JOINT BUDGET COMMITTEE

INTERIM SUPPLEMENTAL BUDGET REQUESTS FY 2023-24 AND FY 2024-25

IT CAPITAL (DEPARTMENT OF EARLY CHILDHOOD PROJECT)

CONTENTS

INTERIM SUPPLEMENTAL REQUESTS

DEPARTMENT OF EARLY CHILDHOOD UNIFIED EXPERIENCE AND EARLY CHILDHOOD DATA TRUST

	REQUEST	RECOMMENDATION
TOTAL	**$0**	**$0**
FTE	0.0	0.0
New General Fund	0	0
New IT Account of Capital Construction Fund	0	0
New Federal Funds	0	0
FY 2022-23 Federal Funds appropriation "roll-forward"	14,650,000	14,650,0000

Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.? [The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request or Joint Technology Committee if IT capital; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.] **YES**

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: The Department of Early Childhood and OSPB assert this request arose due to an unforeseen contingency and circumstance because the change requested now was part of a request analyzed and recommended by the JBC staff analyst for DEC and included in the Long Bill, without this extension. JBC staff for Capital IT did learn of the existence of the footnote in the waning days of the 2023 session and agrees there was insufficient legislative time to address it then. JBC staff is unaware of any communication by OSPB or DEC to the Joint Technology Committee or JBC staff for IT Capital projects prior to that time. Due to the tardiness of JBC staff receiving notification of the problem, JBC staff believes the request probably meets supplemental criteria because there was insufficient time to introduce a bill to address this single issue despite the issue actually arising while the General Assembly was still meeting.

DEPARTMENT REQUEST: The Department and the Office of State Planning and Budgeting (OSPB) requests the JBC approve the elimination of a footnote included in the IT Capital section of the FY 2022-23 Long Bill (H.B. 22-1329), which restricted the Department of Early Childhood's appropriation of $14,650,000 from the IT Capital Account of the Capital Construction Fund to one-year. Standard practice is that capital construction funds are appropriated for three-year periods. Thus, the request is the elimination of the footnote that restricts spending to prior to June 30, 2023.

STAFF RECOMMENDATION: **Because (1) the JTC recommended approving the Department request, (2) JBC staff for DEC did not raise any critical concerns with the request, (3) an argument exists that the 1331 request meets supplemental criteria, and (4) the state faces lost federal funds if this funding is not extended, JBC Staff recommends the Committee approve the Department's request.**

Despite initially arising while the General Assembly was still in session, JBC staff still finds value in moving forward with the request and thus recommends the Committee approve the request and implement it next session through a supplemental bill to eliminate the footnote. The funding itself

originated as federal Child Care and Development Fund (CCDF) provided as a supplement to Colorado via the federal America Rescue Plan Act (ARPA). Approving the request and eliminating the footnote allows the DEC access to the remaining $8,849,873 federal funds that is yet to be spent or encumbered to complete the project by FY 2024-25. No additional funds are impacted, only those that have already been appropriated.

STAFF ANALYSIS: The Department of Early Childhood (DEC) is asking the Joint Budget Committee to approve an emergency supplemental to extend spending authority of an appropriation made in FY 2022-23 for two additional years, consistent with most other capital and IT capital projects funded through the Long Bill. The Department originally requested three-year spending authority for this IT capital project as part of the FY 2021-22 *Colorado Department of Human Services (CDHS) S4 Early Childhood Federal Stimulus Funds Spending Authority* request. The request predated the creation of the Department of Early Childhood. At the time of funding, the project had not yet been planned in detail.

Due to the data being unavailable concerning scoping the project among other critical planning elements, JTC expressed a desire to keep a close watch on the project. To achieve this, JTC recommended to the JBC that it include a one-year restriction on this appropriation to ensure the project remained on track and to communicate any legislative branch concerns via quarterly updates. The most recent quarterly update is attached to this document as Appendix A on page 4.

The DEC and OSPB presented this request to the JTC during the June 7, 2023 meeting. On a vote of 3-2 with one excused, the Joint Technology Committee recommended approving the request to eliminate the footnote restricting spending to only one-year. The federal funds appropriated in FY 2022-23 must be fully expended by September 30, 2024, any remaining funds will be returned to the federal government. Of the original appropriation of $14.65 million, the DEC has expended $2.3 million and has obligated another $2.3 million. Approving the request ensures the Department continues to have access to the remaining $8.8 million from the initial appropriation to meet the federal deadlines.

Brief updates on DEC's progress thus far on the project, pursuant to H.B. 22-1197 (Effective Date DEC), the Department has developed and launched the Universal Preschool application and has been working with the Office of Information Technology to complete the next phase of the project. The continuation of spending authority will allow DEC to complete a comprehensive analysis of existing data and technology systems, create secured and shared data for research and analytics, and create a unified application for childhood services.

The Department and OSPB assert the implementation of the Early Childhood Data Trust (ECDT) project will support Colorado's goals to use data, programs, and services to enhance early education for Colorado children, families, and early childhood professionals. The analysis and sharing of data will provide important information to providers and state leadership such as cross-program participation, demand of services, conditions of the workforce, and other important information to better enhance equity and accessibility. The next milestone expected to implementing payments to providers through the system.

JBC staff analyst for the Department of Early Childhood also reviewed this 1331 request for any anomalies or inconsistencies based on staff analysis provided for DEC's regular budget request from

the 2023-24 budget cycle, *R7 Continuation of Federal Stimulus Strategies*, and did not find any specific concerns with recommending approving the requested change.

The DEC indicates that it is exploring "sustainable funding" for future enhancements to the system, so the JBC may prepare itself for an operating request to address future funding once the full project is deployed to come during the next budget cycle or two.

Because (1) the JTC recommended approving the Department request, (2) JBC staff for DEC did not raise any critical concerns with the request, (3) an argument exists that the 1331 request meets supplemental criteria, and (4) the state faces lost federal funds if this funding is not extended, JBC Staff recommends the Committee approve the Department's request.

COLORADO
Department of Early Childhood

Universal Preschool Information Technology Systems

1. *Which elements of the project are currently underway? Which elements have been completed since the department last updated the JTC? Is the project on schedule with initial plans?*

   Completed:
   Provider portal - completed December 2022
   Family Application - completed January 2023
   Performance reporting Tableau integration and dashboard - completed January 2023
   Family and Provider matching algorithm (DAA) - completed February 2023
   MuleSoft integration with BridgeCare and Licensing Salesforce - completed May 2023

   Currently Underway:
   Provider payment/enrollment - on schedule to be completed July 2023
   Agile system enhancements

2. *How much money has been obligated and spent at this point? Please break down amounts and spent separately.*

   The Department has obligated $3,453,646 and spent a total of $2,346,481 from the UPK IT Capital budget.

3. *What is anticipated to be completed by the next quarterly update?*

   Provider payment/enrollment - on schedule to be completed July 2023
   Agile system enhancements

4. *When does the department/institution anticipate that the project will be complete?*

   The Department anticipates the project to be completed by September 2023.

5. *Are there any important concerns or updates you wish to share with the committee?*

   Sustainable funding moving forward is being planned for enhancements of the system.

6. *For multi-phase projects, has there been any insight gained through this phase of the project that will cause changes in the next requested phase of the project?*

   Yes! The following phases are being considered:
   - Adjustments for alternate kindergarten eligibility dates

- Adjustments to ensure students with IEPs are enrolled at the location determined
- Geo mapping additions inclusive of LCO catchment area, school districts and census tracking opportunities aligned to the low income qualifying factor for additional hours

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Early Childhood Information Technology Systems Comprehensive Analysis

1. *Which elements of the project are currently underway? Which elements have been completed since the department last updated the JTC? Is the project on schedule with initial plans?*

    CDEC received the final deliverables for the 8 week engagement with a vendor to hone in on the departmental mission and vision, and scope of work for Comprehensive Analysis. This sets the department up to put out solicitations for the Comprehensive Analysis needed to determine the Oversight/Ownership Committee for an Early Childhood Data Trust (ECDT), how and what first to implement using feedback from that Committee, and to stand up the technology for outcomes based decision making around research, equity and accessibility. Additionally, the competitive solicitation(s) will include analysis of how the eligibility requirements compare and intermingle in order to build a front end application layer to all early childhood services. This will expose, with full consent sought from parents/providers, what opportunities for services exist for any given family or provider.

2. *How much money has been obligated and spent at this point? Please break down amounts and spent separately.*

    CDEC has worked with the Office of Information Technology (OIT) to fully encumber the $14.65 million in funds to complete the next phase of the solicitation process for the comprehensive analysis and ECDT project.

3. *What is anticipated to be completed by the next quarterly update?*

    CDEC anticipates that vendor selection will be completed to drive the roadmap for the technology build outs, as well as work with OIT for architecture requirements and recommendations (ex. consolidated vs federated vs hybrid integration services, and data warehouse vs data lake for the ECDT) for both systems.

4. *When does the department/institution anticipate that the project will be complete?*

    An Early Childhood Data Trust is most meaningful if it is used on an ongoing basis to determine how state services and money are best spent in providing positive outcomes. This would be an ongoing, living organism that will grow use case by use case where data is needed to make good decisions. What other states have found is that in order for an ECDT to be successful, it needs ongoing funding for both continued growth and maintenance and operations. For the Unified Application, it is unknown how long it will take to fully build out the front end application. The goal is to start with services native to CDEC and being conversations about potential future collaborations with other

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departments who provide services to our youngest and most vulnerable children (i.e. Medicaid, Housing, Foster Care, WIC, etc.) The time it will take to build this out fully will depend on many factors to include but not limited to availability and bandwidth for programs to join, potential eligibility changes in statute (state and/or federal), and funding for the build and operations and maintenance.

5. *Are there any important concerns or updates you wish to share with the committee?*

   CDEC is passionate about doing this the right way. That means that we understand that if we want to go fast, we should do this alone, and if we want to go far, we need to include a host of stakeholders. The end goal of these systems is to ensure human centered design is a consideration throughout the efforts, requiring additional time to accomplish this goal. Additionally, form follows function. In this scenario, the technology is the form and the function are the needs of our state decision makers and the end users of our system.

6. *For multi-phase projects, has there been any insight gained through this phase of the project that will cause changes in the next requested phase of the project?*

   The goal of Comprehensive Analysis is to have the findings of this coming phase drive the direction and outcomes of all efforts following.