



Joint Technology Committee

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



February 15, 2023

Senator Rachel Zenzinger,
Chair, Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Senator Zenzinger,

The Joint Technology Committee (JTC) is pleased to forward its funding recommendation for the FY 2023-24 information technology (IT) capital projects. At its meeting on February 14, 2023, the JTC considered 22 IT capital projects pursuant to Section 2-3-1704 (11)(a), C.R.S., and Joint Rule 45.

The JTC recommends, in prioritized order, funding for all 22 projects, as shown in Attachment A. The committee recommends 17 projects “above the line” as well as five projects “below the line”. This recommendation passed on a vote of 4-2. Brief summaries of the JTC’s support for these projects are provided below. Funding for these projects includes:

Table 1
JTC Recommendation to JBC for IT Capital Funding

Prioritized Category	Capital Construction Funds	Cash Funds	Federal Funds
Projects <i>Above the Line</i>	\$58,851,912	\$7,775,228	\$50,190,455
Projects <i>Below the Line</i>	\$12,947,723	\$1,695,229	\$0
Total	\$71,799,635	\$9,470,457	\$50,190,455

As part of its recommendation, the JTC conditioned approval on the presentation of quarterly updates from each of the departments with a project that receives funding.

During its deliberations, the committee articulated several principles and values guiding the JTC’s recommendations. First and foremost, the committee recognized and promoted efforts to harness federal funds and cash funds. Beyond that, the JTC stressed the importance of funding many of the projects requested by state agencies because they would have the most significant statewide impact. The committee expressed concerns over the security of legacy systems in need of replacement, particularly the state’s payroll system, and sought to prioritize accordingly.

The committee engaged in nuanced discussions of the Colorado Department of Public Health and Environment (CDPHE) Vital Event System of Colorado (VESCO) request and the Colorado Department of Human Services (CDHS) Information Management Systems and Data Reporting request. The committee stressed the need for the CDPHE VESCO project to maintain rigorous standards of data integrity. Several JTC members also expressed concerns regarding funding for the CDHS project in light of pending renegotiation of the consent decree and the possible fiscal consequences to the state of failing to fund the project.

The JTC segmented its recommendation into two categories for FY 2023-24, designated as projects recommended "above the line" and projects recommended "below the line". Though the committee respectfully requests that all of the projects receive funding, should the Joint Budget Committee (JBC) have room in the budget, CCF amounts in the "above the line" category only exceed the IT capital CCF recommendation made by the Office of State Planning and Budgeting by \$2,344,902. In order to arrive at this total, the committee recommended that two projects receive less funding for their projects than was requested for FY 2023-24. The committee recommends funding the Office of Information Technology (OIT) Modernizing Aging IT Systems project at \$15,103,996 and the Department of Corrections (DOC) Offender Records Management System (DeCORuM) project at \$6,140,514.

The committee specifically noted that IT capital appropriations may be spent over a period of three years; the reduced funding amounts it recommends for these two projects are intended to cover two years of costs. In examining projects that have received prior appropriations and are seeking continuation funding for FY 2023-24, members considered current encumbrance and spending amounts and identified these two projects as having encumbered and spent a relatively low proportion of their most recent appropriations. The committee noted that by removing the amounts included in these two requests that would be slated to be spent in the third year of the appropriation's spending authority, a significant amount could be freed up this year for funding several high-impact single- or final-phase higher education projects. The JTC explained to OIT and DOC that members would support future requests for supplemental appropriations related to these two projects, conditioned on a proven track record of successful encumbrance and spending that results in timely, efficient progress.

The JTC requests that the JBC fund the listed projects in priority order. If, during deliberations, the JBC considers changing the order, cost, or scope of the priority recommendations, the JTC respectfully requests that the two committees meet to discuss these changes, pursuant to Section 2-3-303 (1)(b.1), C.R.S.

Department Requests Recommended Above the Line

The JTC is recommending funding above the line for nine Executive Branch agency FY 2023-24 IT capital projects, for a total of \$45.0 million Capital Construction Fund, \$50.2 million federal funds spending authority, and \$6.2 million cash funds spending authority. The committee believes that these projects will provide statewide benefits, and have therefore ranked them at the top of their priority list.

Department of Health Care Policy and Financing (HCPF). The JTC recommends funding for phase one of the HCPF Medical Enterprise System (MES) (\$6,043,541 CCF and \$46,508,975 FF). The project will comply with the state procurement regulations and the Center for Medicaid Services procurement requirements for the department's MES. The funding will pay a new vendor to transfer data into the new system, meet the department's need to operationalize the module, and facilitate the changes to the vendor's technology. Additionally, it will fund the

procurement of the commercial-off-the-shelf systems, licensing agreements, and custom systems build for the MES core and modular solutions.

Department of Labor and Employment (CDLE). The JTC recommends funding for phase one of the Vocational Rehabilitation Case Management Modernization project (\$3,681,480 FF and \$996,386 CF). The project will implement a commercial-off-the-shelf case management system for the Division of Vocational Rehabilitation. The system will enable the division staff to more efficiently manage all aspects of vocational rehabilitation service administration and tracking for clients while meeting all federal and state reporting requirements.

The Governor's Office of Information Technology (OIT). The JTC recommends funding for phase two of the OIT Modernizing Aging IT Systems project (\$15,103,996 CCF). Because the department originally requested \$22,655,995 for FY 2023-24, it is possible the reduced recommendation will result in additional phases. The funding will invest in additional projects to remediate the state's technical debt. With this phase of funding, OIT plans to invest in enterprise identity, IT Service Hub Phase 3, infrastructure and network buildout, and CORE network refresh.

Department of Public Health and Environment (CDPHE). The JTC recommends funding for phase two of the CDPHE Stationary Sources Solution Modernization project (\$4,530,695 CF). The Air Pollution Control Division within the CDPHE is responsible for the oversight of stationary sources of pollution in the state, including oil and gas facilities; Title V major sources, as defined by the Environmental Protection Agency; landfills; and others. The new system will be a web-based system that will perform a number of functions such as: application and payment for required permit; uploading documents required by regulations or statute; and the ability for each user in the regulated community to update and modify information on file with the Stationary Sources Program.

Department of Personnel Administration (DPA). The JTC recommends funding for phase two of the Payroll Modernization project (\$14,249,228 CCF). The project will fund an agile phased approach to modernize the state's payroll system. The current human resources and payroll systems within the state rely on more than 80 individual systems, including the Colorado Personnel Payroll System, which is more than 35 years old.

Department of Corrections (DOC). The JTC recommends funding for phase four of the Offender Records Management System (DeCORuM) project (\$6,140,514 CCF). The department originally requested \$10,054,231 in CCF for FY 2023-24. The project will replace the department's outdated legacy system, the DOC Information Management System. In its place, a fully integrated electronic offender management system (eOMIS) will be implemented that encompasses offender management, electronic health records, and post-incarceration data. It will include 36 customized application models.

Department of Labor and Employment (CDLE). The JTC recommends funding for the single-phase Conveyance Database project (\$693,000 CF). The project will enhance the database system within the Division of Oil & Public Safety. The system is used for a variety of activities related to its regulation of approximately 22,000 conveyances, including functionality related to conveyance registration, construction, permits, inspection certificates, and professional licensing.

Department of Public Health and Environment (CDPHE). The JTC recommends funding for phase two of the CDPHE Vital Event System of Colorado (VESCO) (\$1,410,064 CCF). The project develops and enhances the VESCO, which is used by county staff, medical professionals, and the courts to collect and record key life events, and issue birth and death certificates. This phase of funding will implement an electronic death registration (EDR) within the VESCO.

Department of Human Services (CDHS). The JTC recommends funding for the single-phase Information Management Systems and Data Reporting project (\$2,093,951 CCF). The project will fund the purchase, development, and enhancement of a range of different data and information systems for the Office of Civil and Forensic Mental Health (OCFMH). The consent decree filed in

2019 between CDHS and Disability Law Colorado included a recommendation to improve the OCFMH data infrastructure. In response, Senate Bill 19-233 included an appropriation of \$350,000 for the initial development of a data warehouse for the mental health institutes.

Higher Education Requests Recommended Above the Line

The JTC is recommending funding above the line for eight higher education FY 2023-24 IT capital projects, for a total of \$13.8 million Capital Construction Fund and \$1.6 million in cash funds spending authority. Cash funds for these projects are provided by the respective institutions of higher education.

Front Range Community College (FRCC). The JTC recommends funding for phase one of the Network and IT Security Upgrade project (\$3,420,000 CCF and \$380,000 CF). The funding will be used to upgrade the wireless networking infrastructure (WiFi) and IT security at their three campuses in Fort Collins, Westminster, and Longmont. The upgrade will better support students on campus and remote learning as demand increases on the wireless network as well as improve campus security through an isolated network.

University of Northern Colorado (UNC). The JTC recommends funding for the single-phase Enterprise Resource Planning (ERP) Modernization and Cloud Migration project (\$1,291,651 CCF and \$55,222 CF). The project will move the institution's on-premises ERP system to Ellucian's Managed Cloud. Additionally, the project will create a cloud-based Data-Fabric, which will incorporate Platform-and-a-Service, a data hub, and analytics.

Community College of Denver (CCD). The JTC recommends funding for phase three of the Classroom and Conference Room Technology project (\$1,627,899 CCF and \$103,908 CF). The project will replace, update, and standardize the college's classroom and conference room technology. The technology that will be replaced includes conferencing and telecom equipment, screen sharing equipment, projection and video display equipment, connecting and switching equipment, and conference phones.

Fort Lewis College & Western Colorado University (FLC and WCU). The JTC recommends funding for the single-phase Next Generation WiFi project (\$1,760,438 CCF and \$75,264 CF). The project will upgrade the supporting infrastructure of access points, network switches, core networking switches, and introduce cloud-based controllers to support WiFi 6 coverage. Both institutions have collaborated to design similar networks, allowing the ability to use the same vendors, equipment, and purchasing agreements.

Community College of Aurora (CCA). The JTC recommends funding for the single-phase Improving Server Room project (\$814,740 CCF and \$71,093 CF). The project will fund improving the institution's core server room and remediate data center safety, improving power sources, addressing the HVAC system, remediating and eliminating obsolete equipment, and investing in new technology.

Colorado State University-Pueblo (CSU-Pueblo). The JTC recommends funding for the single-phase WiFi Technology Infrastructure Upgrade project (\$810,550 CCF). The funding will upgrade the WiFi infrastructure; according to the institution, one hundred percent of the wireless network is at or beyond the industry standard of the useable lifespan of seven years.

Metropolitan State University of Denver (MSU Denver). The JTC recommends funding for phase three of the Network Infrastructure Modernization project (\$795,000 CCF and \$500,000 CF). The project will modernize its network infrastructure and address deferred maintenance on current IT infrastructure. The project will replace 300 edge and distribution layer switches, 450 wireless access points, and provide additional access points between campus buildings.

Colorado Mesa University (CMU). The JTC recommends funding for the single-phase ERP Modernization project (\$3,290,340 CCF and \$369,660 CF). The project will migrate the student information system to Ellucian's Managed Cloud, implement cloud software-as-a-service HR and finance ERP systems, and develop a management and data integration strategy through the implementation of a data fabric and enterprise integration platform-as-a-service solution.

Department and Higher Education Requests Recommended Below the Line

Department of Revenue (DOR). The JTC recommends funding, if available, for phase one of the Licensing and Case Management Software project (\$1,000,000 CCF). The project will fund a new licensing and case management system to enable the department to have a new system in place before the contracts for the current system expire. Additionally, the department is seeking to expand the availability of online applications and transition services through a new system.

Colorado State University (CSU). The JTC recommends funding, if available, for phase three of the Network Hardware Upgrade project (\$2,244,053 CCF and \$748,392 CF). The project will upgrade the out-of-date networking hardware. The final phase will include the final network switch procurements and upgrades to network routers and firewalls.

Colorado School of Mines (Mines). The JTC recommends funding, if available, for phase three of the ERP Modernization project (\$2,345,000 CCF and \$290,000 CF). Funding was originally requested in collaboration with Metropolitan State University of Denver, but is now separated as the needs of the institutions have changed. The funding will complete the modernization of Mines' ERP system.

Department of Corrections (DOC). The JTC recommends funding, if available, for the single-phase Human Resources Management System (HRMES) project (\$2,605,507 CCF). The funding will replace the department's HRMES with a customizable off-the-shelf software solution from Kronos that will be hosted in the cloud. The new HR system is expected to include the following services: Pro People Center, talent acquisition, talent management, compensation, learning, employee voice, document management, and people assist.

Metropolitan State University of Denver (MSU Denver). The JTC recommends the funding, if available, for phase three of the Reimagining the Campus Digital Experience project (\$4,753,163 CCF and \$656,837 CF). Funding was originally requested in collaboration with Colorado School of Mines, but is now separated as the needs of the institutions have changed. The funding will complete the modernization of the ERP system and move forward with the implementation of the Student Information System aspect of the project.

If you have any questions or concerns about the JTC's recommendations, please call or email Vanessa Reilly, Legislative Council Staff, at 303-866-4753 or vanessa.reilly@coleg.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Priola", written over a horizontal line.

Senator Kevin Priola, Chair

FY 2023-24 Information Technology Capital Budget Recommendation to the JBC

Priority	JTC	Department or Institution	Project Title	Phase	Prior Appropriations	FY 2023-24 Request Details				Total for FY 23-24	Outyear Requests	Total Est. Project Cost
						GF/CCF	CF	FF				
1		Health Care Policy and Financing	Medicaid Enterprise Solutions Re-Procurement	1 of 2	\$0	\$6,043,541	\$0	\$46,508,975	\$52,552,516	\$36,879,501	\$89,432,017	
2		Labor and Employment	Vocational Rehabilitation Case Management System	1 of 2	\$0	\$0	\$996,386	\$3,681,480	\$4,677,866	\$1,234,465	\$5,912,331	
3		Office of Information Technology	Modernizing Aging IT Systems	2 of 2	\$3,284,560	\$15,103,996	\$0	\$0	\$15,103,996	\$0	\$68,388,556	
4		Public Health and Environment	Stationary Sources Solution Modernization	2 of 3	\$4,099,148	\$0	\$4,530,695	0	\$4,530,695	\$4,373,158	\$13,003,001	
5		Personnel and Administration	Payroll Modernization	2 of 4	\$6,000,000	\$14,249,228	\$0	\$0	\$14,249,228	\$32,665,638	\$52,914,866	
6		Corrections	Offender Records Management System (DeCORuM)	4 of 4	\$29,455,844	\$6,140,514	\$0	\$0	\$6,140,514	\$0	\$35,596,358	
7		Labor and Employment	Conveyance Database	1 of 1	\$0	\$0	\$693,000	\$0	\$693,000	\$0	\$693,000	
8		Public Health and Environment	Vital Event System of Colorado (VESCO)	2 of 3	\$2,440,000	\$1,410,064	\$0	\$0	\$1,410,064	\$515,170	\$4,365,234	
9		Human Services	Information Management Systems and Data Reporting	1 of 1	\$0	\$2,093,951	\$0	\$0	\$2,093,951	\$3,852,439	\$5,946,390	
10		Front Range Community College	Network and IT Security Upgrade	1 of 1	\$0	\$3,420,000	\$380,000	\$0	\$3,800,000	\$0	\$3,800,000	
11		University of Northern Colorado	ERP Modernization & Cloud Migration	1 of 1	\$0	\$1,291,651	\$55,222	\$0	\$1,346,873	\$0	\$1,346,873	
12		Community College of Denver	Classroom and Conference Room Technology	3 of 3	\$3,327,679	\$1,627,899	\$103,908	\$0	\$1,731,807	\$0	\$5,059,486	
13		Fort Lewis College & Western Colorado University	Next Generation WiFi	1 of 1	\$0	\$1,760,438	\$75,264	\$0	\$1,835,702	\$0	\$1,835,702	
14		Community College of Aurora	Improving Server Room	1 of 1	\$0	\$814,740	\$71,093	\$0	\$885,833	\$0	\$885,833	
15		Colorado State University - Pueblo	Wireless (WiFi) Technology Infrastructure Upgrade	1 of 1	\$0	\$810,550	\$0	\$0	\$810,550	\$0	\$810,550	
16		Metropolitan State University of Denver	Network Infrastructure Modernization	3 of 3	\$2,545,000	\$795,000	\$500,000	\$0	\$1,295,000	\$0	\$3,840,000	
17		Colorado Mesa University	ERP Modernization	1 of 1	\$0	\$3,290,340	\$369,660	\$0	\$3,660,000	\$0	\$3,660,000	
						\$58,851,912	\$7,775,228	\$50,190,455	\$116,817,595	\$79,520,371	\$297,490,197	
						<i>Total, Recommended for Funding Above the Line</i>						
18*		Revenue	Specialized Business Group Licensing and Case Management Software	1 of 2	\$0	\$1,000,000	\$0	\$0	\$1,000,000	\$9,000,000	\$10,000,000	
19*		Colorado State University	Network Hardware Upgrade	3 of 3	\$1,897,120	\$2,244,053	\$748,392	\$0	\$2,992,445	\$0	\$4,889,565	
20*		Colorado School of Mines	ERP Modernization	3 of ?	\$3,454,000	\$2,345,000	\$290,000	\$0	\$2,635,000	unknown	\$6,089,000	
21*		Corrections	Human Resources Management System (HRMES)	1 of 1	\$0	\$2,605,507	\$0	\$0	\$2,605,507	\$0	\$2,605,507	
22*		Metropolitan State University of Denver	Reimagining the Campus Digital Experience	3 of 3	\$5,185,000	\$4,753,163	\$656,837	\$0	\$5,410,000	\$0	\$10,595,000	
						\$10,536,120	\$12,947,723	\$1,695,229	\$0	\$14,642,952	\$9,000,000	\$34,179,072
						<i>Total, Recommended for Funding Below the Line, Should Funds Be Available</i>						
						\$71,799,635	\$9,470,457	\$50,190,455	\$131,460,547	\$88,520,371	\$331,669,269	
						Grand Total, Recommended for Funding						