



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Room 029 State Capitol, Denver, CO 80203-1784

Phone: (303) 866-3521 • Fax: (303) 866-3855

lcs.ga@state.co.us • leg.colorado.gov/lcs

Memorandum

January 14, 2022

TO: Joint Technology Committee Members

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

SUBJECT: JTC Staff Analysis of JBC-Referred FY 2022-23 Operating Budget Request
Colorado Department of Agriculture
R-07 Agriculture Licensing and Registration System

Summary of Request

The Colorado Department of Agriculture (CDA) is requesting \$247,800 cash funds spending authority in FY 2022-23 to pilot the migration of two CDA programs to a new multi-state online licensing and registration system: the System for Agriculture, Food, Health, E-Inspections, and Registration (SAFHER). The department is also requesting to continue this funding on an ongoing basis to fund the building of additional programs into the system and provide ongoing maintenance. The Joint Budget Committee (JBC) has asked the Joint Technology Committee (JTC) to provide a technical review of this request.

Request Details

SAFHER. The SAFHER is currently being developed by the U.S. Food and Drug Administration (FDA) and the Association of Food and Drug Officials, in coordination with states. According to the department, the FDA has approved \$35 million in funding for the SAFHER project and is currently working on a Notice of Award. Future funding for the system will be allocated amongst the FDA and participating states.

Pilot programs. The CDA is requesting \$247,800 cash funds spending authority for FY 2022-23 to pilot the migration of two CDA programs to the SAFHER. The department plans to include one program from the Division of Inspection and Consumer Services and one program from the Division of Plant Industry.

Cost estimates. The department anticipates that the cost of moving one pilot program to the SAFHER will be \$105,000. The department has also included an 18 percent contingency in the request to

account for the selection of a vendor and platform build time. The department estimates that subsequent program moves to the SAFHER will cost approximately \$35,000 each.

Project alternatives. The department estimates that it would cost approximately \$19 million for the department to build a similar regulatory system on its own.

Program Information

The CDA has 30 regulatory program areas through which the department licenses, inspects, and engages in the enforcement of more than 80,000 entities. These programs currently utilize a variety of legacy applications, including many of which are built on unsupported technologies, like MS Access or Visual Basic 6, that lack support or no longer meet the department's needs. Additionally, many of these systems do not interface, resulting in duplicate data entry and manual reporting. For example, AgLicense, which was implemented in 2014, is the most comprehensive of the department's systems with support for 19 programs and 20,000 annual individual or business renewals and 38,000 product renewals. According to the department, the current iteration of AgLicense does not meet many of the department's needs and vendor support for additional modifications is not possible.

Cash funds. The department is proposing to use the Plant Health, Pest Control, and Environmental Protection Cash Fund (Section 35-1-106.3 (1), C.R.S.) and the Inspection and Consumer Services Cash Fund (Section 35-1-106.5 (1), C.R.S.) for this project.

Options for Committee Action

The JTC has three options for committee action when it provides a technical review of an operating budget request to the JBC. The JTC can:

- recommend the request to the JBC for funding with no concerns;
- recommend the request to the JBC for funding with concerns; or
- not recommend the request for funding with concerns.

Question Responses Provided by the Department

1. **The Colorado Department of Agriculture (CDA) FY 2022-23, R-07 Agriculture Licensing and Registration System, operating budget request (budget request) says that the department currently uses a variety of unsupported technologies, including Microsoft Access, Visual Basic 6, and a proprietary system called, AgLicense.**

- a. **Will the new SAFHER solution replace all of these outdated, legacy solutions?**

The SAFHER solution is intended to be a modernized regulatory platform for Agriculture and Food Safety. We have already identified up to 25 systems across four divisions (13 programs from Inspector and Consumer Services (ICS), 9 programs from Plants, 1 from Animal Health,

and 2 from Conservation) to move to that new environment but we are not limited to only those. The SAFHER system will be our primary option for the migration of legacy systems, including a new laboratory information system (i.e., Laboratory sample database).

If not, please provide a general number of remaining legacy solutions after SAFHER is fully implemented.

It is important to note that the SAFHER system is intended to be a regulatory platform in Agriculture, it is not, for example, an accounts payable/receivable application. In some cases, this would not be a strong solution to replace a legacy application.

If applicable, what is the department's plan to decommission any legacy systems?

The decommission plan for legacy systems moved to SAFHER will have the old and new systems run in parallel for a predetermined length of time, decided by the product owner and supporting IT team. Within that time frame, we will ensure the new system is functioning properly and all the necessary data has migrated properly, this may take a full cycle to achieve (year).

b. Does the department plan to migrate any of the legacy system data into the new database?

Yes.

If so, has the department budgeted for data cleansing and testing? Please summarize the plan.

Without having a specific vendor/solution identified yet for SAFHER, it is difficult to be very specific. However, data migration has already been identified as a key component of any migration of legacy systems. The agency spent over \$50,000 of Application Rationalization and Consolidation (ARC) funds last year, to normalize and consolidate legacy MS Access databases for systems on the migration list.

This budget request would provide the flexibility in funding needed to transition legacy systems to the new system. The Department anticipates that with a combination of the additional spending authority through this request and through the Department's regular payments to the OIT line item that it would be able to fund data cleansing and testing. If CDA anticipates this could not occur, it would work through the normal budget process to request additional funds.

2. Has the department identified which two programs within the Inspection and Consumer Services and Plant Industry divisions will be the pilot programs for this project? If so, which programs are they and please provide additional information about the programs, including their purpose, how many users may be impacted, etc.

As part of the ten-state SAFHER governance council, Colorado is working with other states in determining what programs will be part of the pilot, as well as the participant selection criteria. Most likely the top programs will be those that are associated with FDA programs, namely

Commercial Feed and Produce Safety. In addition we intend to advocate implementing the Weights and Measures Program, which is one the largest number of CDA licensees.

3. **Please describe the department’s change management plan for this project, including the two pilot programs and as the project moves forward.**

The SAFHER team has brought on an expert in change management to help develop a thorough plan that can be used across states. The governance council recognizes the importance of having a change management plan and has implemented it using the ADKAR approach. Each state that participates is required to have a change management ‘champion’ that attends a change seminar in person. Colorado has identified a ‘champion’ who attended the seminar in Detroit in late 2021.

4. **At this time, what other states are currently in the process of piloting SAFHER?**

In addition to Colorado: Montana, Louisiana, West Virginia, Minnesota, Missouri, Vermont, Iowa.

5. **The budget request explains that a vendor still needs to be selected. Please provide the current status of selecting a vendor, and the role of applicable stakeholders in the solicitation and contract execution.**

The FDA has approved \$35M in funding for the SAFHER project as part of the FY23 budget and are currently working on a Notice of Award. Once the award is announced by the FDA in early 2022, the Association of Food and Drug Officials, “AFDO,” along with the Governing Council will apply to the FDA for the funding. AFDO will be able to release an RFP 90 days from securing funding. Vendors will have 60 days to respond to the RFP. The Governing Council (of which Colorado holds two seats) will have 60 days for evaluation and vendor selection. Once selected, AFDO estimates 30-45 days for vendor contract negotiations. In total, we anticipate starting the project with the selected vendor six months from the date AFDO is awarded the funding from the FDA.

6. **The budget request describes collaboration with the Governor’s Office of Information Technology (OIT), and says it will meet the standards of OIT.**

- a. **The nation has seen an increase in cybersecurity attacks in the food and agriculture industry. Please describe OIT’s role in vendor contract negotiations to ensure the vendor implements proper security controls, and adding terms to periodically assess the vendor’s security profile.**

Colorado’s IT Director is the chair of the CIO ‘arm’ of this governance council and CDA has a seat on the Plants business user group. Not only does Colorado have an awareness of cybersecurity requirements but also influences the final selection of a vendor. Any procurement of a technology system must be reviewed and approved by OIT, this would include ensuring that cybersecurity requirements are met.

- b. If known, will the new solution create multiple transactional databases, and a central data warehouse, along with online front-end capabilities?**

A specific solution is yet to be identified, this will come out of the RFP process and then further the architecture and design phases of the project.

If so, does the department plan to discuss OIT performance testing options, and any associated costs?

This will be part of the planning phase for Colorado.