

# Joint Budget Committee



## Staff Budget Briefing FY 2025-26

### Information Technology Projects (IT Capital) and Items Referred to the JTC

JBC Working Document - Subject to Change  
Staff Recommendation Does Not Represent Committee Decision

Prepared by:

Scott Philip Thompson, JBC Staff

December 16, 2024

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>

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## ADDITIONAL RESOURCES

Brief summaries of all bills that passed during the 2024 legislative session that had a fiscal impact on this department are available in Appendix A of the annual Appropriations Report: <https://leg.colorado.gov/sites/default/files/fy24-25apprept.pdf>

The online version of the briefing document may be found by searching the budget documents on the General Assembly’s website by visiting [leg.colorado.gov/content/budget/budget-documents](https://leg.colorado.gov/content/budget/budget-documents). Once on the budget documents page, select the name of this department's *Department/Topic*, "Briefing" under *Type*, and ensure that *Start date* and *End date* encompass the date a document was presented to the JBC.

# Overview of IT Capital

The *Information Technology Projects* or “IT Capital” section of the Long Bill includes appropriations to state departments and institutions of higher education for information technology projects. In 2020, the JBC approved the addition of a separate *Information Technology Projects* section of the Long Bill for the 2021 Long Bill.

Pursuant to Section 2-3-1704 (11)(a), C.R.S., the Joint Technology Committee, or JTC, is tasked with producing a report to the JBC setting forth recommendations and prioritization for information technology budget requests submitted for inclusion in the Long Bill by February 15<sup>th</sup> each year.

The Joint Budget Committee is required to consider the prioritized list of information technology budget requests made by the Joint Technology Committee. If the Joint Budget Committee alters the determinations of priority established by the Joint Technology Committee, the JBC is required to notify the JTC and allow for a joint meeting to discuss the differences.

Senate Joint Resolution 14-039 created *Joint Rule 45*, which added guidelines and threshold amounts (\$500,000 for IT projects) for the categorization of operating, building capital, and IT budget requests. It also establishes a generally open referral process for budget requests that may be more appropriately reviewed or referred for technical review by one of the other committees.

## Joint Technology Committee

Established in 2013 in H.B. 13-1079, *Creation of the Joint Technology Committee*, the JTC is a statutory, six-member committee of the Colorado Senate and House of Representatives. The JTC was created to provide legislative oversight for the Governor's Office of Information Technology (OIT).

Additionally, prior to FY 2015-16, IT budget requests were submitted and considered as capital construction budget requests and were reviewed and prioritized by the Capital Development Committee (CDC) alongside building capital requests. House Bill 14-1395, *Information Technology Budget Requests*, transferred review of IT capital budget requests to the JTC. The JBC also occasionally seeks the JTC's review of operating budget requests for IT.

## Statutory Definitions

Definitions were amended in legislation related to the creation of the JTC in H.B. 14-1395, *Information Technology Budget Requests*. Joint Technology Committee responsibilities and definitions are located at Part 17 of Article 3 of Title 2, C.R.S. Additionally, H.B. 21-1236, a JTC bill, most recently amended definitions to additionally provide for IT-related "maintenance" and repealed prior restrictions on post-implementation support, hardware life-cycle

replacement, or maintenance. Sections 2-3-1701 (7) and (8), C.R.S., now define *information technology* and *information technology budget request* as follow (emphasis added):

(7) “Information technology” means technology, infrastructure, equipment, systems, or software that controls, displays, switches, interchanges, transmits, and receives data or information, including audio, video, graphics, and text. “Information technology” shall be construed broadly to incorporate future technologies that change or supplant those in effect as of September 7, 2021.

(2.5) “Information technology budget request” means a budget request from a state agency or state institution of higher education for the installation, development, maintenance, or upgrade of information technology, including the purchase of services from the office on the condition that the use of such services is the most cost beneficial option or falls within the duties and responsibilities of the office or the office’s chief information officer as described in sections 24-37.5-105 and 24-37.5-106. “Information technology budget request” does not include budget requests that are primarily operational in nature or a budget request where the majority of funding will be used to support or modify state staffing levels.

In 2023, the General Assembly adopted Joint Budget Committee bill S.B. 23-142 (Information Technology Project Appropriation Process), which clarified that while independent agencies are not required to submit IT projects for prioritization to the JTC, those agencies can request and receive appropriations from the IT Capital Account of the Capital Construction Fund. It also clarified that while those requests are initially made to the JBC, agencies are required to provide data and/or periodic project updates at the request of the JTC.

## Fund sources and the IT Capital Account

House Bill 15-1266, *Information Technology Budget Request Process*, created the Information Technology Capital Account in the Capital Construction Fund (IT Capital Account) in Section 24-75-302 (3.7), C.R.S. This account was created to provide dedicated state funding for information technology projects in the capital construction budget while keeping such funding distinct from dedicated funding for building capital projects. The IT Capital Account earns interest and is credited for reversions which incrementally increase funds available for projects in a given fiscal year. IT capital projects may also be funded from cash funds, reappropriated funds, or federal funds. Like those made from the Capital Construction Fund, all appropriations made from the IT Capital Account carry a three-year appropriation period, providing flexibility to project managers to delay payments until milestones are met despite spanning fiscal years.

## Recent Appropriations

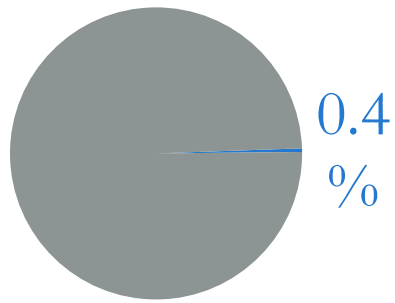
	Department Name			
Funding Source	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 *
General Fund <sup>1</sup>	109,102,442	68,165,922	86,836,669	40,494,084
Cash Funds	17,186,989	8,184,071	14,255,934	21,755,662

Department Name				
Funding Source	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 *
Reapprop. Funds	0	996,386	0	3,375,426
Federal Funds	20,139,004	50,190,455	57,261,529	13,360,459
<b>Total Funds</b>	<b>\$146,428,435</b>	<b>\$127,536,834</b>	<b>\$158,354,132</b>	<b>\$78,985,631</b>

\*Requested appropriation

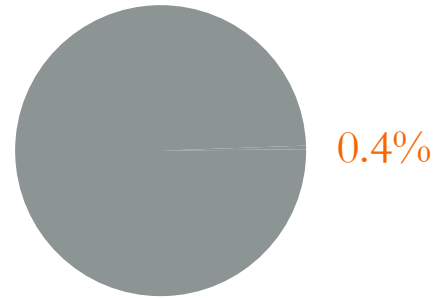
# Graphic Overview

IT Capital's Share of Statewide General Fund



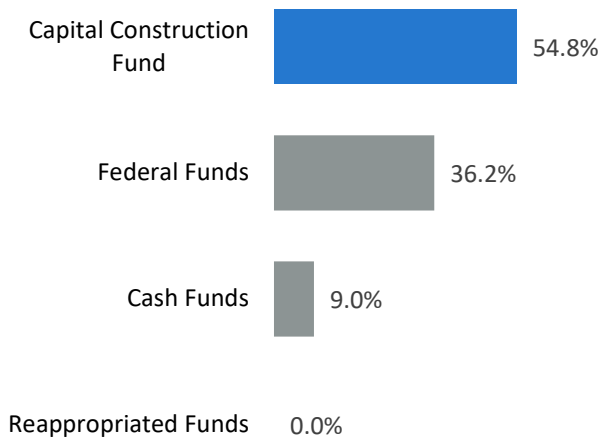
Based on the FY 2024-25 appropriation.

IT Capital's Share of Statewide General Fund: 5-year



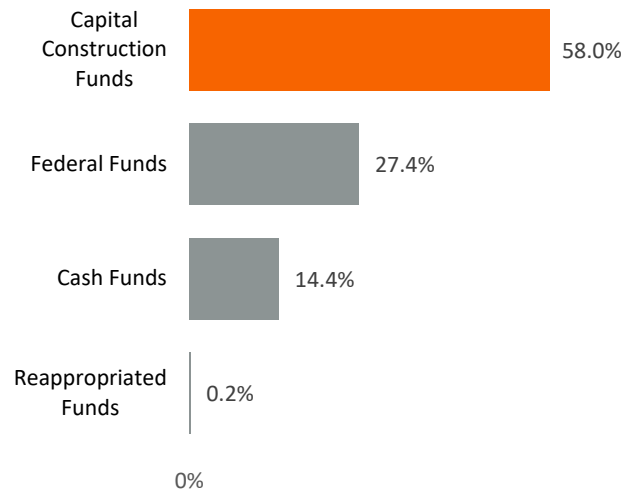
Based on the General Fund transfer to the IT Account fiscal years 2020-21 through 2024-25.

IT Capital Funding Sources



Based on the FY 2024-25 appropriation.

IT Capital Funding Sources: 5-year



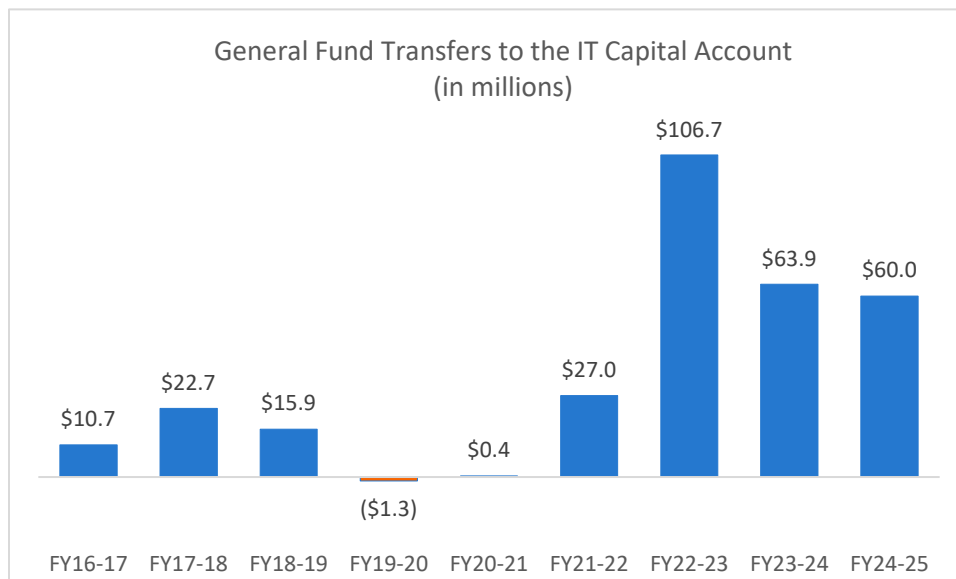
Based on CCF Appropriations FY 2020-21 through FY 2024-25

# General Factors Driving the Budget

## Revenue Available for IT Capital

The primary budget driver is General Fund revenue available in any given year. Transfers to the IT Capital Account of the Capital Construction Fund from the General Fund vary from year-to-year. The amount appropriated for IT capital is based on the Governor's request, Joint Technology Committee recommendations, and on the most recent forecast of revenues available, given constitutional, statutory, and other budget constraints.

General Fund transfers to the IT Capital Account are not necessarily equal to appropriations from the IT Capital Account due to annual interest earnings and reversions credited to the Account in any year. Appropriations from the IT Capital Account are the best data point available to track annual state-funded commitment for IT Capital. However, General Fund transfers to the Account provide a generally equivalent reflection of the state-funded commitment for IT Capital over time. The following chart outlines General Fund transfers to the IT Capital Account since FY 2016-17.



IT Capital Construction Fund appropriations in FY 2019-20 totaled \$19.8 million. However, reversions from the FY 2015-16 appropriation generated a surplus balance that was transferred back to the General Fund for balancing purposes in the 2020 budget cycle. This resulted in the negative \$1.3 million transfer reflected in the chart.

# Summary of Request

For the FY 2025-26 request, the Governor’s request includes two Higher Education projects in its prioritized request for General Funded projects. The Colorado Commission on Higher Education had two instances where projects tied in its prioritization, those are identified in project descriptions below. A change from the prior year was to submit cash-funded Capital IT requests separately for FY 2025-26. These are thus highlighted in a separate table that follows the General Funded project descriptions.

**To fund all the OSPB Prioritized requests will require a General Fund transfer estimated to be \$33.0 million, which includes two CCHE requests. To fund all OSPB and CCHE Capital IT requests, a General Fund transfer required to fund appropriations requested is estimated to be \$40.5 million.**

## FY 2025-26 Information Technology Projects - Governor's Prioritized Request

	Total Funds	Capital Constr'n Fund	Cash Funds	Reapprop. Funds	Federal Funds	add'l Out-year State Funds
FY 2024-25 Appropriation						
FY 2024-25 Long Bill (HB 24-1430)	\$158,354,132	\$86,836,669	\$14,255,934	\$0	\$57,261,529	n/a
<b>TOTAL</b>	<b>\$158,354,132</b>	<b>\$86,836,669</b>	<b>\$14,255,934</b>	<b>\$0</b>	<b>\$57,261,529</b>	

OSPB Priority		FY 2024-25 OSPB Prioritized GF Requests					
1	PER	Payroll Modernization	\$13,731,158	\$13,731,158	\$0	\$0	\$0
2	COR	Offender Records Management System (DeCORuM)	3,023,613	3,023,613	0	0	0
3	PubSaf	Records Utilization Upgrade	1,635,581	1,635,581	0	0	2,538,169
4	PubHea	Stationary Sources Solution Modernization	3,936,306	3,936,306	0	0	0
5	PubHea	COWIC Continuation	1,933,648	581,657	0	0	1,351,991
6	HCPF	CBMS Reprocurement	9,618,906	1,805,083	0	0	7,813,823
7	HCPF	OeHI Colorado Social Health Information Exchange (CoSHIE)	8,139,343	1,203,920	0	0	6,935,423
8	HED1	Auraria Campus Network Infrastructure Modernization Project	3,457,666	3,457,666	0	0	736,000
9	HED2	Colorado Northwestern Community College South Campus Redundancy Upgrade	571,162	571,162	0	0	1,080,000
10	PER	OAC Court Management System	3,375,426	0		3,375,426	675,086
11	EDU	School Finance Placeholder	3,000,000	3,000,000	0	0	6,000,000
<b>SUBTOTAL - OSPB Prioritized GF Requests</b>			<b>\$52,422,809</b>	<b>\$32,946,146</b>	<b>\$0</b>	<b>\$3,375,426</b>	<b>\$16,101,237</b>
							<b>\$11,773,093</b>



**FY 2025-26 Information Technology Projects - Governor's Prioritized Request**

CCHE Priority			Total Funds	Capital Constr'n Fund	Cash Funds	Reapprop. Funds	Federal Funds	add'l Out-year State Funds
	<b>FY 2024-25 CCHE Prioritized Requests Beyond OSPB</b>							
2	HED	Mines Network Modernization Refresh	\$4,845,605	\$3,585,748	\$1,259,857	\$0	\$0	\$0
4	HED	CC Aurora Campus Technology Modernization	1,999,000	1,819,090	179,910	0	0	0
5	HED	Otero Campus Security and Device Upgrades	505,050	425,050	80,000	0	0	0
5	HED	Northeastern Junior College Camera Upgrade	548,035	548,035	0	0	0	0
7	HED	Red Rocks CC Safety and Security	1,170,015	1,170,015	0	0	0	0
		<b>SUBTOTAL - CCHE Prioritized Requests Beyond OSPB Prioritized</b>	<b>\$9,067,705</b>	<b>\$7,547,938</b>	<b>\$1,519,767</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
		<b>TOTAL - All IT Capital Requests</b>	<b>\$61,490,514</b>	<b>\$40,494,084</b>	<b>\$1,519,767</b>	<b>\$3,375,426</b>	<b>\$16,101,237</b>	<b>\$11,773,093</b>
		<b>TOTAL INCREASE/-DECREASE</b>	<b>-\$96,863,618</b>	<b>-\$46,342,585</b>	<b>-\$12,736,167</b>	<b>\$3,375,426</b>	<b>-\$41,160,292</b>	
		Percentage Change	-61.2%	-53.4%	-89.3%	n/a	-71.9%	
		<b>TOTAL OSPB PRIORITIZED INCREASE/-DECREASE</b>	<b>-\$105,931,323</b>	<b>-\$53,890,523</b>	<b>-\$14,255,934</b>	<b>\$3,375,426</b>	<b>-\$41,160,292</b>	
		Percentage Change	-66.9%	-62.1%	-100.0%	n/a	-71.9%	

**PER Payroll Modernization:** The Department of Personnel & Administration (DPA) requests \$13,731,158 in Capital Construction Funds in Fiscal Year 2025-26 for the final phase of the statewide payroll modernization project. The Department has taken an Agile-phased approach to modernizing the State’s payroll system. The project was appropriated \$6.0 million in Capital Construction Funds in Fiscal Year 2022-23, \$14,249,288 in Fiscal Year 2023-24, and \$17,203,705 in Fiscal Year 2024-25. The work to date includes establishing the payroll modernization implementation team, completing the procurement process to select the vendor and award the contract, and implementing the foundational technology and processes for upcoming data migration. The current focus is configuring the new system. The final funding request provides the necessary State and vendor personnel and technology to support data extraction, data quality validation, and thorough testing by users to be certain the appropriate data are migrated and calculations are working as expected in order to pay all State employees timely and accurately from the new payroll system.

**COR Offender Records Management System (DeCORuM):** The Colorado Department of Corrections requests \$3,023,613 GF for the continuation and completion of the ongoing systems replacement project for its offender management information system. The Department of Corrections Offender Records Management (DeCORuM) Project was initiated in 2015. The requested funds are intended to fund the Governor’s Office of Information Technology (OIT) staffing, vendor project management, software maintenance and support fees, database software licensing fees, virtual server costs, and development and deliverable costs.

**PubSaf Records Utilization Upgrade:** The Department of Public Safety (DPS) requests \$1,635,581 Capital Construction Funds in FY 2025-26 for the second phase of the Records Utilization Upgrade project. The Colorado State Patrol (CSP) submitted an IT capital project request to the Joint Technology Committee (JTC) in July 2023. Phase One was approved and funded at \$525,000 General Fund for FY 2024-25 due to the limited 6 percent growth cap for the CSP's portion of the Highway Users Tax Cash Fund Off-the-Top (HUTF) funding. This request seeks funding for Phase Two for a total of \$1,635,581 Capital Construction Funds in FY 2025-26, for Phase Three for a total of \$2,232,619 Highway Users Tax Funds (HUTF) for FY 2026-27, and for Phase Four for a total of \$305,550 HUTF in FY 2027-28.

**PubHea Stationary Sources Solution Modernization:** The Air Pollution Control Division (APCD) requests \$3,936,306 in General Fund for FY 2025-26 for Phase III of the Stationary Sources Solution Modernization project to replace the current outdated (circa 1995) Stationary Sources Program (SSP) data systems used primarily for stationary source regulatory and management purposes. The project is categorized as a System Enhancement Regulatory Compliance project since it is focused on new functionality, improved business processes, improved efficiency as well as public expectation for transparent and simple access to air quality information.

**PubHea COWIC Continuation:** The Special Supplemental Nutrition Program for Women, Infants, and Children in Colorado (COWIC) in the Prevention Services Division requests \$581,657 Capital Construction Fund in FY 2025-26 following the \$500,000 Capital Construction Fund received in FY 2024-25. This is the final of two state funds requests for a system replacement which supports the modernization of Colorado's WIC program by facilitating a transition to a new participant-centered Management Information System (MIS) that better addresses programmatic and participant needs. WIC MIS encompasses the database and related systems responsible for compliance, reporting, integration, and service delivery for WIC participants throughout the state.

**HCPF CBMS Reprocurement:** The Department of Health Care Policy and Financing (HCPF), in partnership with the Office of eHealth Innovation (OeHI), the Office of the Lieutenant Governor, and the Behavioral Health Administration (BHA) requests \$8,139,343 total funds, including \$1,203,920 in Capital Construction Funds (CCF), and 5.5 HCPF FTE, and 2 Office of Information Technology (OIT) FTE in FY 2025-26; and \$4,049,989 total funds, including \$743,838 CCF, and 5.5 HCPF FTE, and 2 OIT FTE in FY 2026-27 to support the continued expansion and implementation of a technical infrastructure that enables prescribers and community partners to facilitate access to health improvement supports and Colorado Social Health information Exchange (CoSHIE).

**HED Auraria Campus Network Infrastructure Modernization Project:** This continuation project entails Phase II of updating the components at the core of the Auraria Campus Institutions' combined networking infrastructure. Every program offered by the Community College of Denver (CCD), University of Colorado Denver (CU Denver), and Metropolitan State University of Denver (MSU Denver) within 36 buildings on the Auraria Campus will be impacted by the project upgrades. The project includes modernizing systemwide network infrastructure and replacing aging wired and wireless network equipment and ethernet cabling throughout the shared classroom and office buildings. In addition to providing a more stable and reliable foundation for our combined enterprise

networks, updating to a modern network platform will offer greater monitoring capabilities and security measures for increased cyber security, improving technological resources for students, staff, and faculty for all institutions on campus.

**HED Colorado Northwestern Community College South Campus Redundancy Upgrade:** The request includes an increase of \$571,162 Capital Construction Funds in FY 2025-26 to enhance redundancy at the Rangley Campus. New uninterrupted power supplies (UPS) equipment will be purchased and then installed by CNCC's IT department. Repeated power failures have killed almost all campus UPS's backup capabilities. Power failures and related power surges when services are restored are a reoccurring problem with CNCC's rural location and extreme wind/weather. CNCC's aged UPS are no longer fully functional and are unable to handle power surges. Due to the replacement expense, regular surge protectors are being used. Storms regularly knock out power to Rangely's south side, and brownouts can occur where power rapidly goes up and down. Without UPS protection, this has and will destroy network switches.

**PER OAC Court Management System:** The Department of Personnel & Administration (DPA) requests \$3,375,426 reappropriated funds for a new case management system and supporting term-limited FTE and operating costs for the duration of the 3-year appropriation. Replacement of the current system will allow Coloradans to more easily file, receive, and view electronic pleadings with the Office of Administrative Courts (OAC) while at the same time creating efficiencies and improving accuracy for staff by reducing manual entries. A new system will also create a more effective document storage solution for all cases that have exceeded storage limits.

**EDU School Finance Placeholder:** The request includes a placeholder of \$3,000,000 in FY 2025-26, with an anticipated \$6,000,000 for FY 2026-27 from the Capital Construction fund for a forthcoming request related to School Finance.

**HED Mine Network Modernization Refresh:** Colorado School of Mines (Mines) requests state funding totaling \$3,585,748 to replace their network infrastructure to advance the institution and provide services that will enhance the current and future learning styles of higher education. Since their FY 2024-25 request was not funded during the last proposal cycle, Mines has adjusted the project scope and phases. Those changes are reflected within this updated request.

**HED CC Aurora Campus Technology Modernization:** The Community College of Aurora (CCA) is requesting support in the amount of \$1,999,000, to be utilized for technology upgrades at the CentreTech campus. The upgrades will enable the Information Technology Department and the Division of Academic Success to modernize classroom infrastructure and adopt new technology that will enhance the teaching and learning experience. CCA will provide a 9 percent cash investment of \$179,910, which will be funded by Student Technology Fees. The plan will allow us to install digital room scheduling panels, integrate large digital display solutions, and upgrade our paging speakers, creating an entire new eco-system, that will link up to our Emergency Notification System all of which will be ADA compliant ensuring equitable access for all our students and instructors.

**HED Otero Campus Security and Device Upgrades:** Otero College is requests \$425,050 Capital Construction Fund and \$80,000 from institutional sources to enhance campus security technology. Funding will allow replacement of 90 security cameras around campus and upgrading 25 hardline connections. Cameras targeted for replacement are over 12 years old and produce very low-quality security images. The hardline connections are impacted by weather conditions and need to be updated and hardened.

**HED Northeastern Junior College Camera Upgrade:** Northeastern Junior College is requesting \$548,035 Capital Construction Fund to replace the aging camera system on its campus. Northeastern Junior College’s camera system is at end of life and significant deficiencies and blind spots on campus have been identified. This creates a serious safety issue for our students, faculty, and staff. The cameras are frequently utilized for Title IX complaints and other issues on campus for investigation purposes. This request will replace all existing cameras on campus and will be able to utilize existing cabling. The equipment to be installed is fully supported by the developer, and the cybersecurity of the IT systems/devices is up to industry standards.

**HED Red Rocks CC Safety and Security:** Red Rocks Community College (RRCC) is requesting \$1,170,015 for the RRCC Safety and Security project aimed at upgrading the current video surveillance infrastructure and implementing cell phone repeaters across both the Lakewood and Arvada campuses to enhance safety and security measures for students, faculty, staff, and visitors.

**FY 2025-26 Information Technology Projects - Governor's Request Cash Funded Projects**

	Total Funds	Capital Constr'n Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 2023-24 Appropriation					
FY 2024-25 Long Bill (HB 24-1430)	\$158,354,132	\$86,836,669	\$14,255,934	\$0	\$57,261,529
<b>TOTAL</b>	<b>\$158,354,132</b>	<b>\$86,836,669</b>	<b>\$14,255,934</b>	<b>\$0</b>	<b>\$57,261,529</b>

OSP Priority			Total Funds	Capital Constr'n Fund	Cash Funds	Reapprop. Funds	Federal Funds
1	REV	MED Seed-to-Sale	\$3,080,000	\$0	\$3,080,000	\$0	\$0
2	LAB	Colorado Division of Workers' Compensation (CoCo) Database Replacement System	12,140,213	0	12,140,213	0	0
3	EDU	BEST Assessment IT System	1,400,000	0	1,400,000	0	0
4	EAR	Colorado Child Care Assistance Program	1,781,556	0	194,190	0	1,587,366
5	PER	Statewide Procurement System	1,420,957	0	1,420,957	0	0
6	NAT	Modernizing the Colorado Oil and Gas Information System	2,000,535	0	2,000,535	0	0
<b>SUBTOTAL - OSPB CF Prioritized Requests</b>			<b>\$21,823,261</b>	<b>\$0</b>	<b>\$20,235,895</b>	<b>\$0</b>	<b>\$1,587,366</b>

**MED Seed-to-Sale:** The Department of Revenue (DOR) requests \$3.1 million from the Marijuana Tax Cash Fund to continue funding for the seed-to-sale inventory tracking system project that was approved for its first phase in FY 2024-25. The funds will be used by the Marijuana Enforcement Division (MED) to maintain regulatory compliance with procurement rules and guidelines as well as meet statutory requirements for the regulation of the marijuana industry. The total amount requested for implementing an inventory tracking system was \$4,080,000. While the Joint Technology Committee (JTC) agreed with and prioritized this system replacement, the requested amount of funding was split into two separate appropriation amounts. For FY 2024-25, \$1.0 million was recommended by JTC and approved by the Joint Budget Committee, and DOR is now requesting the continuation of the remaining \$3,080,000 to fully fund the system replacement.

**Colorado Division of Workers' Compensation (CoCo) Database Replacement System:** The Division of Workers' Compensation (DOWC) requests \$12,140,213 cash fund for the second of three phases of the Database Replacement System (CoCo) project. The project was initially funded in FY 2024-25 with \$8,626,812 cash fund. DOWC completed a system modernization project in 2018 which migrated the legacy system off of the mainframe. While the state mandate to transition off of a legacy system was met, limited funding prevented a full system modernization. The recent COVID-19 pandemic has expedited their need to transform the system, streamline workflows, and eliminate their reliance on paper filings.

**BEST Assessment IT System:** The Colorado Department of Education (CDE) requests \$1,400,000 for FY 2025-26 and \$600,000/annually for each following fiscal year for ongoing maintenance and operations. The funding source is the Public School Capital Construction Assistance (a/k/a "BEST") Fund. The Capital Construction Assistance Board (CCAB), with the assistance of the Capital Construction Unit (CCU), contracts with a third-party vendor for software to complete statewide financial assistance priority assessments also known as a facility condition assessment (FCA). The contract with the current vendor is set to expire in FY 2025-26 and per State Controller Policy and Fiscal Rules, the CCU is required to issue a new RFP for these services. A Request for Information (RFI) was completed in 2023. The RFI indicated annual costs ~\$600,000/year and one-time implementation costs of up to \$800,000 if a new vendor is selected.

**Colorado Child Care Assistance Program:** The Department requests a total of \$1,781,556 in spending authority in FY 2025-26 to enhance the Child Care Automated Tracking System (CHATS) and website tools in order to comply with the federal CCCAP rule changes to improve child care access and affordability. CHATS is used by the State of Colorado to manage child care services provided to low income families or families who are receiving public assistance through CCCAP. There are approximately 600 state and county users of the CHATS system. Requested funding will support the estimated enhancement costs to CHATS and the CDEC website to ensure compliance with the CCDF Final Rule.

**Statewide Procurement System:** The Department of Personnel & Administration (DPA) requests \$1,420,957 in cash funds (Supplier Database Cash Fund) for FY 2025-26 to fund the first phase of a two phase Statewide Procurement System project. The project aims

to collect information on present State procurement systems and processes across the State and to implement a new system and/or integrate with and improve existing systems, where needed. The data from the initial phase would be used to create a roadmap in pursuing and procuring a centralized procurement system. The first phase of funding will offer a path towards execution of a system with DPA spearheading a more effective and efficient state.

**Modernizing the Colorado Oil and Gas Information System:** The Department of Natural Resources (DNR) and the Energy and Carbon Management Commission (ECMC) request \$2,000,535 ECMC cash funds to replace the division's mission critical technology data infrastructure starting in FY 2025-26. Changing regulatory and operational needs have required the implementation of new features to existing applications and substantially increased the complexity of information the data system architecture must support.

# Other IT Projects Recommended for Referral to the Joint Technology Committee

The Joint Budget Committee is substantially aided in making better decisions related to IT projects because of the structure, oversight, and technical staff resources of the Joint Technology Committee (JTC). Additionally, the Committee is aided in gaining broad General Assembly support for projects funded in this section of the budget.

## Recommendation

Staff recommends that Committee approve referring the identified operating requests to the JTC for potential progress tracking and oversight if the JTC determines to exercise such oversight, which also includes approving the letter to the JTC distributed by JBC Staff.

## Discussion

Joint Rule 45(b) provides that the Joint Budget Committee may refer any budget request to the Joint Technology Committee (JTC). Over the course of 2023 staff briefings, staff identified budget requests for IT projects, IT systems enhancements, IT staff, or IT-related policy issues, either submitted as or as part of larger operating requests that the Committee may wish to refer to the JTC.

This issue brief provides a summary of the actions taken by the Joint Budget Committee to refer IT budget requests made in the operational budget to the Joint Technology Committee for further review and recommendations.

For FY 2025-26, five operating requests were identified to be referred to the JTC, three in the Judicial Department, one in Corrections, and one from the Treasury Department.

For 2023, JBC staff did not recommend any IT projects requested as operating be included in the Capital IT section of the budget, therefore, all items are recommended to remain in the operational budget after JTC review. If this recommendation changes due to new information, staff will make updated recommendation about including such items in the IT Capital Section of the Long Bill.

The following description provides a brief summary of the requests being referred to the JTC.

## Judicial Department 1331 "Digital Court Solution"

Beginning in mid-July, the Courts experienced increasing attacks from individuals joining virtual court proceedings to display and speak content that is violent, racist, pornographic, vulgar, and inappropriate, disrupting court proceedings and delaying scheduled hearings and trials. In a September 1331 request, the Courts sought and the Committee approved \$200,000

General Fund for FY 2024-25 to initiate the procurement process for a virtual court management system that would be ready no earlier than the fall of 2025.

Staff recommended approval of the 1331 due to the acute public safety need for this system change. Staff considers this item the highest priority funding item for the Courts in this budget cycle.

Staff suggests that this item be funded for FY 2024-25 and FY 2025-26 with cash funds from the Judicial Department IT Cash Fund (JDITCF) rather than General Fund.

Use of the JDITCF will reduce the funds available from the JDITCF for other purposes, including the ongoing work on the Case Management System. Nevertheless, the virtual court management system is a more immediate need. Additionally, its development may be enhanced by, and enhance, the ongoing development work on the case management system.

## Judicial ITCAP1 Case Management System (year 2)

The Judicial Case Management System (CMS) is a software platform designed to assist the courts and legal professionals in managing and tracking judicial cases and related activities. It streamlines and automates various aspects of the judicial process thereby improving efficiency, transparency, services, and accessibility. CMS is used by judges, court staff, clerks, attorneys, probation officers, and other stakeholders involved in the Colorado legal system. The current, legacy system has been in place for approximately 27 years and presents multiple challenges, including inefficiencies, insufficient information integration, diminished data governance opportunities, and increased maintenance costs.

Staff recommends that the Committee refer this request to the Joint Technology Committee:

- for a report on year 1 progress;
- to consider the option of extending the project for funding over three additional years;
- to outline the remaining project scope and estimated costs for year 2 and for project completion; and
- for recommendation on second year and project completion funding.

## Judicial R9 Data Center Refresh

As part of the equipment lifecycle, much of the technological infrastructure equipment in Courts' data centers is approaching the limit of its usable life and will soon not be supported by manufacturers. Historically, the Department has replaced technology infrastructure equipment every 5-6 years in alignment with industry standards. The current infrastructure equipment was acquired in FY 2020-21. It is anticipated that future equipment refreshes will be smaller, contingent upon the successful implementation of CMS and the subsequent migration of many critical business applications to the new CMS platform. Failure to replace unsupported hardware could lead to severe disruptions in service delivery, affecting all critical business applications and processes, and halting court proceedings.



Staff is concerned that with other potential uses of the JDITCF in order to reduce General Fund for higher priority projects to be funded in the current, two-year budget cycle, initiating this project in FY 2025-26 may not be sustainable for the JDITCF.

Staff primarily suggests a technical assessment of the urgency of need for this project by the JTC.

Staff recommends that the Committee refer this request to the JTC:

- to assess the urgency of need for this project; and
- to assess and review the project scope, development timeline, and estimated costs.

## Corrections R3 Upgrade Pharmacy System

JBC Staff did not specifically recommend that Corrections' R3 Upgrade Pharmacy System request be referred to the JTC. However, due to its technical nature, the Joint Budget Committee expressed such desire to have the JTC weigh in on contract negotiation.

The requested funds would allow the Department to procure a new pharmacy software and database system. It supports ongoing fees thereafter for required software licensing and technical support.

An IT capital project that began in 2015 was supposed to address these shortcomings. But this part of the project was shut down in FY 2019-20 due to functionality shortfalls. A new vendor was hired to replace this canceled part of the new system. However, the Board of Pharmacy told the DOC in April 2023 that this new vendor's pharmacy software did not meet the Board's requirements.

The Department intends to submit a Supplemental IT Capital request to procure a new system. This operating request (R3 Pharmacy System) for FY 2025-26 would fund ongoing licensing and support for that system.

## Treasury R6 CoreLogic Contract for Deferred Property Tax Program

JBC Staff did not specifically recommend that Treasury's R6 Deferred Property Tax Program request be referred to the JTC, however, due to its technical nature, the Joint Budget Committee expressed such desire to have the JTC weigh in on contract negotiation.

As of FY 2024-25, the Department is in the middle of negotiating an extended contract with CoreLogic, which has collected relevant data on property owners and property tax status and has built a portal through which applicants determine if they qualify for a deferral and, if so, can monitor the status of their application. CoreLogic files the deferrals with the appropriate counties, conducts statewide marketing, and is the first point of contact for Coloradans with questions about the program or their specific deferral.