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Memorandum

January 11, 2023

TO: Joint Technology Committee Members

FROM: Vanessa Reilly, Senior Research Analyst, 303-866-4753
Joint Technology Committee Staff

SUBJECT: JTC Staff Analysis of JBC-Referred FY 2023-24 Operating Budget Request
Colorado Department of Human Services
R-05 Reforming IT Project Ownership

Summary of Request

The Colorado Department of Human Services (CDHS) is requesting a net-zero transfer from the Office of Information Technology (OIT) to CDHS of \$1,337,849 General Fund and \$2,319,153 in Reappropriated Funds in FY 2023-24, annualizing to \$1,348,410 General Fund and \$2,337,462 in Reappropriated Funds, ongoing. The request also includes hiring 38.0 contract FTE. The request will move product ownership and project management functions from OIT to the CDHS Business Innovation, Technology, and Security (BITS) division.

The Joint Budget Committee (JBC) referred this operating budget request to the Joint Technology Committee (JTC) pursuant to Joint Rule 45(b), for the committee's review and recommendation as an IT-related operating request. Additional background on this request can be found in the department's JBC hearing document from on December 19, 2022, which is included as an attachment following this memorandum.

Request Details

Business Innovation, Technology, and Security (BITS) Division. The CDHS R-05 operating budget request seeks to transfer product ownership and project management functions from OIT to the CDHS BITS team to increase agency ownership of and accountability for IT projects in the department. Funds will be used to hire non-technical contract managers, budget analysts, and program managers who report to CDHS, and who can both guide initiatives and own initiative outcomes. According to the department, because the CDHS IT portfolio is one of the largest and most complex in state government, these roles are best undertaken by internal staff who are positioned to understand CDHS

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clients' needs, develop appropriate solutions, and deploy solutions in accordance with the department's mission. The department also believes that R-05 will allow the BITS team to create strong and reliable continuity of service and knowledge within the department, enable the department to be a better partner with OIT and vendors engaged on their IT initiatives, and increase the likelihood of projects being appropriately scoped and budgeted.

Partnership with OIT. According to the department, OIT agrees that due to the complexity of the CDHS portfolio, a dedicated team of internal staff is better suited than OIT staff to work with CDHS programs to ensure successful projects and initiatives. The roles and responsibilities that R-05 would transfer to CDHS are not intended to decentralize IT functions, but are non-technical roles intended to help CDHS take accountability and have more control over prioritization of IT investments. The BITS team and OIT staff will conduct weekly strategy sessions, and have engaged Colorado Digital Services to help develop the new structure and ensure there will be no overlapping roles. BITS staff will continue to work closely with OIT to use enterprise-wide license agreements, and to ensure compliance with OIT approval of software purchases, OIT procurement standards, OIT security standards, and state architecture standards.

Program Information

CDHS currently has more than 100 live IT systems across over 80 lines of business. This includes systems that administer child welfare cases across the state, manage child support distributions, and for benefits administration agencies at the county level statewide. The CDHS IT portfolio provides case management, financial management, and healthcare management. In 2020, CDHS created the BITS team to steer through a new and modern IT approach, and to support CDHS in the Governor's Reimagine IT initiative, which aims to build increased agency IT accountability and ownership, collaborative IT governance and oversight, and a more nimble and process-oriented IT organization.

Options for Committee Action

The JTC has three options for committee action when it reviews an operating budget request and makes a recommendation 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.

areas which receive the provider rate increase have an impact on local and federal funds as those programs are state funded, county administered programs and are funded by state, local and federal funds. Any providers which receive Medicaid funding and are impacted by the targeted provider rate adjustments reflected in the HCPF request will be reflected in the department's request.

The 3% provider rate is set on a statewide basis and is not set by CDHS.

ADMINISTRATIVE SOLUTIONS (AS)

R-05 REFORMING IT PROJECT OWNERSHIP (SLIDES 18-21)

4. *[Sen. Zenzinger]* Please provide the rationale for the proposed shift in IT project ownership and management responsibilities. (Slide 20)

In line with HB21-1236 (State Information Technology), DHS is looking to take more ownership and accountability of the outcomes of technology initiatives that impact the programs under DHS authority. In order for DHS to be accountable for these initiatives, DHS requires skilled internal staff who are accountable to the agency itself and can guide the technology initiatives and own the outcomes of these initiatives. ***Having these resources in house will provide DHS the necessary control over these initiatives in order to take more accountability for their outcomes.*** DHS is requesting to redirect funds currently budgeted to Payments to OIT for project management and non-technical services. These funds will be used to hire non-technical contract managers, budget analysts, business analysts and program managers to lead the technology efforts. OIT supports this initiative and provided a letter of support for this request. DHS will continue to partner with OIT for the technical support required for successful technology projects and initiatives.

- **Will this shift affect all department IT systems, or a specific subset of systems? If the latter, please provide a list of those systems.**

This shift will impact most large agency wide systems which include the following:

- State ID Module (SIDMOD - Identity Management for all major systems)
- Kronos Dimensions
- UKG Pro
- Salesforce
- CDHS iNotify (Incident Reporting)
- Technology Hardware & Infrastructure (HP/Verizon)
- Google Workspace
- Voice & Virtual Services (Lumen, Video, Hybrid Meetings)
- MS Access Modernization (CDHS wide)
- Joint Agency Interoperability (JAI)
- Smart Home (Regional Centers)
- Web Services (NIC/SIPA, Accessibility)

The following small-scale, critical and essential systems will be reviewed for feasibility to include in centralized technology management. BITS is working to engage with Colorado Digital Services (CDS), a branch of OIT, to study whether or not these systems meet the maintenance volume threshold for Agile Product Management. Currently, these smaller applications are in the general CDHS portfolio

and supported by either vendors or OIT. That will not change. However, the business management of these applications (such as license management, maintenance backlog management, or contract management) may change if the application is deemed to have enough work volume.

- 24/7 MARS Reports
- AccessIC-2K
- Action Log
- Ancillary Web Application
- Cbord
- CCAR/Encounter
- Cerner Millennium HER
- CMHIFL Employee Infection Response
- Dentrax
- Intellirad/PRG PAC
- Legacy Cube
- Methadone Registry
- OPENLink
- PrimeroEdge
- Roche Glucometer
- Special Connections
- SSA Disability Determination Electronic processing

Other large scale CDHS systems will have the following dispositions:

- TRAILS - Product Management within Program Unit (dotted line reporting to BITS)
- ACSES - Product Management within Program Unit (dotted line reporting to BITS)
- CBMS - Product Management within BITS (dotted line reporting to Executive Steering Committee chaired by the Executive Directors of CDHS and HCPF).

- **How will making DHS responsible for IT project ownership and management affect project development and systems management efficiency?**

Projects will be managed by a group of in-house technology professionals that will consistently interact with CDHS programs. This will ensure that our projects meet the needs of our programs, as these in-house professionals are accountable to the same Executive Management team. This also allows Program Areas to have consistent points of contact and paths to escalation within their agency for added accountability and efficiency.

- **How will this proposal affect counties and end-users?**

With accountability for technology efforts held within CDHS, counties and end-users will have one agency to deal with when requesting help or solving issues with systems that they are interacting with. In essence this creates a single point of escalation, thereby reducing confusion for counties and end users that are looking for answers regarding technology issues. This results in better delivery of technology solutions to the people we serve.

5. [Sen. Bridges] How will this proposal address the Department's technical debt? (Slide 21)

This proposal will help fund a team that is dedicated to reviewing and prioritizing tech debt for CDHS programs specifically. This will ensure that the most urgent aging systems are proactively addressed and prioritized from a business need perspective, rather than just a technical perspective. This will ensure the most effective use of

time and resources to address this issue by giving CDHS the autonomy and resources to make these decisions based on program focused needs.

6. [Sen. Zenzinger] Please provide a list and description of the requested contract staff and their responsibilities. (Slide 21)

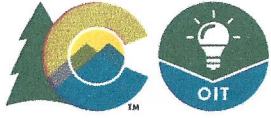
- Product Manager
 - Supervises a portfolio of technology products
 - Point of escalation for prioritization decisions
 - Product Owners report to Product Manager
- Product Owner
 - Direct point of contact for technology products
 - Stakeholder management (i.e., vendors, CDHS programs, external stakeholders)
 - Product or component implementation project management
 - “Big Picture” oversight of products to ensure proper agency wide value
 - Agile Team Leader
- Scrum Master (existing OIT- based FTE paid for through Common Policy)
 - Ensures Agile process is followed
 - Schedules and leads meetings
 - Documents backlog and roadmap progress (including implementation projects)
 - OIT liaison for assigned product portfolio
 - Roadblock remover
 - *This position/role is not part of this request or proposal and will remain an OIT position and report through OIT. However, this will be an integral part of the BITS team and will be fully embedded with agency staff.*
- Business Analyst
 - Requirements gathering
 - User acceptance testing (UAT)
 - Process Mapping
 - ID & Access Management
 - Asset Management
 - Software License Tracking
 - New Project Intake

OFFICE OF ECONOMIC SECURITY (OES)

PUBLIC ASSISTANCE CASELOAD

7. [Reps. Bird and Sirotta] Please provide a detailed discussion on the causes of declining caseload for the following programs. (Slide 27-28)

- *Temporary Assistance for Needy Families (TANF)*



COLORADO
Governor's Office of
Information Technology

10/27/2022

Lauren Larson
Director
Office of State Planning and Budgeting
111 State Capitol
Denver, Colorado 80203

RE: FY 2023-24 Dept. of Human Services - R-05 Reforming IT Project Ownership

Dear Director Larson:

Pursuant to OSPB instructions, this letter is to confirm that the Office of Information Technology (OIT) has been informed of the development and submission of this proposed FY 2023-24 request for the Colorado Department of Human Services (CDHS) to provide additional funding for a Business Innovations Team (BITs) to support the achievement of agency ownership and accountability of CDHS's information technology.

OIT has completed an internal review to ensure the project aligns with statewide IT goals and has collaborated with CDHS and we are in agreement with most of the request, with the following caveats:

CDHS has also been advised that reducing their payments to OIT line does not inhibit OIT's ability to bill in real time for services consumed. If consumption exceeds the payments to OIT line allocation, CDHS will need to fund those services from other operating lines.

OIT will continue to partner with CDHS as they improve their IT business functions and accountability while keeping intact OIT's mission to provide technology services to agencies.

Sincerely,

Rus Pascual - OIT

Rita DeFrange - OIT

Rus Pascual, OIT Budget Director

Rita DeFrange, OIT CDHS IT Director

