

Fiscal Year 2022-23 Information Technology Request

State

Combined Money-in-Politics Disclosure System

SHORT PROJECT DESCRIPTION

The Colorado Department of State currently manages two online systems related to money in politics: the Transparency in Contribution and Expenditure Reporting (TRACER) system, and the Online Lobby System (Lobby). The department is requesting \$1.5 million General Fund for FY 2022-23 to redevelop these two aging systems into a single, combined platform, creating a centralized money-in-politics disclosure system.

PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>Future Requests</u>	<u>Total Cost</u>
GF	\$0	\$1,500,000	\$0	\$0	\$1,500,000
Total	\$0	\$1,500,000	\$0	\$0	\$1,500,000

PROJECT STATUS

This is new, never before requested project.

PROJECT DESCRIPTION

The TRACER system, released in 2010, is the public disclosure website for campaign finance in Colorado. The Online Lobby System, released in 2002, is the system for disclosure of statewide lobbying activity directed at the Colorado legislature, Colorado state agencies, and the Colorado Independent Redistricting Commissions. Both the TRACER and Lobby systems are aging systems that lack modernized functionality. The department seeks to redevelop the two separate systems into one platform that combines the campaign finance (TRACER) system with the lobbyist disclosure system (Lobby) to create a modernized, centralized money-in-politics disclosure system.

The combined system aims to create an enhanced user experience for members of the public, the media, campaign personnel, legislators and lobbyists. Additionally, the department believes that the combined system will lead to greater transparency in Colorado politics by linking the two previously separate systems.

In order to develop the new combined system, the department plans to acquire an existing, off-the-shelf system and customize it to meet Colorado's specific needs and requirements.

PROJECT JUSTIFICATION

Both the TRACER and Lobby systems feature the disclosure of a significant amount of money spent to influence politics and government. The department believes that these systems provide a level of transparency and insight into money spent to influence government that is essential for an open democracy. However, due to the age of both systems, they are reliant on underlying architecture and coding language that is antiquated, creating a lack of modern user experience and functionality. Additionally, the age of both systems creates issues for ongoing development and maintenance needs, preventing the ability to quickly and efficiently introduce new system enhancements and features. Critically, both systems were also developed prior to the "mobile device revolution" and were not built to anticipate that the majority of users would be accessing the systems using smart phones or tablets.

Currently, there is no connectivity between the TRACER and Lobby platforms, which results in users navigating two separate systems with different designs in order to gather data to draw connections between how money spent in elections might interplay with lobbyist expenditures and activity. By combining the two systems into one centralized platform, the efficiency and accessibility of data entry and extraction will be significantly improved. With this improved efficiency and accessibility, there will also be a greater degree of transparency for any users that wish to examine how money is spent in Colorado politics. The department also believes that the new centralized platform will be more cost effective to maintain and operate. By using a vendor-provided commercial-off-the-shelf (COTS) software solution, the department will save significant money compared to redeveloping the entire system from scratch internally.

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COST-BENEFIT ANALYSIS

The department anticipates that the development and deployment of a more modern system may potentially result in reduced maintenance and support costs than those currently incurred by the department.

PROJECT COST INFORMATION

The department provided the following cost estimates for the following components of this project:

Graphic Design- approximately \$120,000 to \$130,000
UI Development- approximately \$170,000 to \$180,000
Backend Software Development- approximately \$375,000
QA Testing- approximately \$50,000 to \$60,000
Support and Training- approximately \$80,000 to \$90,000
Setup/Deployment- approximately \$30,000 to \$40,000

The department estimates ongoing maintenance support for the system to cost approximately \$80,000 to \$100,000 annually, which is approximately equal to the current annual support and maintenance costs for the current systems. The department expects that these annual costs will continue to be paid from the Department of State Cash Fund.

CASH FUNDS

N/A

PROJECT RESEARCH

The department's cost estimates and project scope are based on responses to a 2019 Request for Information (RFI) and an internal analysis of other states' disclosure systems. Additionally, the department believes that commercial vendors present the best option for offering a new system with modern functionality, user interface, and accessibility.

ADDITIONAL PROJECT INFORMATION

N/A

PROJECT SCHEDULE

	Start Date	Completion Date
Planning	July 2022	April 2023
Implementation	April 2023	June 2024
Testing	April 2023	June 2024
Closing	August 2023	June 2024

QUESTIONS

1. Please explain the reasons for the department requesting General Fund for this project instead of using department cash funds.

The Department of State Cash Fund is funded by a variety of business fees. Many small businesses have struggled and continue to struggle during the pandemic, and it is unfair to put the cost of this system on their backs. Yet, the existing Lobby and TRACER systems require replacement as they rely on antiquated architecture and coding language, are cumbersome to improve and modify, and are more difficult to use than platforms on more modern system architecture. In particular, both systems were designed and deployed prior to the "mobile device revolution" and, as such, did not anticipate that the majority of users would access them from smartphones, tablets, and other mobile devices.

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It may be tempting to suggest that lobbyist fees and campaign finance penalties should be used to cover the costs of the new system, but this approach has its own challenges. To pay for the Combined Money in Politics Disclosure System by increasing annual registration fees would require a 4,900 percent increase on Lobbyist fees. Campaign Finance penalties are set in the constitution or statute and, as a result are not easily changed. Furthermore, they are an inconsistent and unreliable revenue stream as they are dependent upon the number, type, and duration of violations, which can be exceedingly difficult to predict. Therefore, the Department would be forced to rely on the approximately 750 registered lobbyists to cover the cost of the new system. Based on the assumptions that the system will be implemented in 12-18 months and cost \$1.5 million in implementation costs, this would require increasing the annual Lobbyist registration fee from \$40 per year per lobbyist to \$2,000 per year per lobbyist, a 4,900 percent increase.

Consequently, the Department seeks General Fund support for the new Combined Money in Politics System. There is a clear public interest in ensuring and increasing transparency into how money affects politics and government in the state. Therefore, it is reasonable that the General Fund should bear the cost of the new system rather than imposing these costs on small business owners.

2. Please describe the department's stakeholding work that has been done to-date and the stakeholding and change management plans as this project moves forward.

Many legislators and lobbyists have noted to Department personnel in recent years the lack of modern functionality contained within the current TRACER and Lobby systems. The Department documents ongoing feedback from system filers and public users of both the campaign finance and lobbyist disclosure systems to inform potential system upgrades and fixes. The Department convened a Lobby Working group in 2019 to solicit feedback on policy governing the lobbyist disclosure program as well as functionality of the disclosure system itself. We plan to conduct a similar engagement with campaign finance system users (public users, media representatives, system filers/candidates/registered agents) to solicit and capture additional feedback related to system design and functionality. We plan to do this before publishing a final request for proposal to ensure that functional and business requirements are reflective not just of administrative needs but system user needs as well.

3. Please provide anticipated start and completion dates for the project.

Once funding availability has been approved, the Department will proceed to develop materials for a Request for Proposals (RFP) procurement effort. Our expectation is that an RFP process will take between six and nine months from publication to selection; four to six weeks for contract negotiation; six to twelve months for system design, configuration, testing, and deployment; for an estimate of between thirteen and twenty-two months from publication of an RFP to availability of the system.

These estimates are subject to many factors:

- The Department assumes that one or more commercial service providers can provide a system that generally meets Colorado's requirements and needs;
- The Department assumes that systems can be configured and customized to meet any Colorado-specific requirements with minimal to low new development required of the service provider. While the Department is optimistic that a software solution is out there based on the rise in vendors specializing in this area in the recent decade, if no commercially-available system suitable for Colorado were a logical "fit" without substantial unique custom development, the Department would likely assess other alternatives (e.g., configuring functionality on a platform such as Salesforce or ServiceNow; solution development on other low-code or no-code platforms; "green field" system development); and,
- The Department assumes that the transition to a new system would be aligned with the start of a major election cycle to minimize the disruption of transitioning existing candidates, campaigns, and lobbyists from the current systems to a new system in the midst of peak activity of an election or a legislative session.

4. Please describe the department's efforts to ensure the new system meets accessibility requirements.

The Department routinely designs and tests online systems and services for compliance with Section 508 and WCAG standards. In addition to imposing contractual requirements regarding accessibility standards and manual and automated compliance reviews, the Department will also work with accessibility and disability advocacy organizations to ensure systems meets and

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exceeds federal and state standards for accessibility.

5. Please describe any alternatives the department considered when developing this request, for example, upgrading the existing systems.

The Department does not have sufficient available funds in the Department of State Cash Fund to consider alternatives other than maintaining the existing systems in essentially the same manner, with existing functionality, as they exist today.

6. Please confirm that TRACER is a custom-coded system. Does the state own the code? Does the state own the TRACER data, along with the database schema and metadata? Are state technical resources proficient in the TRACER code, including the database schema and metadata? Please summarize the TRACER's data retention compliance, and the department's plan to extract, transform, and load (ETL) the data from the existing data repository to the new data repository. Does the department plan to migrate all of the TRACER existing data? Please explain, including the department's plan to ensure data integrity in the new system.

TRACER is a highly customized version of Quest Information Systems' (now Civix) off-the-shelf software package for elections and campaign finance called First Tuesday. First Tuesday was customized to fit the unique needs of Colorado's campaign finance laws and reporting requirements. The version of the vendor's system used in Colorado is now a legacy and unique installation, and maintenance and enhancements to TRACER are essentially "one-off" custom development projects by that vendor. Since the time TRACER was initially implemented in Colorado, the vendor of the system has developed more modern systems for other jurisdictions in the nation.

Colorado does not own the source code or the database schema, but does retain full rights to the data and required metadata of campaign finance activity and reporting. Per existing contract language, "Contractor acknowledges the State's need for all Work Products produced by Contractor hereunder after termination of this Contract. Contractor shall, at no additional cost to the State, provide the State with the necessary source code that allows the State, or its agent, to perform any required and on-going maintenance on the Campaign Finance System."

Data migration from TRACER—the ETL work referred to in the question—will be a required component of any new system vendor or integrator. Data migration activities are routinely one of the potential pain points in any system transition, but the Department assesses that it has appropriate contractual authority with the current system and would work with a new system vendor to ensure data integrity and a successful data migration.

7. Do internal and/or external technical resources currently support the existing Lobby system? Please summarize the Lobby's data retention compliance, and the department's plan to ETL the data from the existing data repository to the new data repository. Does the department plan to migrate all of the Lobby existing data? Please explain, including the department's plan to ensure data integrity in the new system.

The current Lobby system is supported by Department FTEs. Our current Lobby system retains historical information essentially without limitation, and with redundant onsite and offsite backups. The Department would coordinate with a new system provider to migrate all existing data into a new system utilizing existing FTEs and subject matter experts. The Department's current staff would build automated ETL routines for repeatable and testable migration of existing data, and would develop manual and automated data integrity and consistency checks of migrated data for a new system.

8. Please summarize the department's plan to comply with best practices and standards for cybersecurity, accessibility, disaster recovery, and business continuity.

The Department is held to compliance with Colorado Information Security Policies and Standards as adopted and revised from time to time by the State Chief Information Security Officer (CISO) and the Governor's Office of Information Security. Staff of the Department are active participants in the review of existing policies by the State CISO and modifications to those policies and standards as the cybersecurity and operational environment changes. In addition, the Department has agency cybersecurity policies that meet or exceed the requirements of state policies.

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In addition, the Department places additional requirements on third-party organizations and service providers with which the Department engages. For example, our contracts with external service providers require:

- Regular vulnerability scanning, requiring that results of scans be shared with the Department;
- Regular penetration testing of systems, requiring that results of penetration tests be shared with the Department;
- Maintenance of a formal incident response plan, and requiring that the Department be provided with a copy of the incident response plan;
- Adoption of a vulnerability management program, including a vulnerability disclosure policy, with visibility by the Department into their program activities; and,
- Compliance with state and Department security policies and standards.