2020

Report to the Colorado General Assembly

Joint Technology Committee

Joint Technology Committee

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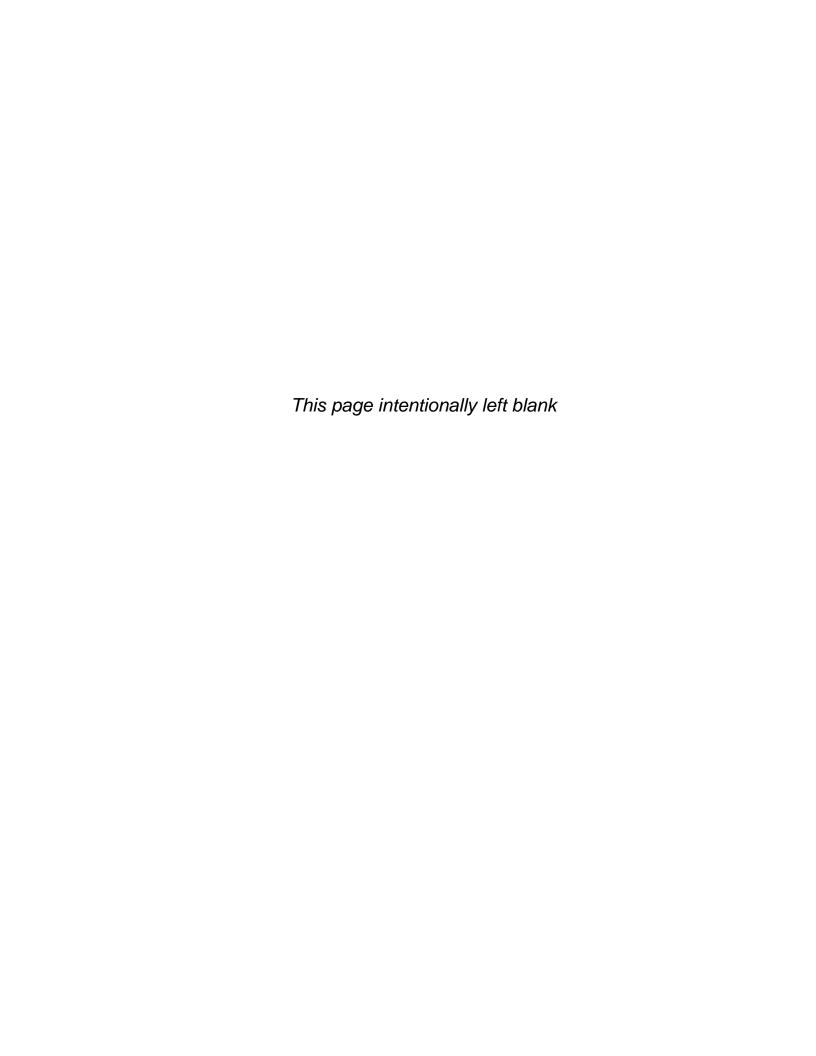Senator Jack Tate   Representative Brianna Titone

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December 2020

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LEGISLATIVE COUNCIL

December 2020

To Members of the General Assembly:

Submitted herewith is the 2020 Joint Technology Committee (JTC) final report. The purpose of the JTC final report is to provide annual and historical information on the information technology (IT) capital budget request process. The 2020 final report provides a complete summary of all IT capital construction appropriations during the 2020 session. The report concludes with a description of other actions taken by the JTC in 2020.

The JTC final report serves as a permanent record of IT capital funding. The report also serves as an informational document for any other entity or individual interested in the progress of IT capital development in the state of Colorado.

Respectfully submitted,
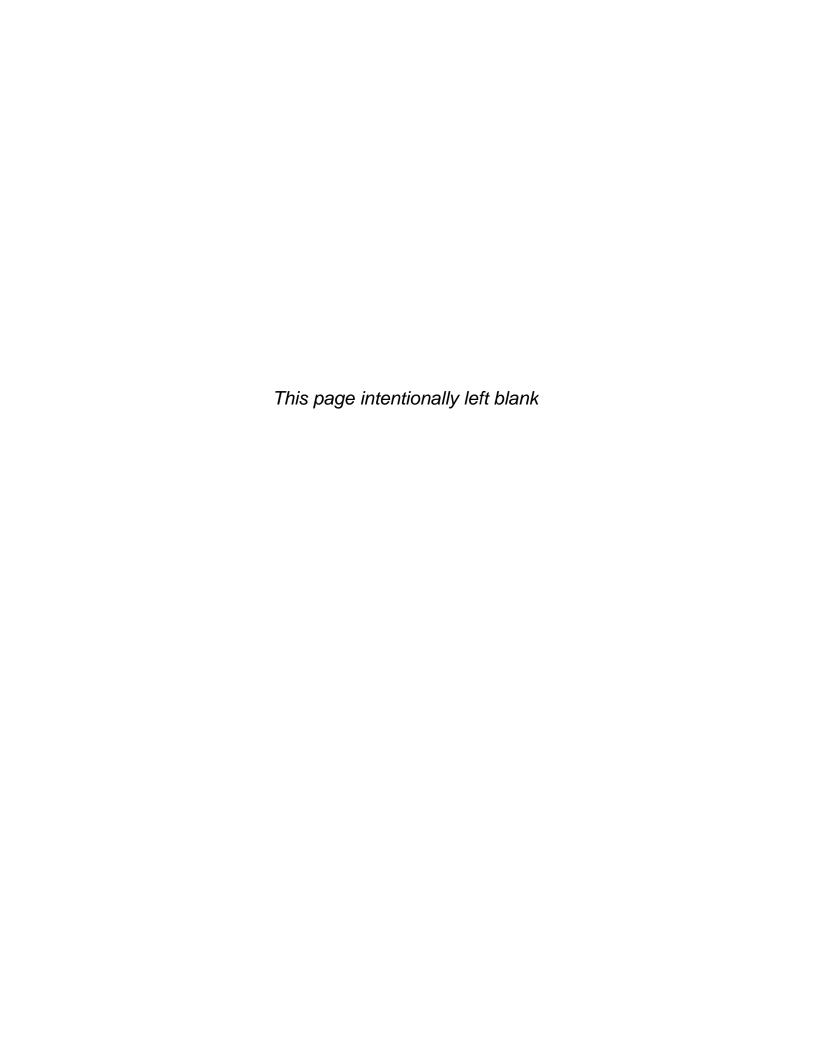
Natalie Mullis
Director

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This report is also available online at:

leg.colorado.gov/committees/joint-technology-committee/2020-regular-session

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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 shall 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 and 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 have the same powers and duties and are 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 elected and switch roles for the second session.

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

Powers and Duties

Oversight duties. The committee has oversight responsibility for the Governor's Office of Information Technology (OIT). "Oversee" is defined as reviews of major 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 Communications Trust Fund; and
- annual updates to the statewide information technology plan.

Other JTC oversight responsibilities 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.

The committee may also request information and presentations about data privacy and cybersecurity and coordinate with the Colorado Cybersecurity Council.

IT capital construction budget request. An IT capital budget request is 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 products or 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 education, OIT, and other sources about the amount of revenue available, the committee must 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.

Joint Technology Committee review. The committee reviews 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, and any committees of reference, as appropriate.

The committee may also request information and presentations regarding data privacy and cybersecurity within state agencies and coordinate with the Colorado Cybersecurity Council within the Department of Public Safety.

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.

The Government Data Advisory Board must submit an annual report to the JTC on or before March 1 concerning the board's actions.

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.

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.

Reporting requirements. The JTC is required to submit an annual 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.

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.

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 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 arranges such hearings as necessary for the JTC to consider all IT budget requests.

Committee Activities

The committee met eight times in 2020. Due to restrictions in place because of the COVID-19 pandemic, the committee did not meet between February 27, 2020, and September 13, 2020. This report highlights the committee's work on the state FY 2020-21 IT budget requests, a broad range of IT-related topics, and related briefings from the executive branch and other organizations. Discussion and briefing topics included:

- FY 2020-21 IT capital and operating budget requests;
- FY 2020-21 IT operating budget requests;
- FY 2019-20 supplemental IT budget requests;
- Department of Corrections Offender Records Management System (DeCORuM) project updates;
- Department of Personnel and Administration HRWorks project updates;
- Department of Labor and Employment unemployment insurance system updates;
- SIPA presentation and bill draft consideration;
- Colorado Benefits Management System (CBMS) Transformation project updates;
- Colorado Digital Service updates;
- OIT presentations and project updates; and

- Colorado Department of Revenue presentations and project updates on: (1) the state tax system, GenTax; (2) the Sales and Use Tax Simplification System; (3) the Colorado Driver, Record, Identification and Vehicle Enterprise System (DRIVES); and (4) the department external assessment and the resulting IT realignment within the department.

The committee recommended two bills for consideration by the General Assembly. Senate Bill 20-183, Definition of State Agency for Statewide Internet Portal Authority Services, passed the General Assembly and became effective on July 8, 2020. Senate Bill 20-198, Office of Information Technology Authorized to Hire Exports for Digital Services, was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on May 27, 2020.

IT Capital Budget Requests

The JTC's charge gives the committee oversight responsibility for approving IT capital budget requests. The committee discussed and prioritized the IT capital budget requests after being briefed by representatives from the Department of Personnel and Administration, the Governor's Office of eHealth Innovation, the Colorado Department of Natural Resources, the Colorado Department of Public Safety, the Colorado Department of Public Health and Environment, and the following institutions of higher education: Adams State University, Fort Lewis College, Western Colorado University, Colorado State University-Fort Collins, Colorado State University-Pueblo, the University of Northern Colorado, Colorado Mesa University, the Community College of Denver, Metropolitan State University of Denver, Otero Junior College, the Community College of Aurora, Trinidad State Junior College, and Colorado Northwestern Community Colorado.

The committee prioritized 13 state-funded IT capital budget requests and 3 cash-funded IT capital budget requests, for a total of $36,235,655 in Capital Construction Fund (CCF) and $5,828,994 in cash funds (CF), with one IT budget request including $4,005,000 in federal funds (FF). Due to the COVID-19 pandemic and resulting budgetary impacts, the JBC approved funding for three IT capital budget requests, totaling $445,000 in CCF, $3,685,795 in CF, and $4,005,000 in FF. The FY 2020-21 Long Bill included funding for the three IT capital budget requests listed in Table 1.

Table 1
FY 2020-21 Funded IT Capital Budget Appropriations

Department/Institution	Project Name	FY 2020-21 Appropriation
Office of eHealth Information	Health IT Roadmap Initiatives	$445,000 CCF $4,005,000 FF
Department of Public Health and Environment	Newborn Screening Laboratory Information Management System	$1,575,000 CF
Public Safety	Colorado Crime Information Center System Migration	$2,110,795 CF
Total CCF		**$445,000**
Total CF/FF		**$7,690,795**
Grand Total		**$8,135,795**

Source: House Bill 20-1360.

Supplemental IT Capital Budget Requests

The JTC has oversight responsibility for approving supplemental IT capital budget requests. The committee recommended that the JBC approve an emergency FY 2019-20 supplemental request of $1,569,108 CCF for the Department of Personnel and Administration's HRWorks project.

Once approved, IT capital construction appropriations must be spent or encumbered by a department within three years. The JTC considered and recommended that the JBC approve the Department of Correction's request to extend its spending authority time for its DeCORuM project for an additional three years. The project had been appropriated $30.3 million in CCF from multiple IT capital budget requests beginning in FY 2014-15. Since the department expected to spend a total of $22.8 million by the end of FY 2019-20, it planned to spend the remaining $7.5 million under the approved extension.

FY 2020-21 Operating IT Budget Requests

Pursuant to Joint Rule 45 (a)(3)(B), the JBC requested that the committee review one FY 2020-21 IT operating budget request. The JTC reviewed and recommended approving the Department of Labor and Employment's FY 2020-21 IT operating budget request for $750,000 in General Funds for the My Colorado Journey project.

Agile Methodology in the Information Technology Budget Cycle

On September 14, 2020, the JTC discussed the letter the JBC sent to the JTC on March 10, 2020, requesting that the committee provide recommendations for the use agile methodology for IT budget requests. Representatives from OIT and JTC staff presented on the use of an agile methodology and its impact on the state budget cycle. The JTC agreed that the departments should continue to choose the use of an agile methodology for IT projects, with the understanding that on certain projects, a traditional or waterfall methodology may be more appropriate. The JTC also made recommendations to the JBC about:

- the period of appropriation spending authority;
- the expectations for reporting progress and standards for reporting metrics;
- the expectations for communicating changes to the JTC and JBC; and
- recommendations for common language and definitions.

Office of Information Technology

Representatives from OIT presented to the committee several times during 2020 and discussed the OIT's vision of:

- the IT Transformation program to discover and implement improvements in IT governance, efficiency, transparency, customer satisfaction, and cost; and
- the Colorado Digital Services to improve agile methods, IT operations, and best practices.

Colorado Department of Revenue

Representatives from the Colorado Department of Revenue provided an update to the committee on the state tax system, GenTax, and the state motor vehicle DRIVES system. The department update included a summary of its external IT assessment and the resulting IT realignment within the department.

The department also provided several updates to the Committee on the Sales and Use Tax Simplification System. During the department's update on December 2, 2020, representatives from the department, the Colorado Municipal League, and the Coalition to Simplify Colorado Sales Tax provided information pertaining to the development of the system and planning a roll-out schedule.

Office of the State Auditor

On January 13, 2020, representatives from the Office of State Auditor presented the Annual Report of Audit Recommendations: Status of Audit Recommendations Not Fully Implemented and the findings from the performance audit of OIT's public safety radio communications system.

Project Updates

Throughout the year, the committee received the following updates on active major IT projects:

DeCORuM. The project will implement offender management, electronic health records, and post-incarceration systems for the Department of Corrections. Department representatives explained to the JTC the project delays and challenges, such as the technical complexity. The department also described its change from using a traditional project management methodology to an agile methodology.

HRWorks. The HRWorks project involves replacing the state's current human resources and payroll systems with an integrated human resources information system. The department paused work on the project in February 2019, while the OIT Colorado Digital Service team evaluated the project and assisted in transitioning the project to an agile methodology. During 2020, the Department of Personnel and Administration and OIT provided several updates to the JTC regarding the project, its transition to agile, a FY 2019-20 supplemental IT budget request, and a FY 2020-21 IT capital budget request. Following the legislative recess due to the COVID-19 pandemic, and budgetary impacts of the pandemic, additional funding for the HRWorks project was ultimately not approved to be included in the FY 2020-21 Long Bill. Due to the lack of funding, the project was terminated in June 2020.

CBMS Transformation project. CBMS supports eligibility for Medicaid and other human service programs. Representatives from OIT, the Department of Human Services, and the Department of Health Care Policy and Financing provided an update to the committee on the status of the transformation project and discussed various areas of concern for system users.

Legislation

Senate Bill 20-183. At the request of SIPA, the JTC sponsored legislation to modify the definition of "state agency" that reestablishes the authority's ability to serve all state government agencies. The bill was passed by the General Assembly and signed by the Governor on July 9, 2020.

Senate Bill 20-198. Following OIT's submission to the JBC of a supplemental budget request to provide funding for the Colorado Digital Service, the JTC sponsored legislation giving OIT the authority to hire these experts. The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on May 27, 2020, due to the General Assembly's focus on bills related to the COVID-19 pandemic following a recess during the 2020 session.

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:

> *leg.colorado.gov/committees/joint-technology-committee/2020-regular-session*

Meeting Date and Topics Discussed

(The committee held hearings related to a majority of the FY 2020-21 IT capital budget requests on December 18 and 19, 2019.)

January 7, 2020

- Department of Corrections DeCORuM project spending authority time extension request
- Joint meeting with the JBC to discuss the HRWorks project

January 13, 2020

- Approval of the Department of Corrections DeCORuM project spending authority time extension request
- Approval of the HRWorks FY 2019-20 IT capital supplemental budget request
- Presentation from the Office of the State Auditor
- CBMS Transformation project update
- Presentation from SIPA

January 29, 2020

- Review of the Colorado Department of Labor and Employment My Colorado Journey FY 2020-21 operating budget request
- Presentation from the Colorado Department of Public Health and Environment on the Newborn Screening Information Management System FY 2020-21 IT capital budget request
- SIPA bill draft consideration

February 5, 2020

- Committee prioritization of FY 2020-21 IT capital budget requests
- Presentation on the Colorado Digital Service

February 12, 2020

- Committee prioritization of FY 2020-21 IT capital budget requests
- Consideration of potential legislation related to the Colorado Digital Service

February 26, 2020

- Department of Revenue presentation on the Sales and Use Tax Simplification System, GenTax and DRIVES assessment, and IT realignment within the department
- Colorado Digital Service bill draft discussion

September 14, 2020

- HRWorks project update
- Department of Revenue Sales and Use Tax Simplification System update
- Colorado Department of Labor and Employment Unemployment Insurance System presentation
- OIT and JTC staff agile budgeting presentations

December 2, 2020

- OIT request for a bill draft
- Sales and Use Tax Simplification System updates from the Department of Revenue, the Coalition to Simplify Colorado Sales Tax, and the Colorado Municipal League