Joint Technology Committee

Members of the Committee

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Representative Max Tyler, Vice-Chair

Representative Jonathan Singer   Senator Linda Newell
Representative Jack Tate   Senator Beth Martinez Humenik

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http://www.colorado.gov/lcs/JointTechnology

Committee Charge

Establishment and Procedural Matters

Membership. Pursuant to Section 2-3-1702, C.R.S., the Joint Technology Committee (JTC) is established, consisting of the following, who should have experience in the areas of information technology (IT), business analysis, or business process:

- three members of the House of Representatives, two of whom are appointed by the Speaker of the House and one of whom is appointed by the House Minority Leader; and
- three members of the Senate, two of whom are appointed by the Senate President and one of whom is appointed by the Senate Minority Leader.

"Information technology" is defined as information technology and computer-based equipment and related services designed for the storage, manipulation, and retrieval of data by electronic or mechanical means, or both. The term includes, but is not limited to:

- central processing units, servers for all functions, and equipment and systems supporting communications networks;
- all related services, including feasibility studies, systems design, software development, system testing, external off-site storage, and network services, whether provided by state employees or others;
- the systems, programs, routines, and processes used to employ and control the capabilities of data processing hardware, including operating systems, compilers, assemblers, utilities, library routines, maintenance routines, applications, application testing capabilities, storage system software, hand-held device operating systems, and computer networking programs; and
- the application of electronic information processing hardware, software, or telecommunications to support state government business processes.

It does not mean post-implementation support, hardware life-cycle replacement, or routine maintenance, unless such replacement or maintenance is part of a larger computer system upgrade.

Appointees to the JTC may be designated after the general election, but prior to the convening of the General Assembly. The appointees may be current members or members-elect. Prior to being sworn in, members-elect are to have the same powers and duties and be entitled to the same compensation and expense allowance as current members.

Chair and vice-chair. The committee is required to elect a chair and vice-chair, one from the House and one from the Senate. The chair and vice-chair serve in those roles for the first regular session of the General Assembly after they are so elected and switch roles for the second session.

Organization, procedures, and meetings. The committee is permitted to develop its own procedural rules. The JTC may meet as often as necessary to perform its functions, but it is required to meet at least once a year to review the Governor's budget submissions related to IT.

Repeal. The committee is repealed, effective July 1, 2018.

Oversight duties. The committee has oversight responsibility for the Governor's Office of Information Technology (OIT). "Oversee" is defined as reviews of significant IT projects, reviews of the OIT's budget requests for IT projects, and ensuring that IT projects follow best practice standards as established by the OIT. Such oversight includes, but is not limited to:

- a review of the state of IT;
- any general IT needs;
- any anticipated short- or long-term IT changes for OIT;
- OIT's responsibilities related to the statewide communications and information infrastructure; and
- OIT's responsibilities for statewide geographic information system coordination.

Oversight does not include interference with the general responsibilities of OIT. State law directs OIT to assist the JTC as necessary to facilitate the committee's oversight of OIT. This includes a number of advisory duties and reporting requirements. Specifically, the JTC should receive regular reports from OIT concerning the following:

- any emergency acquisition or purchase of IT resources made in the preceding fiscal year;
- an accurate account of all activities related to the Public Safety Communications Trust Fund; and
- annual updates to the statewide information technology plan.

Other JTC oversight duties include:

- the state's Chief Information Security Officer and his or her duties;
- any telecommunications coordination in the state performed by the state's Chief Information Officer;
- the General Government Computer Center; and
- state agencies regarding:

  - any IT purchased or implemented that is not managed or approved through OIT;
  - any IT that a state agency purchased or implemented that does not follow the standards set by OIT; and
  - any IT that a state agency purchased or implemented that has the same function as IT already created, purchased, or implemented by OIT.

IT budget requests. An "IT budget request" means a budget request from a state agency or state institution of higher education for the installation, development, or upgrade of IT, including the purchase of services from OIT. It does not include budget requests that are primarily operational in nature or where the majority of funding will be used to support or modify state staffing levels.

Each fiscal year, the JTC is required to study and prioritize all IT budget requests made by state agencies and all state-funded IT budget requests made by state institutions of higher education. After hearing from state agencies, institutions of higher learning, OIT, and other sources of information about the amount of revenue available, the committee is required to submit written reports to the Joint Budget Committee (JBC) setting forth its recommendations,

prioritization, findings, and comments regarding each IT budget request submitted to the JTC. Reports regarding supplemental IT budget requests are due no later than January 15 of each year, and new or amended requests for the upcoming fiscal year are due no later than February 15 of each year. The JBC may also choose to seek the JTC's review of any operating budget request for IT.

The JTC is required to forecast the state's needs for future IT budget requests in order to facilitate the planning and implementation of state IT projects.

Committee review. The committee is required to review any legislative measure that is determined by the Speaker or the President to deal with IT. The committee is authorized to make advisory recommendations about such measures to the full House and Senate, the JBC, the Capital Development Committee (CDC), and any committees of reference, as appropriate.

Upon request of the JTC, executive branch agencies, the Judicial Department, and the departments of Law, State, and Treasury are required to make available to the committee any data, reports, or information necessary for the performance of the committee's duties. The information is to be provided by November 1 of the calendar year the request was made. Upon request of the General Assembly, the JTC, or the JBC, agencies are required to provide satisfactory evidence of compliance.

Additionally, the committee is authorized to review the actions of the Statewide Internet Portal Authority (SIPA). SIPA is required to submit a report to the JTC on or before November 1 of each year that sets forth a complete and detailed operating and financial statement of SIPA during the relevant fiscal year. The report must also include any recommendations for legislation or other action that may be necessary to carry out the functions of SIPA.

Reporting requirements. On the first day of each regular legislative session, the JTC is required to submit a written report on the committee's findings and recommendations to the JBC. The report may include:

- legislation recommended by the committee, which is exempt from the five-bill limit specified in Joint Rule 24;
- any recommendations based on the committee's statutory oversight; and
- the status of IT budget requests that were previously approved for phasing in or for incremental implementation over a period exceeding one year.

Executive branch agencies are encouraged to submit a written report on or before November 1 of each year to the JTC concerning IT matters that are not managed by OIT. The Judicial Department and the departments of Law, State, and Treasury are also encouraged to submit such a report on or before November 1 of each year.

Advisory board membership. If a vacancy arises for the Legislative Branch position on the Government Data Advisory Board, such vacancy must be filled by a member of the JTC.

Additionally, the JTC is required to appoint two of its members to serve on the Colorado Voter Access and Modernized Elections Commission.

Information security plan. Legislative service agency directors are required to maintain an information security plan and keep the JTC advised of the plan.

Staff Assistance

Legislative Council Staff and the Office of Legislative Legal Services are required to assist the JTC in the performance of its duties. This includes:

- acting as a liaison between state agencies and the committee;
- receiving and analyzing information and requests from state agencies for the committee's review;
- managing the committee's schedule for meetings and travel;
- providing background material and legal analysis about the matters before the committee;
- drafting bills recommended by the committee; and
- tracking and reporting on legislation and projects related to the committee's charge.

Legislative Council Staff is required to assist and advise the committee by reviewing and summarizing IT budget requests made by all state agencies and state institutions of higher education. Staff also arrange such hearings as are necessary for the JTC to consider all IT budget requests.

Committee Activities

The committee met six times during 2014. At these hearings, the committee discussed and was briefed on a broad range of IT-related issues by executive branch agencies and the State Internet Portal Authority (SIPA), a quasi-governmental body. Discussion and briefing topics included: an overview of the Colorado Benefits Management System; an OIT update that included information on new hires made for the OIT executive team; the OIT gating process for IT projects; the costs and procurement of state IT projects; cloud computing; open-source projects and data sharing; broadband mapping; the SIPA annual report; committee authority and review of IT capital budget requests; FY 2014-15 IT capital budget requests and supplemental IT budget requests; the implementation of the Colorado Operations Resource Engine (CORE) project; and the Electronic Health Record and Pharmacy System Replacement Project.

Overview of the Colorado Benefits Management System

The Colorado Benefits Management System (CBMS) is the statewide database system through which all food, cash, and medical assistance applications and eligibility determinations are processed. Tauna Lockhart, Chief Communications Officer, and Michael Brown, Director, Enterprise Applications Architecture, OIT, presented to the committee on the updated CBMS that was rolled out by OIT in September 2013. They highlighted the major issues that led to the need for a new system, which included: the delay of system deployment; a catastrophic system failure in 2010; the use of poor coding practices in the original system; and the introduction of the federal Affordable Care Act (ACA). They discussed established federal guidelines and requirements for system timeliness, the management of client correspondence within the system, system interaction with the Connect for Health Colorado marketplace and compliance with the ACA, the committee formed to address the prioritization of CBMS budget requests, and the anticipated major changes coming to CBMS in the next 24 months. The committee discussed efficiencies and savings that have been achieved through CBMS improvements, how new system builds can affect user access, and the lean processes employed during the planning and updating of the system.

OIT Update

Suma Nallapati, OIT Secretary of Technology and Chief Information Officer, briefed the committee on her new role within OIT and recent changes within the organization. Ms. Nallapati outlined her vision for OIT, focusing on a culture of collaboration, new initiatives that focus on OIT's customers, employee engagement, and improvements to system uptime. She specifically discussed OIT's playbook; the "OneView" dashboard, which allows each agency to keep track of its important IT projects and the work that OIT is doing on these projects; the reduction of employee onboarding time; recent vacancies and new hires within the organization's executive team; strategies for meeting project deadlines; the launch of CORE; decreases in system outages; and security risk mitigation within OIT. The committee discussed OIT service tickets and ensuring that tickets are closed in a timely fashion, employee engagement and training within OIT, attracting and retaining IT talent to serve within OIT, and the protection of state assets and data.

OIT Gating Process

William Chumley, acting Chief Customer Officer, presented to the committee on OIT's Gate Methodology for IT Sustainability and Enterprise Governance Standards. Mr. Chumley discussed the total cost of ownership of IT within the state, the personal services budget of OIT, the decision-making process for the gating methodology, and the agencies for which OIT provides IT security and services. He explained that the gate process includes an "Intake Phase," "Initiation Phase," "Planning Phase," "Execution Phase," and "Closing Phase."

Mr. Chumley highlighted the challenges of embedding the gating process within existing state IT culture and discussed collaboration between OIT and state agencies. The committee discussed where it fits into the overall gate process and how it can best assist OIT with state IT projects.

IT Costs and Procurement

Michael Dillon, Chief of Staff, and Thirza Kennedy, Procurement Director, both representing OIT, discussed the costs of state IT and the IT procurement process. They illustrated the state's procurement code and rules sourcing options, and discussed how OIT works with local governments and other state agencies to select vendors. They specifically discussed vendor negotiations, invitations for bids, requests for proposals, and the differences between private and public sector procurement. The committee discussed the procurement decision-making process, vendor protests, why IT costs are so high for state systems, why commercial off-the-shelf products often cannot meet the needs of state systems, and why competitive input should be received prior to publicizing a project budget.

Carol Pfarr, Director of Finance and Procurement, Department of Personnel and Administration, spoke about recent vendor presentations for a new state human resources system and the process followed for procuring that system. Geoff Barsch, Associate Vice President of Budget and Finance, University of Colorado, also spoke about how the higher education system has opted out of state procurement for all projects except capital construction. He discussed the ways procurement for IT and capital construction are treated differently for higher education and outlined the large-scale IT projects that are being implemented at higher education institutions.

Cloud Computing

Casey Carlson, Director of Enterprise Architecture, updated the JTC on OIT's mission of moving state data to the cloud. He explained state compliance with standards for cloud-based data storage, how the cloud is built from the ground up, the security levels implemented for Colorado Department of Human Services data, compliance with federal security requirements, the state's partnership with Century Link as a service provider, and the state's funding sources for data security. The committee discussed the compliance of state systems with federal standards for hosting and security.

Open-Source Projects and Data Sharing

Michael Brown, Chief Technology Officer for OIT, presented on the platform for data sharing within the state, known as the Colorado Information Marketplace. He discussed why the marketplace is needed and said that it is a place for data sharing that provides transparency and integration of public information, innovation and engagement, and efficiencies to help policymakers throughout the state. He also spoke to how data is shared, the variety of individuals and organizations that use the data that is made available, and how other governments are utilizing such local and state data within their own jurisdictions. The committee discussed use of the marketplace via data.colorado.gov.

Broadband Mapping

Jon Gottsegen, State Geographic Information Systems Coordinator, updated the committee on the state's broadband mapping project. He described the current issues faced by OIT in its state broadband mapping project, which surround the maximum advertised speed, census block geography, over-reporting of data, validation of data, and the definition of broadband in terms of meeting state goals for mapping. The committee discussed local technology teams set up within the state as part of the mapping project, the data content that OIT is seeking on broadband development and deployment, the process timeline that OIT has established for its project, and the need for communication networks during natural disasters.

SIPA Annual Report

Jack Arrowsmith, Chairman of the SIPA Board; Greg Rippy, Interim Executive Director; Bill Hobbs, Director of Special Projects; and Catherine Kunst, Director of Operations, all representing SIPA, briefed the committee on SIPA's annual report, dated November 1, 2014. The committee discussed the annual report in detail, including: eligible governmental entities in 2014, including 293 governments or subdivisions; the Drupal open-source content management system used by SIPA; Payment Card Industry compliance requirements; and SIPA's other product solutions, including Salesforce, DocuSign, Google Apps for Government, Mobile Pulse, and Perceptive Software. The committee also discussed SIPA's grant program, which uses excess revenues to help governments put their consumer-facing services online. In FY 2013-14, a majority of the grant recipients received awards to help review cyber security practices. The committee was also briefed on the financial transactions processed by SIPA on behalf of state agencies. In FY 2013-14, $13.5 million in transactions was processed.

The committee was also briefed on legislation recommended by SIPA. SIPA recommended statutory changes related to harmonizing reporting requirements, changing the annual reporting deadline for SIPA, and modifying the requirements for SIPA's board of directors. The committee also discussed SIPA's financial statements, its financial reserves, and its role and interaction with OIT. The representatives from SIPA stated that SIPA sees itself as a nimble tool, partner, and resource for OIT. Finally, the committee discussed a recent study showing the efficiencies gained by governments after implementing online services, as opposed to in-person services.

Committee Authority and Consideration of IT Budget Requests

The committee, along with the CDC, discussed House Bill 14-1395, which altered how IT budget requests are considered by the Colorado General Assembly. Representatives Gerou and May presented the bill to the committees. At the time, the CDC was responsible for reviewing budget requests related to IT projects and providing feedback to the JBC in the form of a prioritized list, following JTC recommendations on the projects. The bill, which was recommended by the JBC, shifted that responsibility from the CDC to the JTC. Representative Gerou spoke about her expectations for the analyst that would be dedicated to the JTC under the bill, the potential for a budget threshold for the JTC, and the need for multi-year planning for IT.

The committees discussed deadlines for budget request recommendations to be submitted by the JTC to the JBC, how the Governor's Office does not always meet budget request deadlines, how the prioritization process would work with the CDC and JTC, how capital projects would continue to be funded from the Capital Construction Fund, the classification of different projects, whether dollar thresholds could prevent the JTC from reviewing certain projects, Legislative Council Staff's authority to advise the JTC about budget requests, and the JTC's duty under the bill to forecast IT needs for the state.

IT Capital Budget Requests

The JTC's charge gives the committee oversight responsibility for approving IT capital budget requests. The committee discussed and was briefed by representatives from the Department of Public Health and Environment, Department of Corrections, and OIT about nine IT capital budget requests for FY 2014-15 at the February 14 meeting. The Department of Revenue, Department of Human Services, Department of Agriculture, and Department of Labor and Employment did not present their requests to the committee.

In discussing the request from the Department of Corrections for an offender management information system, the JTC raised concerns about whether the project was truly ready to proceed and whether it was something that needed to happen in the FY 2014-15 budget cycle. The committee suggested the possibility of using a phased-in approach, and the department was unclear about whether such an approach would allow the department to take advantage of financial incentives available through the federal ACA. Additionally, the committee requested more information from the department about the long-term cost benefits of implementing a new system. The committee also encouraged the use of a customized off-the-shelf approach and asked whether a business process improvement evaluation had been initiated by the department.

In multiple discussions about the Department of Revenue's request for the Division of Motor Vehicles IT Systems Replacement project, the committee expressed concerns about its high costs.

The concerns were related to the procurement process used to secure the bid for the project and the fact that it seemingly did not include potential vendors for informational discussions that could have potentially resulted in lower anticipated costs.

Table 1 provides information about the nine IT capital budget requests for FY 2014-15 that were recommended by the JTC in 2014, including the agency making the request, a project title, whether the committee had any reservations about the request, and the amount and type of funds requested (Capital Construction Fund or Cash Fund).

Table 1
IT Capital Budget Requests Approved by the JTC in 2014

Department	Project Name	FY 2014-15 Costs	Recommendation
Agriculture	eLicense Implementation	$700,000 CF	Recommended
Corrections	Offender Management Information System	5,796,000 CCF	Recommended with reservations
Human Services	Electronic Health Record and Pharmacy System Replacement	9,849,610 CCF	Recommended
Labor and Employment	Workers' Compensation Mainframe Migration and Modernization	5,932,500 CF	Recommended
Office of Information Technology	Digital Trunked Radio System Software Upgrade	3,636,760 CCF	Recommended
Office of Information Technology	Statewide Leave, Time Tracking, and Human Resources Management System Modernization	16,070,000 CCF	Recommended
Public Health and Environment	Electronic Health Record System	3,274,079 CCF*	Recommended
Public Health and Environment	Medical Marijuana Registration System	1,064,080 CF	Recommended
Revenue	Division of Motor Vehicles IT Systems Replacement	41,021,167 CCF	Recommended with reservations
	Total	**$79,647,616 CCF** **7,696,580 CF** **$87,344,196**	

Source: Legislative Council Staff
*This project was originally submitted as a capital IT budget request. However, it received a FY 2014-15 appropriation in the operating budget.

Supplemental IT Budget Requests

The JTC's charge gives the committee oversight responsibility for approving supplemental IT budget requests. The committee discussed and was briefed by representatives from the Department of Personnel and Administration, OIT, and the Department of Human Services (DHS) about two supplemental IT budget requests for FY 2014-15 at the December 30 meeting.

Table 2 provides information about the two supplemental IT budget requests for FY 2014-15 that were discussed by the JTC in 2014, including the agency making the request, a project title, and the amount and type of funds requested (Capital Construction Fund). More information about each budget request is included in Appendix B.

Table 2
Supplemental IT Budget Requests Approved by the JTC in 2014

Agency	Project Title	Funds Requested in FY 2014-15
Personnel and Administration	Colorado Financial Reporting System (COFRS) Modernization	$5,080,604 CCF
Human Services	Electronic Health Record and Pharmacy System Replacement	$935,000 CCF
	Total	**$6,015,604 CCF**

Source: Legislative Council Staff

COFRS Modernization Project and CORE Update

The COFRS Modernization Project, which was renamed to CORE, was established in 2012 in order to modernize the state's financial computer system by phasing out outdated legacy systems and putting a new software solution into place. Robert Jaros, State Controller, Department of Personnel and Administration (DPA), and Kara Veitch, Deputy Executive Director, DPA, briefed the committee about the project at the August 11 and December 30 meetings. They discussed the roll-out of CORE on July 1, 2014, the business process re-engineering that took place for the initial development of the new system, first-round employee training that ended in June 2014, the support system and hotline that were established to provide user support for CORE, performing financial closes under CORE, and the security standards employed for the system. Mr. Jaros highlighted the challenges of labor allocation and payroll under the new system.

They also discussed additional reports required for the state's Comprehensive Annual Financial Report (CAFR), which necessitated a supplemental request for $5,080,604; the original modules included in the initial fixed-price contract; amendments to the original contract, particularly for labor allocation and training; and proposed changes to CORE modules. Modules added or enhanced by the supplemental request include Security and Workflow, Procurement, Labor Data Collection/Colorado Labor Allocation System (LCD/CLAS), Accounts Receivable, Grants Management, Interface Support, Business Intelligence, Training Environment, Network Enhancement, Invoice Numbers on EFT, and Project Management and General Support. The committee also discussed lessons learned from the implementation of CORE and how OIT will be conducting post-implementation analysis of the project. Finally, the representatives from DPA discussed the urgent nature of the supplemental request, due to the contractor's familiarity with and recent work on the project. They also stated that DPA is still in communication with state agencies and will continue to measure the overall success of CORE.

Julie Krow, Director of the Office of Children, Youth, and Families, Department of Human Services (DHS); Patrick Fox, Office of Behavioral Health (OBH), DHS; and Herb Wilson, IT Director for DHS, briefed the committee on the supplemental request for the Electronic Health Record (EHR) and Pharmacy System Replacement project. The primary purpose of the supplemental request was to expand the scope of the project to include the Division of Youth Corrections (DYC). Since OBH had already begun a Request for Proposal (RFP) process, DHS said that the supplemental request would be more efficient than a new budget request. Furthermore, the department said that the supplemental request allows additional licenses to be purchased, in addition to those purchased by OBH, and allows DHS to use the same vendor and implementation process, resulting in cost efficiencies. The committee also discussed how the DYC training program could overlap with training programs within OBH and how differences between the two will be addressed during implementation. DHS also said that extending the EHR system to DYC allows DYC clients' records to be interoperable with other EHR systems, including federal and private systems. The committee also discussed how the vendor will be able to integrate data between the EHR and Trails systems.

Summary of Recommendations

No legislative recommendations were made by the committee in 2014.

Resource Materials

Meeting summaries are prepared for each meeting of the committee and contain all handouts provided to the committee. The summaries of meetings and attachments are available at the Division of Archives, 1313 Sherman Street, Denver (303-866-2055). The listing below contains the dates of committee meetings and the topics discussed at those meetings. Meeting summaries are also available on our website at:

http://www.colorado.gov/lcs/JointTechnology

Meeting Date and Topics Discussed

February 14, 2014

- ♦ Presentation of IT capital budget requests for CDPHE
- ♦ Presentation of IT capital budget requests for DOC
- ♦ Discussion of recommendations to the CDC of FY 2014-15 IT budget requests
- ♦ Discussion of committee process

March 18, 2014

- ♦ Presentation of the Colorado Benefits Management System
- ♦ Discussion of potential committee legislation

April 15, 2014

- ♦ Presentation on CORE
- ♦ Discussion of IT costs and state procurement

April 29, 2014

- ♦ Discussion of transition to new OIT Executive Director
- ♦ Joint Meeting with CDC regarding HB 14-1395

August 11, 2014

- ♦ Presentation of CORE going live
- ♦ Introduction and update from new OIT Secretary of Technology and Chief Information Officer
- ♦ Presentation on new project gating process and related forms
- ♦ Presentation on status of moving data to the cloud
- ♦ Presentation on open data projects and data sharing
- ♦ Presentation on broadband mapping

December 30, 2014

- ♦ Election of new chair and vice-chair
- ♦ Consideration of CORE supplemental request and update on CORE implementation
- ♦ Presentation on SIPA annual report
- ♦ Consideration of DHS electronic health record supplemental request
- ♦ Discussion of committee duties and responsibilities
- ♦ Selection of hearing dates for FY 2015-16 budget requests