

Sen. Jeff Bridges, Chair
Sen. Chris Kolker
Sen. Kevin Priola

Rep. Brianna Titone, Vice-Chair
Rep. Mark Baisley
Rep. Tracey Bennett



Joint Technology Committee

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



February 15, 2021

Senator Dominick Moreno
Chair, Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, Colorado 80203

Dear Senator Moreno,

The Joint Technology Committee (JTC) is pleased to forward its funding recommendation for the FY 2021-22 information technology (IT) capital projects. At its meeting on February 12, 2021, the JTC considered 15 IT capital projects pursuant to Joint Rule 45 and Section 2-3-1704 (11)(a), C.R.S.

The JTC is recommending, in priority order, funding for 15 projects, as shown in Attachment A. This includes 14 state-funded projects and one cash-funded project, for a total of \$29.1 million state funds and \$16.4 million cash funds and federal funds spending authority.

The JTC requests that the Joint Budget Committee (JBC) fund the listed projects in priority order. If, during deliberations, the JBC considers changing the order, cost, or scope of the priority recommendation, the JTC requests that the two committees meet to discuss these changes, subject to Section 2-3-203 (1)(b.1), C.R.S.

Cash-Funded Recommendation

The JTC is recommending cash funds spending authority for the Colorado Department of Labor and Employment Unemployment Insurance Colorado Automated Tax System Modernization project for a total of \$9,422,240 in cash funds spending authority for FY 2021-22. The committee understands that the department plans to pursue legislation to address the future funding status of the proposed cash fund, the Employment and Training Technology Fund, and is supportive of this effort.

State-Funded Recommendation

The JTC is recommending state funding for 14 projects, which consists of three state department projects and 11 higher education projects. These projects total \$29,113,228 in state funds and \$6,971,353 in cash funds and federal funds spending authority for FY 2021-22. The JTC recommends funding these requests for FY 2021-22 with a General Fund transfer to the IT Capital Subaccount within the Capital Construction Fund (CCF) to cover the cost of the requests.

Department requests. The JTC recommends funding the three state-funded department requests that were originally recommended for funding by the Governor’s Office of State Planning and Budgeting (OSPB). However, the JTC did alter the priority order and recommended funding amounts for these projects. The JTC’s recommendations require a total of \$8,100,156 in state funds and \$5,416,200 in federal funds spending authority for FY 2021-22.

Office of eHealth Innovation (OeHI). The JTC designated the OeHI Rural Connectivity project (\$1.1 million in state funds and \$5.4 million in federal funds) as its top priority project. The project is expected to provide a significant return on the state’s investments by not only reducing health care costs for residents in rural areas of the state, but also by offering an opportunity for the state to take advantage of significant federal match funding through the Centers for Medicare and Medicaid Services.

Department of Human Services Office of Behavioral Health. The JTC acknowledges the behavioral health care crises that the state is currently facing and believes that the legislature has an obligation to do everything it can to address this important issue. However, the JTC recommends reducing funding for the Department of Human Services Behavioral Health Infrastructure Investments project from the \$10.4 million in state funds that was originally requested to \$5,018,356 in state funds to implement the following components of the project:

- consolidated behavioral health data collection (\$2,400,000);
- virtual crisis telehealth app (\$2,318,356); and
- bed capacity tracking system (\$300,000).

The department had requested additional funds to make health information exchange (HIE) investments for behavioral health care providers; develop a virtual training system for behavioral health care providers; and establish a micro-grant program to provide behavioral health care providers with access to health IT infrastructure. However, the JTC believes that there may be overlap between the department’s and OeHI’s HIE investments. The JTC also believes that the virtual training system and micro-grant program are less critical and may wait for funding.

Prior to the JBC’s figure setting meeting for these projects, the JTC has requested that the department collaborate with OeHI, and other entities as appropriate, to further examine the potential overlap with the two agencies’ HIE efforts and to also identify whether any federal funding opportunities may exist for the overall project given the impact that the COVID-19 pandemic is having on the behavioral care system across the county.

Department of Public Health and Environment (CDPHE). The JTC recognizes and deeply appreciates the extraordinary efforts that CDPHE has undertaken to help the state combat the COVID-19 pandemic. However, the JTC recommends reducing funding for the CDPHE Integrated Reportable Disease Data Management System project from the \$10.0 million in state funds that was originally requested to \$2.0 million in state funds. With the \$2.0 million in initial funding, the JTC anticipates that the department will be able to complete the initial product planning and design phases of the project. The JTC strongly encourages CDPHE to return to the JTC and JBC to request additional funding for the project during the supplemental process or next year’s regular budget request cycle once the initial research and planning phases have been completed and the department has a better understanding of the proposed project’s scope and budget.

The JTC requests that CDPHE examine whether any federal funds may be available for the project given the shortcomings of the current system that the COVID-19 pandemic have highlighted. Additionally, the JTC encourages the JBC and the legislature to consider the potential opportunity to direct any current one-time state COVID-19 relief funds or excess revenues to this project.

Institutions of higher education requests. The 11 remaining projects the JTC is recommending funding are requests from state institutions of higher education. None of these projects were recommended for funding by OSPB. These projects total \$21,013,072 in state funds and \$1,555,153 in cash funds for FY 2021-22. During the prioritization discussion, members of the JTC expressed a strong desire to provide funding and support for institutions of higher education because of the extremely important work they do to help grow the state's workforce for the jobs of tomorrow.

Some examples outlining the committee's recommendation to fund higher education projects include:

- the Colorado Northwestern Community College project because of the college's role in helping workers and residents in the area move into new, highly sought-after careers as the region transitions away from a coal-based economy;
- the Adams State College, Fort Lewis College, and Western Colorado University Digital Transformation Initiative project because of its collaborative effort between multiple institutions, which will result in cost-savings;
- the Community College of Denver project because the college's focus on serving first generation college students and students of color;
- the Metropolitan State University-Denver Network Infrastructure Modernization project because of its potential to provide benefits to all three institutions on the Auraria campus; and
- the Otero Junior College and Lamar Community College projects because of the colleges' rural locations and the economic needs of the areas.

During the prioritization discussion, the committee expressed their strong desire for the JBC to find a way to fund all of the projects through project #13, the Lamar Community College Technology and Equipment Upgrades project. In the event that the JBC is unable to fund projects #14 and #15 on the prioritized list, the JTC would encourage Metropolitan State University-Denver and the Colorado School of Mines to potentially collaborate with each other and other institutions to find a way to work together to provide the students, faculty, and staff at these institutions with a modernized enterprise resource planning and student information system, as envisioned in both requests, while creating efficiencies through economies of scale.

The JTC intends to work with the Department of Higher Education over the next year to explore ways to encourage and facilitate greater collaboration between the state and the various institutions of higher education in addressing the serious IT needs that exist within higher education. The JTC would also like to initiate conversations with the JBC about different ways to potentially create a separate, more stable funding stream for higher education IT capital projects.

Summaries of all of the recommended projects are provided in Attachment B.

IT Capital Spending Authority Timeline

In response to recent discussions on the topic, the JTC reiterates its recommendation to maintain the current three-year spending authority for IT capital projects. Based on all of the information the committee has received, the JTC believes that changing to one-year spending authority would result in higher project costs and significant inefficiencies.

By putting forth its recommendations for FY 2021-22 project funding, as outlined above, the JTC hopes to convey its desire to provide smaller appropriations during a project's initial start-up. This will require departments to come back and check in with the JTC frequently as additional funding will need to be requested through the supplemental or annual budget request process. This will allow the JTC to stay apprised of each project's progress and identify any potential issues early on in the process before additional funding is appropriated.

If you have any questions or concerns about the JTC's recommendations, please call Luisa Altmann, Legislative Council Staff, at 303-866-3518.

Sincerely,



Senator Jeff Bridges
Chair

c: Joint Budget Committee Members
Joint Technology Committee Members
Joint Technology Committee Staff
Carolyn Kampman, Joint Budget Committee Staff
Alfredo Kemm, Joint Budget Committee Staff
Lauren Larson, Governor's Office of State Planning and Budgeting
Seth Cohn, Governor's Office of State Planning and Budgeting
Lauren Gilliland, Colorado Department of Higher Education
Carrie Paykoc, Governor's Office of eHealth Innovation
Daniel Chase, Colorado Department of Labor and Employment
Sarah DeVore, Colorado Department of Human Services
Ian Higgins, Colorado Department of Public Health and Environment
Kate Sneed, Governor's Office of Information Technology

Attachment A

FY 2021-22 Information Technology Capital Budget Requests

Total recommended by JTC for funding: \$29,113,228 CCF / \$16,393,593 CF/FF

JTC Priority	Agency/Institution	Project Title	CCF Request	CF Request	FF Request	Total
Projects Recommended for Funding by the Joint Technology Committee						
1	Office of eHealth Innovation	Rural Connectivity	\$ 1,081,800	\$ -	\$ 5,416,200	\$ 6,498,000
2	Department of Labor and Employment	Modernize Colorado Automated Tax System	\$ -	\$ 9,422,240	\$ -	\$ 9,422,240
3	Department of Human Services	Behavioral Health- Infrastructure Investments	\$ 5,018,356	\$ -	\$ -	\$ 5,018,356
4	Department of Public Health and Environment	Integrated Reportable Disease Data Management System	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
5	Colorado Northwestern Community College	Computer and Network Upgrades	\$ 1,746,412	\$ 174,641	\$ -	\$ 1,921,053
6	CSU-Ft. Collins	Upgrade Network Hardware	\$ 541,000	\$ 219,000	\$ -	\$ 760,000
7	Adams State, Fort Lewis, and Western	Digital Transformation Initiative for Rural Higher Education	\$ 9,199,055	\$ 92,920	\$ -	\$ 9,291,975
8	University of Northern Colorado	Next Generation Cyber Secure Network	\$ 1,191,077	\$ 11,910	\$ -	\$ 1,202,987
9	Colorado Mesa University	Network Security and Resiliency	\$ 2,249,898	\$ 222,519	\$ -	\$ 2,472,417
10	Community College of Denver	Classroom and Conference Room Technology	\$ 1,595,878	\$ 101,865	\$ -	\$ 1,697,743
11	Metropolitan State University of Denver	Network Infrastructure Modernization	\$ 1,250,000	\$ 250,000	\$ -	\$ 1,500,000
12	Otero Junior College	Technology and Equipment Upgrades	\$ 597,750	\$ 125,000	\$ -	\$ 722,750
13	Lamar Community College	LCC Technology and Equipment Upgrades	\$ 553,002	\$ 35,298	\$ -	\$ 588,300
14	Metropolitan State University of Denver	Reimagining the Campus Digital Experience	\$ 1,300,000	\$ 200,000	\$ -	\$ 1,500,000
15	Colorado School of Mines	Re-envisioning Mines ERP and SIS	\$ 789,000	\$ 122,000	\$ -	\$ 911,000
Total recommended for funding:			\$ 29,113,228	\$ 10,977,393	\$ 5,416,200	\$ 45,506,821

CCF: Capital Construction Fund (state funds)

CF: Cash Fund

FF: Federal Funds

Attachment B

FY 2021-22 Information Technology Capital Budget Recommendation

Project Title	Fund Source	Total
1	CCF \$1,081,800 FF \$5,416,200	\$6,498,000

Office of eHealth Innovation

Rural Connectivity

The Governor's Office of eHealth Innovation is requesting a combination of state funds and federal funds spending authority to increase rural health providers' access to health information, analytics, and technical support to improve the health and safety of rural communities.

2	CF \$9,422,240	\$9,422,240
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Department of Labor and Employment

Modernize Colorado Automated Tax System

The Colorado Department of Labor and Employment is requesting cash funds spending authority to modernize the Colorado Automated Tax System (CATS) employer services component of the Unemployment Insurance legacy system.

3	CCF \$5,018,356	\$5,018,356
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Department of Human Services

Behavioral Health Infrastructure Investments

The Colorado Department of Human Services Office of Behavioral Health is requesting one-time funding to make several improvements to Colorado's behavioral health system.

4	CCF \$2,000,000	\$2,000,000
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Department of Public Health and Environment

Integrated Reportable Disease Data Management System

The Colorado Department of Public Health and Environment is requesting funding to replace the Colorado Electronic Disease Reporting System with new a system to improve automated disease reporting processes and disease data management.

FY 2021-22 Information Technology Capital Budget Recommendation

Project Title	Fund Source	Total
5	CCF \$1,746,412 CF \$174,641	\$1,921,053

Colorado Northwestern Community College

Computer and Network Upgrades

Colorado Northwestern Community College is requesting funding to upgrade the college's network capabilities with a new fiber optic network and strengthen the existing network to become dedicated to security needs.

6	CCF \$541,000 CF \$219,000	\$760,000
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CSU-Ft. Collins

Upgrade Network Hardware

Colorado State University – Fort Collins is requesting funding for phase one of a three-phase project to upgrade out-of-date networking hardware.

7	CCF \$9,199,055 CF \$92,920	\$9,291,975
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Adams State University, Fort Lewis College and Western Colorado University

Digital Transformation Initiative for Rural Higher Education

Adams State University, Fort Lewis College, and Western Colorado University are requesting funding for phase one of a two-phase project to modernize the institutions' Enterprise Resource Planning systems, which manage human resources and finance components, and Student Information Systems, and move to a cloud-based solution.

FY 2021-22 Information Technology Capital Budget Recommendation

Project Title	Fund Source	Total
8	CCF \$1,191,077 CF \$11,910	\$1,202,987

University of Northern Colorado
Next Generation Cyber Secure Network

The University of Northern Colorado is requesting funding to implement a new core network architecture.

9	CCF \$2,249,898 CF \$222,519	\$2,472,417
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Colorado Mesa University
Network Security and Resiliency

Colorado Mesa University is requesting funding to modernize the university's network hardware.

10	CCF \$1,595,878 CF \$101,865	\$1,697,743
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Community College of Denver
Classroom and Conference Room Technology

The Community College of Denver is requesting funding for phase one of a three-phase project to replace, update, and standardize the college's classroom and conference room technology.

11	CCF \$1,250,000 CF \$250,000	\$1,500,000
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Metropolitan State University of Denver
Network Infrastructure Modernization

Metropolitan State University of Denver is requesting funding for the first phase of a three-phase project to modernize its network infrastructure and address deferred maintenance on current IT infrastructure.

FY 2021-22 Information Technology Capital Budget Recommendation

Project Title	Fund Source	Total
12	CCF \$597,750 CF \$125,000	\$722,750

Otero Junior College
Technology and Equipment Upgrades

Otero Junior College is requesting funding for a project to replace and upgrade equipment in the college's library, computer labs, and classrooms, and also enhance an improved emergency notification system on campus.

13	CCF \$553,002 CF \$35,298	\$588,300
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Lamar Community College
Technology and Equipment Upgrades

Lamar Community College is requesting funding for improvements and enhancements to classroom technology, distance learning technology, virtual simulation equipment, and a state-of-the-art remote testimony center.

14	CCF \$1,300,000 CF \$200,000	\$1,500,000
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Metropolitan State University of Denver
Reimagining the Campus Digital Experience

Metropolitan State University of Denver is requesting funding for the first phase of a four-phase project to replace the university's Enterprise Resource Planning and Student Information System.

15	CCF \$789,000 CF \$122,000	\$911,000
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Colorado School of Mines
Re-envisioning Mines ERP and SIS

The Colorado School of Mines is requesting funding for phase one of a multi-phase project to modernize the school's Enterprise Resource Planning and Student Information System.