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Memorandum

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February 24, 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 Human Services
             S-04 Early Childhood Federal Stimulus Funds Spending Authority

Summary

The Colorado Department of Human Services (CDHS) is requesting $184.8 million in federal stimulus Child Care Development Funds, primarily from the American Rescue Plan Act (ARPA) discretionary allocation. Part of this request includes $16.9 million for a variety of information technology (IT) initiatives for the new Department of Early Childhood that the Joint Budget Committee (JBC) has asked the Joint Technology Committee (JTC) to review. The source of these funds is $11.8 million from the ARPA CCDF discretionary funds plus any unspent portion of $5.2 million that was previously appropriated to the department from different federal stimulus funds for planning and design work.

Request Details

The $16.9 million in federal funds that CDHS is requesting includes $14.65 million for capital IT projects for improvements to state early childhood IT systems. According to the department, the department requests that the JBC sponsor legislation to give the department spending authority for these funds contingent on a comprehensive data and systems plan that will be submitted to the JBC and JTC for final approval at the committees' June or September meeting.

According to the department, this funding will be used to create several new data functions to support the goals of the new Department of Early Childhood, including the ability to collect child-level data through a unique identifier; support parents with a single application and unified eligibility; support the blending and braiding of funds for providers and collect real-time supply and demand data; manage a child count process; and house a centralized data warehouse for research and analytics.

In addition, the departments requests $2.25 million for the ongoing administration and maintenance of these new systems. However, please note that this is a rough estimate given the planning work that is still ongoing for the capital portion of the request.

Early Childhood IT

The below table, included in the JBC Staff figure setting document for the CDHS Office of Early Childhood from February 15, 2022, includes a summary of all of the early childhood IT funding that has been requested to date.

Pending Information Technology Recommendations					
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Cumulative
Pending IT Recommendations					
Data and IT system administration	$0	$1,000,000	$1,000,000	$250,000	$2,250,000
Capital budget IT	0	14,650,000	0	0	14,650,000
Subtotal - Pending Recommendations	**$0**	**$15,650,000**	**$1,000,000**	**$250,000**	**$16,900,000**
Other Early Childhood IT					
Reduce operating budget IT in S.B. 21-236 (Included in HB 22-1175 Hum Services supplemental)	(5,150,000)	0	0	0	(5,150,000)
Data systems to support the universal preschool program (Included in HB 22-1197 Effective date of DEC)	3,500,000	0	0	0	3,500,000
Information Technology Contracts & Equipment (Recommended in DEC figure setting)	0	3,946,534	3,946,534	3,946,534	11,839,602
Application support	0	371,284	371,284	371,284	1,113,852
Migration of existing systems	0	1,646,859	1,646,859	1,646,859	4,940,577
New functions	0	1,928,391	1,928,391	1,928,391	5,785,173
Subtotal - Other Early Childhood IT	**($1,650,000)**	**$3,946,534**	**$3,946,534**	**$3,946,534**	**$10,189,602**
Grand Total	**($1,650,000)**	**$19,596,534**	**$4,946,534**	**$4,196,534**	**$27,089,602**

Additional Resources

A discussion of this request begins on the bottom of page 4 of the JBC Staff figure setting document: https://leg.colorado.gov/sites/default/files/fy2022-23_humfig3.pdf

A description of the request as originally submitted by the department begins on the bottom of page 15 of the CDHS S-04 request document: https://drive.google.com/file/d/1Q7xteE8QHVoe60Kaq-QiMnG_WnqVsRZ1/view?usp=sharing

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.