively push forward projects that have been stalled for months, or years in some cases.

The key to technology success lies in proper alignment and transformation paired with an adaptive structural unit (BITS) that can not only help programs innovate, but also deploy and implement those solutions.

Proposed Solution and Anticipated Outcomes

In order to achieve our goals of increased agency ownership and accountability, BITS has identified several key services, currently provided by OIT or vendors, that DHS and BITS should take responsibility for. Some of these key services include software implementation and maintenance management, software testing, data management and strategy, as well as overall agency wide technology coordination. With the overarching goal of an improved technology delivery, our focus area is related to management of technology strategy and stakeholders that entails an increase of IT governance within the agency - i.e. budget, contract, product ownership, and change management. Taking agency ownership and accountability for these areas would result in better quality and timely delivery of our IT initiatives and allow us to better represent our business technology needs. Having well-defined business cases, alignment of major stakeholders, a stable initiative scope, internal governance, and robust contract management with clear responsibilities would go a long way in us being a better partner to program areas, OIT, and technology vendors. Ultimately this would result in increased on-time delivery and cost accountability of in-house projects.

The overall intent of this request is to take ownership of DHS IT initiatives from a vision and backlog perspective, including prioritizing our business technology needs, overseeing

development stages, and anticipating our line of business needs. BITS, with an increase in resources, will act as a primary liaison between programmatic stakeholders and IT service delivery teams (including OIT). This is important because our DHS programs and internal BITS staff are closest to our business needs, and therefore DHS should be facilitating technology innovation and bringing synergies among our program areas. This approach offers a balance between autonomy, agility, cost efficiency, and risk. For this vision to be realized, DHS is requesting a transfer of FY 2023-24 Payments to OIT common policy funding from OIT to DHS in the amount of $3,657,002. This request seeks to add additional contracted FTE and term-limited solution experts to adequately staff BITS to assume responsibility for the transferred services.

This is based on the IT funding requested by OIT for FY 2022-23 and based on the functions that are envisioned to be shifted from OIT to DHS. For reference, total budgeted common policy spend for FY 2022-23 is $46,090,247.

This proposal would bring flexibility and responsiveness to DHS' business technology requirements. This would ensure a better partnership between DHS and OIT, where DHS is more focused on supporting innovative solutions for our clients and citizens of Colorado while OIT manages the underlying core technological aspects such as architecture, development, enterprise solutions, security, and infrastructure areas. The intent of this proposal is to establish a long term and flexible funding plan for DHS IT operations. This approach is intended to reduce the need for additional funding requests by our state agency in future years as the State IT environment, and DHS IT administration needs, continue to change.

If this request is not approved, DHS may not be able to realize the vision of the Reimagine IT initiative, and our technology initiatives may continue to maintain high risk of schedule and budget overruns, quality issues, and high number of manual workarounds. DHS will also not be able to keep up with the IT accountability standards set forth for state agencies in H.B. 21-1236, making our systems less effective. Because BITS is more closely aligned with these programs and initiatives within DHS, BITS will be able to more effectively take accountability for these technology products and their outcomes.

Evidence-Continuum

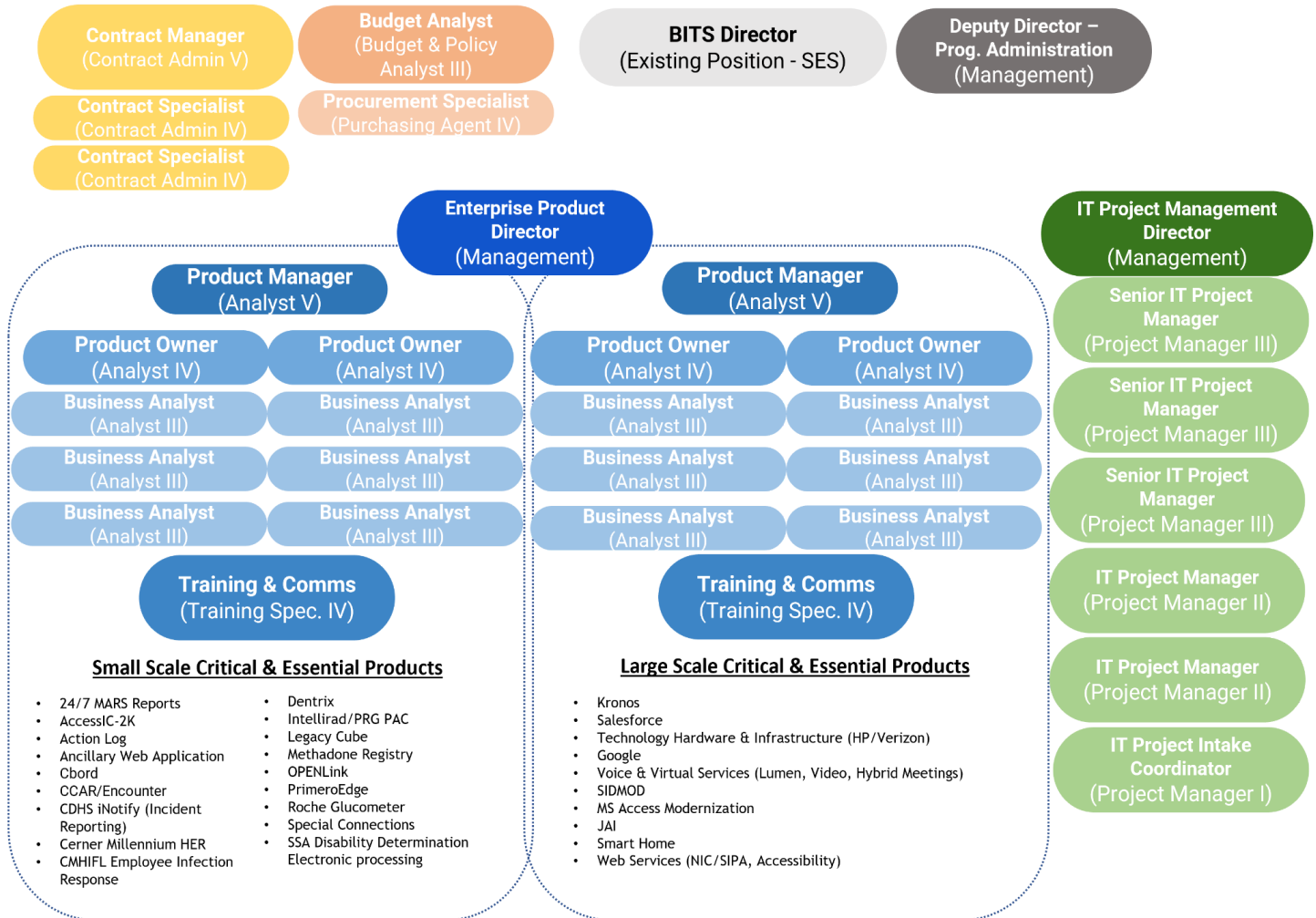| Program Objective	Migrate some IT Ownership Responsibilities from OIT to DHS		
Outputs being measured	# of Contractors Hired, # of Projects Brought In-House		
Outcomes being measured	# of Projects Delivered on time, # of Projects Delivered on or Under Budget		
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation	N/A	N/A	N/A
S.B.21-284 Evidence Category and Evidence Continuum Level	Step 3 (theory-informed)		

Promoting Equitable Outcomes

Historically underserved population or group	Description of existing equity gap(s)	How does the request affect the gaps? (quantify wherever possible).
N/A	N/A	After analysis of the expected outcomes of this decision item, the Department believes that this budget request is equity-neutral.

Assumptions and Calculations

The calculations for the request are included below. This is based on the IT funding requested by OIT for FY 2022-23 and based on the functions that are envisioned to be repurposed and delegated from OIT to DHS. The request assumes that OIT will submit an associated non-prioritized request to reflect reductions for the following services, currently paid for via the DHS Payments to OIT line item:

- Engagement Services: $2,665,692
- Project Management: $786,193
- Central Administration: $205,117

The below organizational chart is a potential organizational structure for the BITS team. More work will be done to ensure these positions are aligned correctly and roles and responsibilities are clearly defined to meet the proposed outcomes in this decision item.

Proposed BITS IT Administration Structure

Contract Manager (Contract Admin V)

Budget Analyst (Budget & Policy Analyst III)

BITS Director (Existing Position - SES)

Deputy Director – Prog. Administration (Management)

Contract Specialist (Contract Admin IV)

Procurement Specialist (Purchasing Agent IV)

Contract Specialist (Contract Admin IV)

Enterprise Product Director (Management)

IT Project Management Director (Management)

Product Manager (Analyst V)

Product Manager (Analyst V)

Senior IT Project Manager (Project Manager III)

Product Owner (Analyst IV) | **Product Owner** (Analyst IV)

Product Owner (Analyst IV) | **Product Owner** (Analyst IV)

Senior IT Project Manager (Project Manager III)

Business Analyst (Analyst III) | **Business Analyst** (Analyst III)

Business Analyst (Analyst III) | **Business Analyst** (Analyst III)

Senior IT Project Manager (Project Manager III)

Business Analyst (Analyst III) | **Business Analyst** (Analyst III)

Business Analyst (Analyst III) | **Business Analyst** (Analyst III)

Business Analyst (Analyst III) | **Business Analyst** (Analyst III)

Business Analyst (Analyst III) | **Business Analyst** (Analyst III)

IT Project Manager (Project Manager II)

Training & Comms (Training Spec. IV)

Training & Comms (Training Spec. IV)

IT Project Manager (Project Manager II)

IT Project Intake Coordinator (Project Manager I)

Small Scale Critical & Essential Products

- 24/7 MARS Reports
- AccessIC-2K
- Action Log
- Ancillary Web Application
- Cbord
- CCAR/Encounter
- CDHS iNotify (Incident Reporting)
- Cerner Millennium HER
- CMHIFL Employee Infection Response
- Dentrix
- Intellirad/PRG PAC
- Legacy Cube
- Methadone Registry
- OPENLink
- PrimeroEdge
- Roche Glucometer
- Special Connections
- SSA Disability Determination Electronic processing

Large Scale Critical & Essential Products

- Kronos
- Salesforce
- Technology Hardware & Infrastructure (HP/Verizon)
- Google
- Voice & Virtual Services (Lumen, Video, Hybrid Meetings)
- SIDMOD
- MS Access Modernization
- JAI
- Smart Home
- Web Services (NIC/SIPA, Accessibility)

Personnel costs in the tables that follow were calculated using classified positions and estimated accordingly. BITS intends to procure these services using predominantly or entirely contract staff, at least initially.

Table 1: IT Product Ownership					
Role	**Classification**	**Annual Cost**	**FTE**	**Cost**	**% Overall Cost**
Business Analyst	Analyst III	$73,123	12.0	$877,476	37%
Product Owner	Analyst IV	$88,958	4.0	$355,832	15%
Product Manager	Analyst V	$109,390	2.0	$218,780	9%
Training & Communications	Training Specialist IV	$88,958	2.0	$177,916	7%

Business Solution Analyst	Analyst V - Staff Authority	$130,000	4.0	$520,000	22%
Enterprise Product Director/Deputy Director	Management	$124,407	2.0	$248,814	10%
	IT Product Ownership Total			**$2,398,818**	**100%**

Table 2: IT Project Management					
Role	**Classification**	**Annual Cost**	**FTE**	**Cost**	**% Overall Cost**
Sr. IT Project Manager	Project Manager III	$118,016	3.0	$354,048	45%
IT Project Manager	Project Manager II	$109,390	2.0	$218,780	28%
IT Project Intake Coordinator	Project Manager I	$88,958	1.0	$88,958	11%
IT Project Management Director	Management	$124,407	1.0	$124,407	16%
	Information Technology Project Management Total			**$786,193**	**100%**

In addition, to support the Contract/Budget Management resourcing needs, DHS would need the following staffing plan. This includes the positions for managing the procurement and budget for HP Lease program as well as IT contract analysis, OIT Common Policy and Real Time Billing financial management, IT procurement management/consultation, and data sharing agreement management for DHS.

Table 3: Budget/Contract Management					
Role	**Classification**	**Annual Cost**	**FTE**	**Cost**	**% Overall Cost**
Contract Manager	Contract Administrator V	$109,390	1	$109,390	23%
Contract Specialist	Contract Administrator IV	$88,958	2	$177,916	38%
Procurement Specialist	Purchasing Agent IV	$88,958	1	$88,958	19%
Budget Analyst	Budget and Policy Analyst III	$95,727	1	$95,727	20%
	Budget/Contract Management Total			**$471,991**	**100%**

Supplemental, 1331 Supplemental or Budget Amendment Criteria

Not applicable.

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Memorandum

January 11, 2023

TO: Joint Technology Committee Members

FROM: Vanessa Reilly, Senior Research Analyst, 303-866-4753
             Joint Technology Committee Staff

SUBJECT: JTC Staff Analysis of JBC-Referred FY 2023-24 Operating Budget Request
             Colorado Department of Human Services
             R-05 Reforming IT Project Ownership

Summary of Request

The Colorado Department of Human Services (CDHS) is requesting a net-zero transfer from the Office of Information Technology (OIT) to CDHS of $1,337,849 General Fund and $2,319,153 in Reappropriated Funds in FY 2023-24, annualizing to $1,348,410 General Fund and $2,337,462 in Reappropriated Funds, ongoing. The request also includes hiring 38.0 contract FTE. The request will move product ownership and project management functions from OIT to the CDHS Business Innovation, Technology, and Security (BITS) division.

The Joint Budget Committee (JBC) referred this operating budget request to the Joint Technology Committee (JTC) pursuant to Joint Rule 45(b), for the committee's review and recommendation as an IT-related operating request. Additional background on this request can be found in the department's JBC hearing document from on December 19, 2022, which is included as an attachment following this memorandum.

Request Details

Business Innovation, Technology, and Security (BITS) Division. The CDHS R-05 operating budget request seeks to transfer product ownership and project management functions from OIT to the CDHS BITS team to increase agency ownership of and accountability for IT projects in the department. Funds will be used to hire non-technical contract managers, budget analysts, and program managers who report to CDHS, and who can both guide initiatives and own initiative outcomes. According to the department, because the CDHS IT portfolio is one of the largest and most complex in state government, these roles are best undertaken by internal staff who are positioned to understand CDHS

clients' needs, develop appropriate solutions, and deploy solutions in accordance with the department's mission. The department also believes that R-05 will allow the BITS team to create strong and reliable continuity of service and knowledge within the department, enable the department to be a better partner with OIT and vendors engaged on their IT initiatives, and increase the likelihood of projects being appropriately scoped and budgeted.

Partnership with OIT. According to the department, OIT agrees that due to the complexity of the CDHS portfolio, a dedicated team of internal staff is better suited than OIT staff to work with CDHS programs to ensure successful projects and initiatives. The roles and responsibilities that R-05 would transfer to CDHS are not intended to decentralize IT functions, but are non-technical roles intended to help CDHS take accountability and have more control over prioritization of IT investments. The BITS team and OIT staff will conduct weekly strategy sessions, and have engaged Colorado Digital Services to help develop the new structure and ensure there will be no overlapping roles. BITS staff will continue to work closely with OIT to use enterprise-wide license agreements, and to ensure compliance with OIT approval of software purchases, OIT procurement standards, OIT security standards, and state architecture standards.

Program Information

CDHS currently has more than 100 live IT systems across over 80 lines of business. This includes systems that administer child welfare cases across the state, manage child support distributions, and for benefits administration agencies at the county level statewide. The CDHS IT portfolio provides case management, financial management, and healthcare management. In 2020, CDHS created the BITS team to steer through a new and modern IT approach, and to support CDHS in the Governor's Reimagine IT initiative, which aims to build increased agency IT accountability and ownership, collaborative IT governance and oversight, and a more nimble and process-oriented IT organization.

Options for Committee Action

The JTC has three options for committee action when it reviews an operating budget request and makes a recommendation to the JBC. The JTC can:

- recommend the request to the JBC for funding with no concerns;
- recommend the request to the JBC for funding with concerns; or
- not recommend the request for funding.

areas which receive the provider rate increase have an impact on local and federal funds as those programs are state funded, county administered programs and are funded by state, local and federal funds. Any providers which receive Medicaid funding and are impacted by the targeted provider rate adjustments reflected in the HCPF request will be reflected in the department's request.

The 3% provider rate is set on a statewide basis and is not set by CDHS.

ADMINISTRATIVE SOLUTIONS (AS)

R-05 REFORMING IT PROJECT OWNERSHIP (SLIDES 18-21)

4. *[Sen. Zenzinger]* **Please provide the rationale for the proposed shift in IT project ownership and management responsibilities.** *(Slide 20)*

In line with HB21-1236 (State Information Technology), DHS is looking to take more ownership and accountability of the outcomes of technology initiatives that impact the programs under DHS authority. In order for DHS to be accountable for these initiatives, DHS requires skilled internal staff who are accountable to the agency itself and can guide the technology initiatives and own the outcomes of these initiatives. *Having these resources in house will provide DHS the necessary control over these initiatives in order to take more accountability for their outcomes.* DHS is requesting to redirect funds currently budgeted to Payments to OIT for project management and non-technical services. These funds will be used to hire non-technical contract managers, budget analysts, business analysts and program managers to lead the technology efforts. OIT supports this initiative and provided a letter of support for this request. DHS will continue to partner with OIT for the technical support required for successful technology projects and initiatives.

- **Will this shift affect all department IT systems, or a specific subset of systems? If the latter, please provide a list of those systems.**

    This shift will impact most large agency wide systems which include the following:

    - State ID Module (SIDMOD - Identity Management for all major systems)
    - Kronos Dimensions
    - UKG Pro
    - Salesforce
    - CDHS iNotify (Incident Reporting)
    - Technology Hardware & Infrastructure (HP/Verizon)
    - Google Workspace
    - Voice & Virtual Services (Lumen, Video, Hybrid Meetings)
    - MS Access Modernization (CDHS wide)
    - Joint Agency Interoperability (JAI)
    - Smart Home (Regional Centers)
    - Web Services (NIC/SIPA, Accessibility)

    The following small-scale, critical and essential systems will be reviewed for feasibility to include in centralized technology management. BITS is working to engage with Colorado Digital Services (CDS), a branch of OIT, to study whether or not these systems meet the maintenance volume threshold for Agile Product Management. Currently, these smaller applications are in the general CDHS portfolio

and supported by either vendors or OIT. That will not change. However, the business management of these applications (such as license management, maintenance backlog management, or contract management) may change if the application is deemed to have enough work volume.

- 24/7 MARS Reports
- AccessIC-2K
- Action Log
- Ancillary Web Application
- Cbord
- CCAR/Encounter
- Cerner Millennium HER
- CMHIFL Employee Infection Response
- Dentrix
- Intellirad/PRG PAC
- Legacy Cube
- Methadone Registry
- OPENLink
- PrimeroEdge
- Roche Glucometer
- Special Connections
- SSA Disability Determination Electronic processing

Other large scale CDHS systems will have the following dispositions:

- TRAILS - Product Management within Program Unit (dotted line reporting to BITS)
- ACSES - Product Management within Program Unit (dotted line reporting to BITS)
- CBMS - Product Management within BITS (dotted line reporting to Executive Steering Committee chaired by the Executive Directors of CDHS and HCPF).

- **How will making DHS responsible for IT project ownership and management affect project development and systems management efficiency?**

  Projects will be managed by a group of in-house technology professionals that will consistently interact with CDHS programs. This will ensure that our projects meet the needs of our programs, as these in-house professionals are accountable to the same Executive Management team. This also allows Program Areas to have consistent points of contact and paths to escalation within their agency for added accountability and efficiency.

- **How will this proposal affect counties and end-users?**

  With accountability for technology efforts held within CDHS, counties and end-users will have one agency to deal with when requesting help or solving issues with systems that they are interacting with. In essence this creates a single point of escalation, thereby reducing confusion for counties and end users that are looking for answers regarding technology issues. This results in better delivery of technology solutions to the people we serve.

5. *[Sen. Bridges]* **How will this proposal address the Department's technical debt?** *(Slide 21)*

This proposal will help fund a team that is dedicated to reviewing and prioritizing tech debt for CDHS programs specifically. This will ensure that the most urgent aging systems are proactively addressed and prioritized from a business need perspective, rather than just a technical perspective. This will ensure the most effective use of

time and resources to address this issue by giving CDHS the autonomy and resources to make these decisions based on program focused needs.

6. *[Sen. Zenzinger]* **Please provide a list and description of the requested contract staff and their responsibilities.** *(Slide 21)*

- Product Manager

    o Supervises a portfolio of technology products
    o Point of escalation for prioritization decisions
    o Product Owners report to Product Manager

- Product Owner

    o Direct point of contact for technology products
    o Stakeholder management (i.e., vendors, CDHS programs, external stakeholders)
    o Product or component implementation project management
    o "Big Picture" oversight of products to ensure proper agency wide value
    o Agile Team Leader

- Scrum Master (existing OIT- based FTE paid for through Common Policy)

    o Ensures Agile process is followed
    o Schedules and leads meetings
    o Documents backlog and roadmap progress (including implementation projects)
    o OIT liaison for assigned product portfolio
    o Roadblock remover
    o *This position/role is not part of this request or proposal and will remain an OIT position and report through OIT. However, this will be an integral part of the BITS team and will be fully embedded with agency staff.*

- Business Analyst

    o Requirements gathering
    o User acceptance testing (UAT)
    o Process Mapping
    o ID & Access Management
    o Asset Management
    o Software License Tracking
    o New Project Intake

OFFICE OF ECONOMIC SECURITY (OES)

PUBLIC ASSISTANCE CASELOAD

7. *[Reps. Bird and Sirota]* **Please provide a detailed discussion on the causes of declining caseload for the following programs.** *(Slide 27-28)*

- *Temporary Assistance for Needy Families (TANF)*
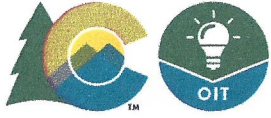
10/27/2022

Lauren Larson
Director
Office of State Planning and Budgeting
111 State Capitol
Denver, Colorado 80203

RE: FY 2023-24 Dept. of Human Services - R-05 Reforming IT Project Ownership

Dear Director Larson:

Pursuant to OSPB instructions, this letter is to confirm that the Office of Information Technology (OIT) has been informed of the development and submission of this proposed FY 2023-24 request for the Colorado Department of Human Services (CDHS) to provide additional funding for a Business Innovations Team (BITs) to support the achievement of agency ownership and accountability of CDHS's information technology.

OIT has completed an internal review to ensure the project aligns with statewide IT goals and has collaborated with CDHS and we are in agreement with most of the request, with the following caveats:

CDHS has also been advised that reducing their payments to OIT line does not inhibit OITs ability to bill in real time for services consumed. If consumption exceeds the payments to OIT line allocation, CDHS will need to fund those services from other operating lines.

OIT will continue to partner with CDHS as they improve their IT business functions and accountability while keeping intact OIT's mission to provide technology services to agencies.

Sincerely,

Rus Pascual - OIT

Rus Pascual, OIT Budget Director

Rita DeFrange - OIT

Rita DeFrange, OIT CDHS IT Director

Colorado Department of Human Services (DHS)
Business Innovation, Technology, and Security (BITS)
R-05 Reforming IT Project Ownership

Joint Technology Committee Staff Questions

Please respond by Wednesday, January 4, 2023
to: jtc.ga@coleg.gov

<mark>Please note that the Joint Technology Committee will be meeting Friday, January 13, 2023, to hear presentations on the CDHS operating budget request referred by the JBC.</mark>

1. Please explain what will result if R-05 is not approved. Is OIT failing to meet CDHS needs and expectations at present?
   a. **If R-05 is not approved, DHS misses an opportunity to own accountability of technology projects and outcomes. R-05 will allow DHS to partner more effectively with OIT to solve complex technology problems and innovate to improve and enhance services for the citizens of the State of Colorado**
   b. **In line with HB21-1236 (State Information Technology), DHS is requesting to take more ownership and accountability of the outcomes of technology initiatives that impact the programs under DHS authority. In order for DHS to be accountable for these initiatives, the Department requires skilled internal staff who are accountable to the agency itself and can guide the technology initiatives and own the outcomes of these initiatives. Having these resources in house will provide DHS the necessary control over these initiatives in order to be flexible and adaptive to Department needs, and to appropriately prioritize projects and take more accountability for their outcomes. These funds will be used to hire non-technical contract managers, budget analysts, business analysts and program managers to lead the technology efforts. OIT supports this initiative and provided a letter of support for this request, which was provided via email. DHS will continue to partner with OIT for the technical support required for successful technology projects and initiatives.**

2. R-05 requests funding for CDHS information technology (IT) full-time employees (FTEs), instead of using the Governor's Office of Technology (OIT) personnel. The requested FTEs will be assigned to project management, procurement, contract management, and budget management. The FTE roles include the following: business analyst, product manager, IT project manager, project intake coordinator, contract manager, procurement specialist, and budget analyst.

   Please explain how these roles are outside of the OIT personnel's purview, or personnel that OIT cannot provide.

   The DHS technology portfolio is one of the largest and most complex in state government. Roles such as business analysts and project managers are best undertaken by internal staff

to create and maintain accountability of systems by the agency per the desired intent of HB21-1236.

OIT currently provides these roles and services to DHS. With OIT's shift to <u>Real Time Billing</u> and a "Service Catalog" model through the <u>IT Transformation Program</u>, agencies are now able to select from a catalog of OIT services based on their individual agency business needs. The newly formed OIT "Service Management Office" will help guide this new way of operating for OIT. Many of these services are available to DHS and are currently being utilized, and will continue to be utilized in the future in certain circumstances. OIT and DHS agree that due to the complexity of this portfolio, a dedicated team of internal staff is better suited to work with DHS programs to ensure successful projects and initiatives.

3. Please describe any formal agreements between OIT and CDHS defining the technical roles and responsibilities currently in place, and any changes that would result from this decision item. If a formal agreement does not exist, please explain how the roles and responsibilities are defined and managed.

   a. **There are no formal agreements between DHS and OIT in place defining technical roles and responsibilities.**

   b. **The CDHS Business Innovation, Technology & Security (BITS) team creation is critical to the success of driving innovative solutioning for the agency. As OIT resources shift from one agency to another based on service demand for OIT, the BITS team will create strong and reliable continuity of technology service and knowledge for DHS.**

   c. **The changes that would result from this decision item is that these roles and responsibilities will be defined in weekly strategy sessions between the CDHS Business Innovation, Technology & Security (BITS) team and OIT staff. This request is based on roles that are being formulated in these discussions with our OIT agency IT Directors as well as BITS leadership and Colorado Digital Services (CDS).**

4. Technical risks may not occur. Common risk responses might be mitigation and acceptance. Please summarize any mitigations for the possible risks listed below or provide the reason mitigations are not needed.

   BITS currently works closely with OIT to prevent the below listed scenarios, many of which do not occur. This would not change based on the approval of this request or the increase in BITS staffing. In fact, the additional staff would strengthen oversight in these situations and mitigate risk further. Below are ways in which BITS <u>currently</u> mitigates the risk of these scenarios from occurring:

   a. *The risk of the state increasing technical costs.* BITS procures technical resources that the state has already procured under OIT, such as:

      (1) CDHS purchasing licenses that the state purchased under an OIT enterprise-wide license agreement; **BITS utilizes enterprise-wide licenses agreements as available. BITS**

leverages OIT Enterprise Agreements and Master Vendor contracts and would only pursue a separate agreement if nothing meets DHS needs in that space.

(2) CDHS employing technical human resources, causing overlapping roles and redundant costs; and **BITS works closely with IT Directors and OIT leadership such as Colorado Digital Services (CDS) to ensure there are no overlapping roles. Technical roles will remain with OIT or vendors depending on the circumstances.**

(3) CDHS purchasing redundant technical tools. **BITS has a CDHS central software purchasing and project intake process administered in partnership with OIT. Software purchases are reviewed by BITS and OIT staff before being approved.**

b. *The risk of executing a technical contract that does not comply with OIT standards.* BITS does not use a standard OIT contract that includes language that reduces the state's risks and protects the state's data ownership, data privacy, and security. **BITS currently has an IT Purchasing & Contracts Lead (Contract Administrator VI) position on staff that works with OIT Contracts, DPA, State Controller's Office, CDHS Central Contracts & Procurement Division as well as DHS Programs to coordinate technology contract negotiations and oversee this process.**

c. *The risk of noncompliance.* BITS does not comply with federal and state regulations (e.g., HIPAA and accessibility laws). **CDHS recently moved the HIPAA Privacy Officer role from the Internal Audit Division to BITS due to the fact that a majority of HIPAA privacy work is related to data privacy and security. This is a federally funded and statutorily required position. BITS also has a Data Security Analyst role that is also HIPAA funded that will be filled in the coming year.**

d. *The risk of increasing security vulnerabilities.* BITS does not seek reviews or approvals from the OIT Office of Information Security. **BITS routinely works with the OIT Security Operations team as well as the OIT Chief Information Security Officer's team when working on technology initiatives. BITS product owners follow the OIT gating process to ensure security standards are met. Security reviews are conducted and security waivers are requested through OIT where applicable.**

e. *The risk of not using OIT's agile knowledge or resources.* BITS does not leverage the Colorado Digital Services agile best practices, standards, and resources (e.g., agile procurement). **BITS leadership proactively engaged Colorado Digital Services (CDS) earlier this year to help develop the Agile framework and the new structure. BITS is currently on the CDS schedule to have a specialist assigned to this project in February 2023. CDS is currently focused on BHA and CDEC initiatives and will staff the BITS project in early 2023.**

f. *The risk of promoting a new system that does not comply with the state architecture standards.* BITS does not comply with the OIT architecture standards; thereby, expanding different technologies that the state must support and maintain. **All current BITS staff is going through the OIT ePMO training on OIT project gating and Architecture Review Board (ARB) processes. All product owners will be trained to guide technology projects through the standard OIT review and gating process. Additionally for all new agency personnel, the**

OIT ePMO has agreed to support the agency with a knowledgeable OIT partner to guide and advise when needed to ensure the success of agency personnel.

    g. *The risk of not staying current in innovative technical solutions.* BITS does not benefit from OIT's investments in innovative technical initiatives, such as moving to cloud solutions. **BITS works closely with OIT Solution Engineers and Portfolio Managers to stay up to date on OIT initiatives. BITS staff also routinely provide insight on technology solutions that are specific to DHS programs and services, that OIT might not have a need to invest at the statewide enterprise level.**

5. According to R-05 submission documents, "OIT manages the underlying core technological aspects such as architecture, development, enterprise solutions, security, and infrastructure areas".

   Does BITS plan to increase its IT decentralization in the future? If so, please summarize the scope, or explain why not.

   The roles and responsibilities being taken on by BITS are not intended to decentralize IT. These are non-technical roles intended to help DHS take accountability and have more control over the prioritization of technology investments. DHS is looking for the right balance between a fully decentralized IT structure, which is what Colorado had before OIT was created, and a fully centralized IT structure (statewide) that does not always allow for the appropriate flexibility to meet the unique needs of DHS programs.

6. According to R-05 submission documents, "currently, OIT, as well as multiple vendors, maintain the infrastructure and systems on behalf of the department."

   a. Please list and describe the systems OIT currently maintains and supports, and indicate if this will change if R-05 is approved.
      a. **State ID Module (SIDMOD) - The State ID Module (SIDMOD) is a database software module that issues and tracks unique State Identification Numbers (State-IDs) and demographic information for clients applying for or receiving benefits. This application ties to all major CDHS and CDEC systems as a source of truth for benefits identity management. This system is in the process of being modernized and moved into the cloud. Whether maintenance will be OIT or a vendor in the new environment is yet to be determined. This determination will not be related to whether or not R-05 is approved.**
      b. **TRAILS - Trails is an integrated case management system used by 5,400 users serving children, youth and families across Colorado. CDHS is in the process of modernizing the system to meet new federal requirements. This will not change based on R-05 approval.**
      c. **Colorado Benefits Management System (CBMS) - CBMS is Colorado's statewide database system through which eligibility is determined for medical, food, cash and other assistance programs. In concert with the Program Eligibility & Application Kit (PEAK), where Coloradans screen and apply for assistance online, more than**

> **two million individual cases have been worked through CBMS, signifying the vast impact of the system. This will not change based on R-05 approval.**
>
> d. **Automated Child Support Enforcement System (ACSES) - A comprehensive statewide online computer system providing case management, financial management, reports, statistics and an extensive cross reference system. This will not change based on R-05 approval.**

b. Please list any IT vendors who maintain CDHS systems that are not being managed by OIT. Please also include the corresponding system names and a short description.

> a. **All CDHS systems are managed by a combination of OIT/CDHS/Vendor with OIT and Vendor supporting the technology and CDHS directing the work priorities through BITS and the product owners/managers. This structure will not change, with the exception of BITS taking on more of the work prioritization and leadership for new projects or initiatives.**

7. According to R-05 submission documents, "BITS has been able to take over the management of certain technology projects normally managed by OIT such as NextGen VPN conversion and certain portions of our MS Access Database Modernization effort. In both of these instances, BITS was able to effectively push forward projects that have been stalled for months, or years in some cases."

a. Please summarize the benefits and return on investment when BITS purchased its own VPN license instead of leveraging an OIT state-wide VPN license. **BITS did not purchase its own VPN, and CDHS is currently on the Statewide Enterprise Global Protect tool. DHS has leveraged the OIT Enterprise tool to take advantage of the cost savings and security standards. Rather, BITS took over the management of the NextGen VPN (NGVPN) deployment project. As one of the largest agencies in terms of user/employee count, the BITS team was able to manage the rollout on time with an over 95% utilization rate for NGVPN when the old VPN tool was decommissioned.**

b. If applicable, please describe OIT's MS Access modernization efforts compared to BITS efforts. **CDHS currently utilizes hundreds of MS Access databases across the agency for critical functions such as background checks for new employees. These databases store sensitive data such as criminal background information. Some of these databases sit on a Windows 2008 server that is out of date and unsupported. This server is slated for decommissioning and these databases will be lost if they are not migrated into a new environment and the front end applications moved to more modern tools other than MS Access 2008. DHS has been working on this project with OIT for several years with few conversions. Earlier this year, BITS was able to secure and manage an OIT approved vendor that was able to migrate and modernize 3 critical databases in a matter of several months, at a lower cost than what was being charged by OIT. BITS is in the process of signing on for 10 more database conversions with this vendor for the rest of this fiscal year.**

8. As changes occur in technology, the DHS systems, infrastructure, leadership, and personnel, how do DHS and OIT plan to periodically review and update existing IT agreements, roles, and

responsibilities to ensure that the state is still making sound technical investments? **The first order of business for the BITS/OIT weekly strategy sessions is to convene a CDHS "Technology Steering Committee" that will meet on a monthly basis and review major technology projects and initiatives with key CDHS program decision makers. This will allow non-technical program leaders to stay informed and prioritize CDHS technology efforts based on available resources. BITS and OIT will then execute on these priorities and make changes as needed based on more technical considerations. This will be a process that will continue into the foreseeable future and inform all future CDHS technology efforts.**