



COLORADO

**Governor's Office of
Information Technology**

Joint Technology Committee Hearing

December 16, 2025



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Information Technology**

Information Technology Revolving Fund



Information Technology Revolving Fund

- IT Revolving Fund is a continuously appropriated fund for OIT services and operations. It that funds services consumed by state agencies on a break-even, fee-for-service basis. See CRS 24-37.5-103(3)(c)
- "Fund balance" is an accounting term for residual assets minus liabilities at a point in time.
 - It is not the same as the cash or "balance of the fund".
 - Fund balance includes non-cash items; cash balance is total available cash.



Information Technology Revolving Fund

- OIT targets beginning the fiscal year with at least 30 days of cash on hand. Maintaining adequate cash reserves is critical to avoid borrowing costs.
- FY 2023-24 cash balance of \$25.8 million and a fund balance of \$6.6 million, but still incurred \$2.0 million in interest expense to cover obligations.
- FY 2025-26 began with \$73.9M cash and \$61.7M fund balance. Balances declined to \$37.2M cash and \$26.9M fund balance by the end of Period 1.



IT Revolving Fund (6130)

Schedule 9	Actual	Actual	Forecast	Forecast
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Beginning Fund Balance	\$6,624,226	\$48,301,607	\$61,665,061	\$25,000,000
Change to Fund Balance	\$41,677,381	\$13,363,454	(\$36,665,061)	\$20,332,530
Ending Fund Balance	\$48,301,607	\$61,665,061	\$25,000,000	\$45,332,530
Maximum Reserve	\$53,749,520	\$59,853,804	\$60,099,149	\$60,099,150
OIT Fund Target	\$26.8M-\$40.3	\$29.9M-\$44.9M	\$30.0M-\$45.1M	\$30.0M-\$45.1M

The IT Revolving Fund is expected to decrease in FY 2025-26 due to the FY26 S-01 IT Revolving Fund Balance Sweep (an \$11M transfer to the General Fund) and the FY26 RtB Supplemental (\$16.7 million decrease to Payment to OIT appropriation lines.)



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Budget Overview

FY 2026-2027 Budget Package



Priority	Title	FTE	FY27 Amount	Funding Type
R-01	Statewide SB24-205 AI Compliance	33.8	\$5,234,764	All fund types (ongoing)
R-02	OIT Statewide Innovation Enablement	2.8	\$462,930*	Reappropriated (ongoing)
R-03	Statewide IT Accessibility	15.4	\$3,087,629	All fund types (ongoing)
R-04	OIT TAP Operating Reduction	0	(\$135,887)	General Fund (ongoing)
R-05	OIT Operating Realignment	0	(\$5,567,000)	Reappropriated (ongoing)
R-06	OIT Operating Efficiencies	(17)	(\$2,604,305)	Reappropriated (ongoing)

* Total funding amount of \$542,180 in FY27 and \$475,044 FY28



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Statewide IT Accessibility



R 03 Statewide IT Accessibility - Background

- Agencies have been successfully using the one-time FY24 budget amendment funds
 - Website accessibility scores - 86.4% (FY24) to 94.6% now
 - IT Accessibility Adoption Plans - 37% (FY24) to 97.8% complete now
 - Accessibility requirements built into processes
 - Agencies are more prepared for ongoing management
 - Application testing and remediation
- [Colorado's Technology Accessibility Rules](#) - clarify guidance to comply
 - Align with Federal rules



R 03 Statewide IT Accessibility - Issues

- Ongoing work is needed and one-time funding ends June 30, 2026
- Adherence to the State and Federal Technology Accessibility Rules requires ongoing effort
- Existing accessibility deficit and tech debt
- Risk of losing progress and compliance
 - Customers cannot access state services
 - Funding may go towards litigation instead of providing state services
 - Loss of trust in state services



R 03 Statewide IT Accessibility - Request

- Ongoing and sustainable funding for 22 state agencies
- Funding used for:
 - FTE to serve as program managers of the IT Accessibility programs
 - IT accessibility software
 - Vendor support to address IT accessibility issues
- Amount:
 - FY 2026-27 Incremental Request - Total funds \$3,087,629, 15.4 FTE
 - FY 2027-28 Incremental Request - Total funds \$3,184,411, 16.8 FTE



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Artificial Intelligence R01, R02, GenAI Inventory



R 02 OIT Statewide Innovation Enablement - Background

- Generative AI offers a rare chance to significantly improve state services if implemented strategically. Two examples of this include:
 - CDLE's GenAI assistant reduced agent calls from 80% to 55%. UI's call center wait time decreased by over 50% in six months.
 - HCPF's Box.AI saved auditors 3-4 hours weekly on manual reviews.
- However, only about 60% of Colorado's GenAI implementations have met expectations.

GenAI Rapid Prototyping

- Tested a lo-fi prototype with users to assess acceptance before contract
- Avoided \$1.5M+ in year one spending that would have missed the mark





R 02 OIT Statewide Innovation Enablement - Solution

Establish a team at Colorado Digital Service (CDS) to identify high-value GenAI opportunities, ensure they serve Coloradans' needs, and help agencies implement them using proven practices.

- Strategic oversight to identify which problems GenAI can solve and which it cannot;
- Human-centered design to ensure solutions meet the real needs of Coloradans and state employees;
- Modern digital practices including product management approaches that focus on measurable outcomes rather than just deploying technology;
- Outcomes oriented procurement and active contracts management to ensure taxpayer funds are effectively used;
- Iterative implementation that allows us to learn, adapt, and scale what works.



R 02 OIT Statewide Innovation Enablement - Request

- Ongoing and sustainable funding to establish a team of three technologists with GenAI and digital service expertise. This team will primarily focus on technologies with the highest-volume opportunities of digital interactions with Colorado residents.
- Amount:
 - FY 2026-27 Incremental Request - Total funds \$462,930, 2.8 FTE
 - FY 2027-28 Incremental Request - Total funds \$431,641, 2.5 FTE
 - The additional funding needed for FY 2026-27 (\$79,250) and FY 2027-28 (\$43,403), would come from existing grant-funded CDS engagements and/or CDS engagements funded through IAs with state agencies.



R 01 Statewide SB24-205 AI Compliance - Background

- OIT's Chief Data Office has started foundational work for statewide data and GenAI including strengthening data governance and establishing a GenAI framework:
 - Developed a statewide GenAI policy for responsible GenAI use.
 - Implemented a centralized intake and risk evaluation process for GenAI use cases.
 - Launched a GenAI education program to enhance digital and data fluency, and foster a knowledgeable AI community, including Responsible GenAI training module for all agencies.
 - Operationalized Google's Gemini for state employees, pending agency approval and statewide training.
 - Foundational data readiness efforts under the Data Programs team.



R 01 Statewide SB24-205 AI Compliance - Proposed Solution

- Problem Statement: Addressing fragmented AI landscape and under-resourced central capabilities for meeting the requirements of SB24-205 (SB25B-004) by June 30, 2026.
- Proposed Solution: A centralized compliance model is proposed, led by OIT to meet the requirements of SB24-205 (SB25B-004)
 - Expand OIT and Agency Policies from GenAI to certain higher-risk AI
 - OIT will provide technical oversight and expand risk management framework.
 - OIT will perform impact assessments and initial system audits.
 - Agencies will manage appeals, data corrections, and disclosures.
 - Agencies will also support OIT's assessment activities.



R 01 Statewide SB24-205 AI Compliance - Request

- Ongoing and sustainable funding for 24 state agencies:
 - To support an AI compliance program including appeals, data corrections, and risk and impact assessments to implement SB24-205 (SB25B-004) beginning on June 30, 2026, with funding available July 1, 2026 if approved.
- Amount:
 - FY 2026-27 Incremental Request - Total funds \$5,234,764 that includes 33.8 FTE
 - FY 2027-28 Incremental Request - Total funds \$5,316,896 that includes 36.9 FTE



R-01 Statewide SB24-205 AI Compliance - Request

Agency		FTE
Agency FTE Breakdown	Judicial	9.3
	OIT	3.5
	CDLE	2.8
	DPA	1.8
	HCPF	1.8
	CDHS	1.8
	BHA	1.4
	Remaining 18 agencies have under 1.0 FTE	11.4 (Total)
	Total	33.8

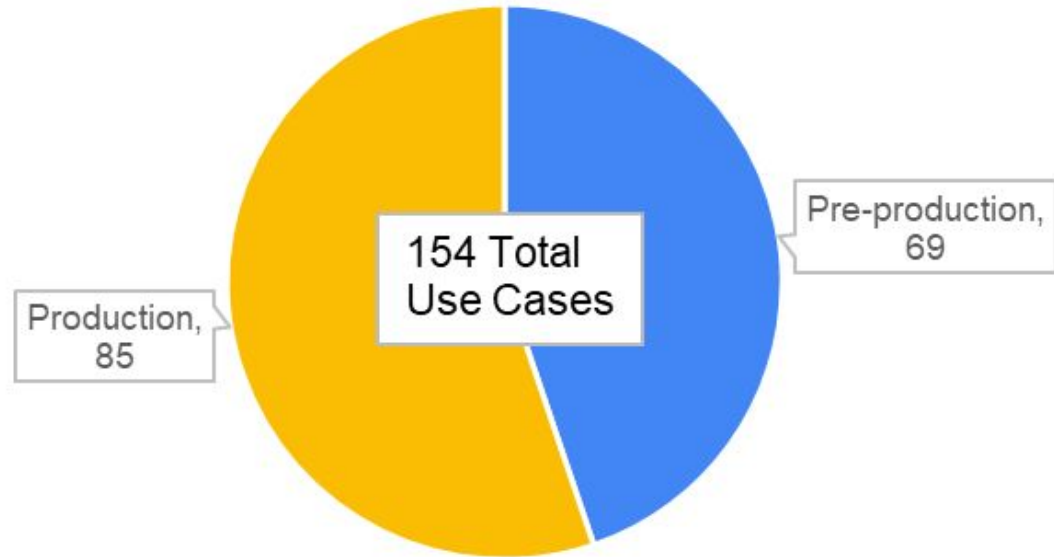


GenAI Use Case Inventory

Approved GenAI Use Cases

Key points:

- GenAI use cases that are OIT-approved and active





Questions?