



## Legislative Council Staff

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## Memorandum

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December 14, 2021

**TO:** Joint Technology Committee

**FROM:** Luisa Altmann, Senior Research Analyst, 303-866-3518  
Joint Technology Committee Staff

**SUBJECT:** Summary of December 10 Capital IT Supplemental and Budget Amendment Requests

### Summary

The Governor's Office of State Planning and Budgeting (OSPB) is required to submit to the Joint Technology Committee (JTC) the following capital information technology (IT) budget requests by December 10 each year:

- all requests for supplemental IT budget requests for the current or previous fiscal year by each state agency or state institution of higher education; and
- all new or amended IT budget requests submitted by a state agency or state institution of higher education for the upcoming fiscal year after the October 1 and November 1 statutory deadlines as a result of circumstances unknown to, and not reasonably foreseeable by, the state agency or the state institution of higher education.

OSPB has until January 1, or the following business day, to modify the recommended priority for capital IT budget requests for the upcoming fiscal year.<sup>1</sup>

On December 10, 2021, OSPB submitted two supplemental capital IT budget requests for FY 2021-22 and four new capital IT budget requests for FY 2022-23. These requests are summarized below and additionally information will be provided to JTC members in the future.

### FY 2021-22 Supplemental Budget Requests

The December 10, 2021, submission from OSPB includes two supplemental capital IT budget requests for FY 2021-22, which are summarized below. The JTC is responsible for providing its recommendations on these supplemental budget requests to the Joint Budget Committee (JBC) by January 15, 2022.

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<sup>1</sup>Sections 24-37-304 (1)(c.5) (I)(C), (II), and (III), C.R.S.

**Colorado Department of Early Childhood – Universal Preschool Program Support.** The Governor’s Office, on behalf of the newly-created Colorado Department of Early Childhood, is requesting one-time state funding of \$3.5 million for FY 2021-22 to expand current system functionalities to support the creation of the Universal Preschool Program. The following systems will require modifications to support the new program:

- the systems contained within the Office of Early Childhood Child Care Provider Hub;
- the Attendance Tracking System;
- the DECL Licensing System, the Child Care Automated Tracking System (CHATS); and
- the Program Eligibility and Application Kit (PEAK) online service portal.

**Colorado Department of Human Services – County Infrastructure Update.** The Colorado Department of Human Services is requesting one-time state funding of \$950,690 for FY 2021-22 to replace routers and switches for county human service departments. According to the department, the funding will be used to replace 10-year-old routers and switches, which is necessary to ensure operating security and provision of critical human services programs to Coloradans.

## **FY 2022-23 Budget Requests**

The December 10, 2021, submission from OSPB includes four new capital IT budget requests for FY 2022-23, which are summarized below. The JTC is responsible for including these in the committee’s prioritization recommendations, along with the other capital IT budget requests for FY 2022-23, to the JBC by February 15, 2022. As stated above, OSPB has until January 1, 2022, or the following business day, to update its prioritization recommendations for all capital IT budget requests.

**Colorado Department of Labor and Employment – Workforce Case Management & Labor Exchange Modernization.** The Colorado Department of Labor and Employment is requesting one-time funding of \$7.0 million in state funding for FY 2022-23 to replace the department’s legacy case management and labor exchange system, Connecting Colorado, with a custom off-the-shelf (COTS) solution. The current Connecting Colorado system allows individuals to search for jobs and connect with employers and for employers to submit job postings in Colorado. The department states that the goal of the new system is to provide a more user-friendly experience for job seekers and employers and expand workforce data reporting capabilities. The department did not provide an explanation as to how the request complies with the statutory requirements for December 10 budget amendments concerning “circumstances unknown and not reasonably foreseeable” within their original request document.

**Colorado Department of Personnel and Administration – CORE Upgrade and Continuous Improvement.** The Colorado Department of Personnel and Administration is requesting approval of a planned investment and authorization to enter into a Certificate of Participation (COP) to upgrade and continuously improve the Colorado Operations Resource Engine (CORE). CORE is an integrated financial management system that was implemented in July 2014 and is the state’s financial system of record. All state agencies, except the Colorado Department of Transportation and institutions of higher education, use CORE to perform many key state financial and business functions, such as recording expenditure transactions, paying vendors, recording payroll, supporting the collection of

grant revenues, and recording tax revenues. The last payment for the original debt service for the CORE system purchase occurs in FY 2021-22 and the financing agreement terminates. The department is seeking the authorization to enter into a new agreement that would extend and restructure the current contract to upgrade CORE and include two new modules to enhance functionality. The requested COP will be paid over nine years and is estimated to total \$10,782,827 in principal and interest payments, with the collateral being the CORE software license. The department did not provide an explanation as to how the request complies with the statutory requirements for December 10 budget amendments concerning “circumstances unknown and not reasonably foreseeable” within their original request document.

**Colorado Department of Personnel and Administration – Payroll Modernization.** The Colorado Department of Personnel and Administration is requesting a total of \$46,159,887 in state funds over the next three years to modernize the Colorado Personnel Payroll System (CPPS), which is the state’s 35 year old legacy payroll system and is based on COBOL mainframe technology. From 2014 to 2020 the department received more than \$40 million for the HRWorks project, which was intended to replace CPPS and numerous other HR systems across state agencies. The HRWorks project was cancelled in May 2020 due to project funding being discontinued in the midst of the COVID-19 budgetary impacts. According to the department, an outside consultant was hired to provide a market scan of what other states’ experience with new payroll systems to help estimate how much this new system might cost. The final results from this market scan were provided to the department in early December 2021.

**Colorado Department of Public Health and Environment – Stationary Sources Solution Modernization.** The Air Pollution Control Division within the Colorado Department of Public Health and Environment is requesting a total of \$12,791,547 in state funds and cash funds spending authority over the next three years to implement a new data system and web-based portal for stationary source regulatory and management purposes. The request was originally included as part of the department’s R-01 Air Quality Transformation operating budget request, but has been resubmitted as a capital IT budget request.