**Joint Budget Committee Staff**
Nonpartisan Budget Analysis for Colorado's Legislature

# FY 2026-27 Budget Briefing Summary

## Information Technology Capital

The Information Technology (IT) Capital section of the Long Bill includes appropriations to state departments and institutions of higher education for information technology projects.

## Summary of Request

**Information Technology Capital**

| | | Total Funds | Capital Constr'n Fund | Cash Funds | Reapprop. Funds | Federal Funds | add'l Out-year State Funds |
|---|---|---|---|---|---|---|---|
| | | FY 2025-26 Appropriation | | | | | |
| | | FY 2025-26 Long Bill (SB 25-206) | $73,891,227 | $34,541,285 | 21,954,666 | 3,634,037 | 13,761,239 | n/a |
| | | **TOTAL** | **$73,891,227** | **$34,541,285** | **21,954,666** | **3,634,037** | **13,761,239** | |
| **OSPB Priority** | | **FY 2026-27 OSPB Prioritized GF Requests** | | | | | | |
| 1 | HCPF | CBMS Re-procurement | $4,823,806 | $905,237 | $0 | $0 | $3,918,569 | n/a |
| 2 | EDU | School finance modernization | $3,150,000 | $3,150,000 | 0 | 0 | 0 | 3,150,000 |
| 3 | PubHea | Stationary sources modernization | $1,748,863 | $1,748,863 | 0 | 0 | 0 | 0 |
| 4 | HCPF | Social health info exchange | $4,049,989 | $743,838 | 0 | 0 | 3,306,151 | 0 |
| 5 | COR | Insp. Gen. Offense Rep. (IGOR) Sys. | $510,669 | $510,669 | 0 | 0 | 0 | 0 |
| 6 | PER | Human Resources Information System | $955,500 | $955,500 | 0 | 0 | 0 | 13,340,574 |

| | | | Total Funds | Capital Constr'n Fund | Cash Funds | Reapprop. Funds | Federal Funds | add'l Out-year State Funds |
|---|---|---|---|---|---|---|---|---|
| 7 | HED | UNC Life Safety Tech. Modern. | $1,982,160 | $1,861,248 | 120,912 | 0 | 0 | 0 |
| 8 | HED | Fort Lewis Door Access Control Upgrade | $1,061,023 | $671,784 | 389,239 | 0 | 0 | 0 |
| | | **Subtotal - OSPB Prioritized Requests** | **$18,282,010** | **$10,547,139** | **$510,151** | **$0** | **$7,224,720** | **$16,490,574** |
| **OSPB Priority** | | **FY 2026-27 OSPB Prioritized CF Requests** | | | | | | |
| 1 | PubSaf | Records Utilization Upgrade | $2,564,100 | $0 | $2,564,100 | $0 | $0 | $0 |
| 2 | PER | Statewide Procurement System | 2,299,500 | 0 | 2,299,500 | 0 | 0 | 0 |
| 3 | LAB | Workers' Comp Database Replacement | 9,964,519 | 0 | 9,964,519 | 0 | 0 | 0 |
| | | **Subtotal - OSPB Prioritized CF Requests** | **$14,828,119** | **$0** | **$14,828,119** | **$0** | **$0** | **$0** |
| | | **Total Prioritized Project Funding** | **$33,110,129** | **$10,547,139** | **$15,338,270** | **$0** | **$7,224,720** | **$16,490,574** |
| **CCHE Priority** | | **FY 2024-25 CCHE Prioritized Requests Beyond OSPB** | | | | | | |
| 1 | HED | Otero College Campus sec improvements | $234,300 | $184,300 | $50,000 | $0 | $0 | $0 |
| 1 | HED | Front Range CC Cell sys improvements | $5,824,000 | $5,468,000 | $356,000 | 0 | 0 | 0 |
| 1 | HED | Arapahoe CC Classroom tech | $1,311,447 | 1,174,447 | $137,000 | $0 | $0 | $2,526,364 |
| 5 | HED | Colorado Mesa Univ SIS modernization | 8,852,214 | 8,316,655 | 535,559 | 0 | 0 | 0 |
| 6 | HED | CO Northwest CC Sec camera upgrades | 986,192 | 986,192 | 0 | 0 | 0 | 0 |
| 7 | HED | Western CO Univ Digital ID, sec, & access | 8,124,856 | 7,812,362 | 312,494 | 0 | 0 | 0 |
| 9 | HED | Pueblo CC Wireless network upgrade | 824,373 | 824,373 | 0 | 0 | 0 | 0 |
| 10 | HED | CC of Aurora Modern campus tech | 999,000 | 949,050 | 49,950 | 0 | 0 | 2,998,000 |
| | | **SUBTOTAL - CCHE Prioritized Requests Beyond OSPB Prioritized** | **$27,156,382** | **$25,715,379** | **$1,441,003** | **$0** | **$0** | **$5,524,364** |
| | | **TOTAL - All IT Capital Requests** | **$60,266,511** | **$36,262,518** | **$16,779,273** | **$0** | **$7,224,720** | **$22,014,938** |
| | | **TOTAL INCREASE/-DECREASE** | -$13,624,716 | $1,721,233 | -$5,175,393 | -$3,634,037 | -$6,536,519 | |
| | | Percentage Change | -18.4% | 5.0% | -23.6% | -100.0% | -47.5% | |
| | | **TOTAL OSPB PRIORITIZED INCREASE/-DECREASE** | -$40,781,098 | -$23,994,146 | -$6,616,396 | -$3,634,037 | -$6,536,519 | |
| | | Percentage Change | -55.2% | -69.5% | -30.1% | -100.0% | -47.5% | |

For FY 2026-27, the Governor's request includes two Higher Education projects in it prioritized request for General Funded projects. The Colorado Commission on Higher Education has eight additional non-prioritized projects. Staff notes that OSPB's prioritization differs from the Department on Higher Education for the Fort Lewis door access upgrade, which the Department identified as its eighth highest priority.

**To fund all the OSPB Prioritized requests will require an estimated General Fund transfer of $10.5 million to the Capital Construction Fund, which includes two CCHE requests. To fund all OSPB and CCHE Capital IT requests, an estimated General Fund transfer of $36.3 million would be required.**

## General Fund Projects

**HCPF Colorado Benefits Management System (CBMS) re-procurement:** The Department of Health Care Policy and Financing requests $4.8 million in total funds, including $905,237 in Capital Construction Fund. This funding will be used for the 10-year re-procurement of the Colorado Benefits Management System (CBMS), which is federally required. The Department has not yet estimated out-year costs for the re-procurement.

**EDU School finance modernization:** The Department of Education requests $3.2 million from the Capital Construction Fund for modernization of calculating the school finance funding formula. Presently, the Department manages the formula through internal calculations and spreadsheets. The Department is working toward adoption of more flexible systems, which will more easily allow them to implement legislative changes to the funding formula and reduce the opportunity for data entry error. The Department projects an additional $3.2 million in Capital Construction Fund for FY 2027-28 to complete the project.

**PubHea Stationary source modernization:** The Department of Public Health and Environment requests $1.7 million in Capital Construction Fund for modernization of the stationary sources permitting system. This would be the final phase in replacing the outdated stationary sources system. This upgrade is expected to reduce the permitting backlog for entities regulated under the stationary sources program.

**HCPF Social Health Information Exchange:** The Department of Health Care Policy and Financing requests $4.0 million in total funds, including $743,838 in Capital Construction Fund. This will fund the final phase of the project. The goal of this change is to improve care coordination between providers and public programs, reducing duplicative assessments for clients.

**COR Inspector General Offense Rep. (IGOR) System:** The Department of Corrections requests $510,669 in Capital Construction Fund to replace the existing IGOR System. The Department states that existing system lacks needed functionality for case review and sentencing, and proposes using an OIT-supported "off-the-shelf" software suite to address these gaps.

**PER Human Resources Information System:** The Deparment of Personnel requests $955,500 in Capital Construction Fund for the first phase of procurement for a statewide human resources information system. Presently, human resources management is done on an *ad hoc* basis across state agencies, utilizing manual entry and legacy systems. This funding will be used to identify and plan for a statewide human resources system. The Department suggests that this will improve both efficiency and data security. The Department has projected that an additional $13.3 million in Capital Construction Fund will be needed to complete this project in future years.

**HED UNC Life Safety Tech Modernization:** The Department of Higher Education requests $2.0 million in total funds, including $1.9 million in Capital Construction Fund, for modernization of life safety technology at the University of Northern Colorado. The Department states that existing life safety

technology is outdated and unsupported, and further states that communication technology is non-compliant with accessibility regulations. This would be a single-phase project completed in FY 2026-27. The project was ranked joint-first in the Department's prioritization.

**HED Fort Lewis Door Access Control Upgrade:** The Department of Higher Education requests $1.1 million in total funds, including $671,784 in Capital Construction Fund, for campus-wide door access upgrades at Fort Lewis College. The project aims to enhance physical security by replacing mechanical locks with centralized access technology. This would allow the institution to respond more quickly to emergencies on campus. The Department ranked this project eighth in its prioritization.

## Cash-Funded Projects

**PubSaf Records Utilization Upgrade:** The Department of Public Safety requests $2.6 million in cash funds for phase 3 of the records utilization upgrade. This project aims to transition Colorado State Patrol from paper-based management of traffic citations to an integrated cloud-based system.

**PER Statewide Procurement System:** The Department of Personnel requests $2.3 million in cash fund spending authority for centralized statewide procurement. The Department has suggested that the existing decentralized system is leads to inefficiency, duplication and poor data sharing in procurement, with a centralized system enhancing efficiency.

**LAB Workers' Comp Database Replacement**: The Department of Labor and Employment requests $10.0 million in cash funds for phase 3 of the Colorado Workers' Compensation Database replacement, which includes final testing, launch and troubleshooting for the new system. The Department expects this system to improve efficiency by not requiring the use of unsupported third-party software (e.g., Excel) to manage the database.

## Non-Prioritized HED Projects

**Otero College campus security improvements:** The Department requests $234,300 total funds, including $184,300 in Capital Construction Fund, for campus security improvements. The institution intends to replace outdated cameras and communication infrastructure, suggesting that the existing existing security equipment is inadequate for campus security needs.

**Front Range CC cell system improvements:** The Department requests $5.8 million total funds, including $5.5 million in Capital Construction Fund, for cellular system improvements across Front Range Community College. The Department has indicated that this improvement is needed for both daily communications and emergency response.

**Arapahoe CC classroom technology:** The Department requests $1.3 million total funds, including $1.2 million Capital Construction Fund, for replacement and upgrade of classroom technology. This overhaul would include replacement of older technology in classrooms, as well as new technology to enhance remote learning, such as lecture capture. The Department projects an additional $2.5 million of state funds in future years to complete the project.

**Colorado Mesa University student information system (SIS) modernization:** The Department requests $8.9 million total funds, including $8.3 million in Capital Construction Fund, for improvements to the student information system. The Department indicates that these funds would be used to upimplement a single student information platform, replacing the existing modular system. The Department has further suggested that this will enhance efficiency, as well as lower the cost for degree completion by making it easier for students to track degree progress.

**CO Northwest CC security camera upgrades:** The Department requests $986,192 Capital Construction Fund for replacement and expansion of campus sceurity camera infrastructure. Outdated cameras and connection infrastructure has made security monitoring unreliable. Furthermore, many areas of the college campuses have no camera monitoring. The Department suggests that this upgrade and expansion would enhance security and emergency response.

**Western CO University digital ID, security, & access:** The Department requests $8.1 million total funds, including $7.8 million in Capital Construction Fund, for a comprehensive overhaul of the institution's campus security and access control systems. The Department indicates that existing infrastructure presents risk, with outdated current sytems being inadequate to meet physical and cybersecurity requirements.

**Pueblo CC wireless network upgrade:** The Department requests $824,373 Capital Construction Fund for wireless network improvements. The Department indicates that this upgrade will improve network speed and reliability. This is expected to enhance learning outcomes by allowing faculty to maintain consistent connectivity, as well as allowing students to leverage newer technology, such as AI. The Department further indicates that improved wireless reliability will improve security by more carefully controlling physical access to campus buildings.

**CC of Aurora Modern campus tech:** The Department requests $1.0 million total funds, including $949,050 million in Capital Construction Fund, for technology modernization. The Department indicates that this is a necessary investment to replace outdated systems. They also state that these improvements will enhance physical security on campus through reliable emergency communication and access control. The Department projects an additional $3.0 million of state funds in future years to complete the project.

# Issues Presented

**Reversions from the IT Capital Account to the General Fund:** Staff has identified a potential interaction between S.B. 24-224 (Mitigate Future State Technology Debt) and S.B. 25-262 (Changes to Money in the Capital Construction Fund). Under S.B. 24-224, Departments make annual depreciation lease equivalent (ADLE) payments into the IT subaccount to manage future technology replacement needs. However, S.B. 25-262 transfers the unexpended and unencumbered balance of the Capital Construction Fund, which includes the IT Capital subaccount, to the General Fund at the end of each fiscal year. As such, these funds that are paid to manage future tech debt would not be available for replacement projects. Staff has requested permission to work on a bill draft to prevent ADLE payments from reverting to the General Fund at the close of each fiscal year.

# For More Information

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To read the entire briefing: Go to leg.colorado.gov/content/budget/budget-documents to use the budget document search tool. Select this department's name under Department/Topic, "Briefing" under Type, and select a Start date and End date to show documents released in November and December of 2025.