



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Memorandum

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January 26, 2021

TO: Joint Business Committee Members

FROM: Luisa Altmann, Senior Research Analyst, 303-866-3518

SUBJECT: Senate Bill 18-086 Cyber Coding Cryptology Program Information

Summary

The Colorado Department of Higher Education (CDHE) Cyber Coding Cryptology Program was created in 2018 following the passage of [Senate Bill 18-086](#). Through the program, CDHE allocates funding to institutions of higher education for activities related to cybersecurity and distributed ledger technologies, such as blockchains. This memorandum provides information on the voting requirements for the Joint Business Committee, along with a summary of the program funding history.

Joint Business Committee Voting Requirements

Beginning in 2021, and every three years thereafter, Senate Bill 18-086 requires the Joint Business Committee to make a recommendation to the Joint Budget Committee regarding whether to continue the funding received by institutions of higher education for the Cyber Coding Cryptology Program should continue in subsequent fiscal years.¹

Program Information

The General Assembly may appropriate moneys to CDHE for the Cyber Coding Cryptology Program, which the department must then allocate to the governing boards of institutions of higher education that are participating in activities related to cybersecurity and distributed ledger technologies, such as blockchains.

Institutions of higher education that receive funding under the program must use a certain percentage of the money received to provide scholarships to students at the institution who are doing work in connection with cybersecurity and distributed ledger technologies.

¹Section 24-33.5-1905 (4)(d)(II), C.R.S.

- Institutions of higher education that receive \$1.0 million or more must ensure that at least 15 percent of the money received is used for these scholarships. In year four of program funding, this requirement increases to at least 20 percent, except that private donations may be used to cover the increase in year four.
- Institutions of higher education that receive less than \$1.0 million must ensure that at least 10 percent of the money received is used for these scholarships

Program Funding History

FY 2018-19. Senate Bill 18-086 included an appropriation of \$5.1 million General Fund to CDHE for FY 2018-19 for the program, to be allocated as follows:

- \$2.8 million to the University of Colorado System
- \$1.2 million to the Colorado State University System
- \$300,000 to the Colorado Community College System
- \$300,000 to Colorado Mesa University
- \$300,000 to Metropolitan State University – Denver
- \$200,000 to Western State Colorado University

FY 2019-20. The 2019 Long Bill included an appropriation of \$5.1 million General Fund to CDHE for FY 2019-20 for the program, to be allocated in the same amounts as FY 2018-19.²

FY 2020-21. The 2020 Long Bill included an appropriation of \$3.1 million General Fund to CDHE for FY 2020-21 for the program following a reduction in program funding of \$2.0 million that was taken by the Joint Budget Committee and General Assembly in response to the impacts of the COVID-19 pandemic on the state budget. This funding was allocated as follows:

- \$1.7 million to the University of Colorado System
- \$729,964 to the Colorado State University System
- \$182,352 to the Colorado Community College System
- \$182,352 to Colorado Mesa University
- \$182,352 to Metropolitan State University – Denver
- \$121,568 to Western State Colorado University

FY 2021-22 Budget Request

For FY 2021-22, CDHE has submitted a budget request to fully restore funding for the program to FY 2019-20 levels of \$5.1 million General Fund.³

²[Senate Bill 19-207](#), Colorado Department of Higher Education, Limited Purpose Fee-for-Service Contracts line item in the College Opportunity Fund program.

³https://drive.google.com/file/d/1iHFGYQII3wKO-uai79mmdRaISWYb_7K/view.

Program Reporting Requirements

Senate Bill 18-086 requires CDHE, in consultation with each of the institutions of higher education that have received funding under the program, to submit a report to the House and Senate Business and Education Committees by October 1 each year.⁴

The report must demonstrate all progress made toward the following goals:

- including distributed ledger technologies within the curricula and research and development activities of institutions of higher education;
- encouraging coordination with the U.S. Department of Commerce and the National Institute of Standards and Technology to develop the capability to act as a Colorado in-state center of excellence on cybersecurity advice and National Institute of Standards and Technology standards;
- studying efforts to protect privacy of personal identifying information maintained within distributed ledger programs, ensuring that programs make all attempts to follow best practices for privacy, and providing advice to all program stakeholders on the requirement to maintain privacy in accordance with required regulatory bodies and governing standards; and
- encouraging the use of distributed ledger technologies, or blockchains, within proposed curricula for public sector education.

The report must include, at a minimum:

- the number of faculty or adjunct faculty that have been hired as a result of the funding;
- the number of student internships created with the funding;
- the number of degrees or certificates that have been awarded in connection with the funding;
- the number of presentations and seminars given on cybersecurity; and
- the amount of all other money that has been raised to match the state investment, which may include tuition, fees, federal funds, and industry donations.

CDHE and each institution of higher education that has received funding must present the findings from the report at the annual Joint Business Committee State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act hearings.

⁴Section 24-33.5-1905 (4)(c), C.R.S. The 2020 report can be found here: http://leg.colorado.gov/sites/default/files/images/lcs/sb_18-086_cybersecurity_and_distributed_ledger_technologies_annual_report.pdf.