



Joint Technology Committee

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Information Technology Supplemental and Budget Amendment Request

Department of Health Care Policy and Financing

Department of Human Services

Reimagining Colorado's Benefits Eligibility Systems

Project Summary

The Departments of Health Care Policy and Financing and Human Services are requesting:

- a supplemental to redistribute and repurpose previously appropriated funds, and
- a budget amendment to revise a FY 2026-27 IT Capital request for the Reimagining Colorado's Benefits Eligibility Systems project, formerly known as the Colorado Benefits Management System (CBMS) Re-procurement project.

Overall, there will be a net neutral fiscal impact.

Table 1
Project Funding Summary

Funding Source	CBMS IT Capital	Leveraging Tech. IT Capital	JAI Operating	Total
Prior Appropriated				
State Funding	\$0	\$3,716,625	\$1,823,210	\$5,539,835
Prior Appropriated				
Federal Funding	\$0	\$12,098,935	\$5,935,196	\$18,034,131
Total Prior Funding	\$0	\$15,815,560	\$7,758,406	\$23,573,966
FY 26-27 Requested				
State Funding	\$905,237	\$0	\$1,823,210	\$2,728,447
FY 26-27 Requested				
Federal Funding	\$3,918,569	\$0	\$5,935,196	\$9,853,765
Total FY 26-27 Funding	\$4,823,806	\$0	\$7,758,406	\$12,582,212
Total Funding	\$4,823,806	\$15,815,560	\$15,516,812	\$36,156,178

Project Status

The departments have previously received a significant amount of funding for the CBMS Re-Procurement and Leveraging Technology for Seamless Human Services Delivery projects through the annual IT Capital process. The Joint Interagency Interoperability (JAI) Program received previous operational funding through the annual budget process. The departments are now requesting to redistribute \$36.1 million (federal and state funds) between this budget amendment and supplemental request.

Supplemental. In FY 2024-25, the Joint Technology recommended and the Joint Budget Committee appropriated funding for the Leveraging Technology project. In FY 2025-26 the Joint Budget Committee, appropriated operating funds for the JAI project. This request seeks to redistribute roughly \$28.4 million, made up of \$6.5 million in state funds and in \$21.9 million federal funds.

Budget amendment. The budget amendment request seeks to redistribute the FY 2026-27 IT Capital request of \$4.8 million and incorporate this funding into the newly envisioned modernization effort.

Initial estimates for the first phase of the project, through June 2027, total approximately \$42.0 million. The remaining \$6.0 million will be leveraged through existing operating appropriations that do not need approval to be repurposed.

Project Information

Background Information

The CBMS ecosystem is an “Integrated Eligibility System” that determines eligibility for:

- medical needs (e.g., Medicaid, Child Health Plan Plus);
- food assistance (e.g., Supplemental Nutrition Assistance Program);
- cash assistance (e.g., Temporary Assistance for Needy Families);
- energy assistance; and
- childcare assistance programs.

The system includes an interface for eligibility technicians to enter and process the case information and an eligibility determination benefits calculator rules engine. It also prints correspondence, maintains and transfers data, and includes other components.

The Program Eligibility and Application Kit (PEAK) is a self-service portal for participants where they can submit applications, complete renewals, and update case information. Information

from PEAK is mapped to CBMS and the Child Care Automated Tracking System (CHATS) in addition to several other state platforms for various program eligibility referrals. PEAKPro is an additional system that allows for state-authorized assistants to help participants manage applications and benefits.

Colorado is a state-supervised, county-administered health and human service system. These include 64 counties, eight eligibility application programs, and three medical assistance sites administering programs. The [JAI program](#) is responsible for implementing technology to help Colorado's county health and human services teams serve clients across programs and locations. The JAI program is seeking the implementation of two components: a workflow management system to replace the many individual county systems and a document image capture infrastructure.

These systems are under strong federal oversight to ensure accuracy, security, and compliance with program requirements. Previously, CBMS, PEAK, PEAKPro, and JAI were all led through different teams. Now they are all headed by the Chief Product Officer for Colorado Benefits Eligibility and Enrollment Systems in an effort for a more aligned in the developments of these systems.

IT Capital Project History

CBMS Re-Procurement

The project, which received IT capital appropriations in FY 2024-25 and FY 2025-26, is intended to provide funding for HCPF to re-procure a new CBMS system, including the PEAK module, that met federal procurement standards and modularity requirements. A prior analysis resulted in the decision to keep the current system and issue solicitations to manage modules of the system rather than replacing the system. The departments were appropriated \$1.7 million for phase one (FY 2024-25) and \$4.8 million for phase two (FY2025-26) of the CBMS re-procurement project through the IT capital process to implement this approach. A third phase has been requested for FY 2026-27 for \$4.8 million.

DHS and HCPF are amending their original FY 2026-27 \$4.8 million IT capital request to reflect changes consisting of \$905,000 in state funding and \$3.9 million in federal funding, which will be repurposed for phase one of the Reimagining Colorado's Benefits Eligibility Systems project.

Leveraging Technology for Seamless Human Services Delivery

The project was funded in order to implement priorities of the JAI program, specifically a Unified County Auxiliary System that provides shared document processing and workflow for the

counties. This effort intended to make several systems more operable, including CBMS and CHATS. The first and only phase of the project was funded \$16.5 million total in FY 2024-25.

The departments are requesting that \$15.8 million in total funding (\$3.7 million state funds and \$12.1 million federal funds) from phase one of the Leveraging Technology for Seamless Human Services Delivery be repurposed for phase one of the Reimagining Colorado's Benefits Eligibility Systems project.

JAI Project

Between FY 2015-16 and FY 2019-20, the DHS was appropriated \$34.2 million for the original JAI IT Capital project. The goal of the project was to create a new system to improve communication and the exchange of data across multiple, disparate systems to provide better coordinated services to its clients. The DHS states in this year's request that in seven years, the department only spent \$14.7 million total on that interoperability project and reverted \$1.8 million in state funding in June 2023.

No IT capital funds will be used from the JAI project. However, the departments are requesting permission to repurpose \$15 million from the JAI program operating budget for phase one of the Reimaging Colorado's Benefits Eligibility Systems project. This includes \$7.5 million for FY 2025-26 (\$1.8 million state and \$5.9 million federal funding) and ongoing, including an additional \$7.5 million for FY 2026-27. This portion of funding is intended to support operational elements.

Project Objective

The goal of the project is to better utilize the funding appropriated for the CBMS, PEAK, PEAKPro, and JAI projects which all seek a more efficient, secure, and effective integrated eligibility system. The departments believe the better option is to implement a new, fully integrated modular system that will handle eligibility functionality, workflow management, document management, case management, automation, and analytics built-in.

According to the departments, the revised project will comply with state and federal policy, provide consistent tools across counties, increase efficiency, reduce errors, and allow for flexibility to add, change, or remove programs.

[H.R. 1](#), also known as the One Big Beautiful Bill Act, was passed into law, impacting eligibility requirements, operations, and the availability of federal funding for Medicaid and Supplemental Nutrition Assistance Program (SNAP). The request proposes to use the program changes of H.R. 1 as an opportunity to re-envision upgrades to CBMS. To comply with federal law, the state will use this repurposing of funding to better plan the investments in re-procuring the system

while ensuring the compliance and timeline requirements of the original request are still being met.

The request includes a description of an initial “Planning Sprint” to be concluded in early 2026. The planning sprint is intended to shed light on the technical direction and phases of the CBMS project, re-evaluate funding and procurement, and engage with stakeholders. The outcome of the planning sprint will provide details on system modernization components, updated full cost estimates and timelines, and laying out a detailed change management strategy to achieve the broader holistic benefits eligibility system framework.

Funding Change Implications

Currently, the funding is split among many projects attempting to reach the same goal. Due to the new information from the planning phase, the departments decided to replace the entire system through a modular approach.

In order to advance the planning sprint, the departments will rely on a combination of open-source technologies and modular procurements. Open-source technologies are publicly available for no cost. The department states this will be used for front-end user-interfaces where efficiency and usability are prioritized, or for the eligibility determination rules engine which has less flexible business rules and processes.

Commercial-off-the-shelf (COTS) solutions will be used for modules when requirements closely align with existing market offerings. The request states that document management and processing are examples of using COTS and building custom integrations. Additionally, the department cites this as an approach to take when the state does not have the necessary capacity to implement more customized solutions.

Phase one, expected to last through FY 2026-27, will create a county worker portal that manages and processes documents, aids workflow management, and provides reporting and analytics. The portal will offer the ability to streamline applications, manage benefits more effectively, and improve automation. The departments will continue to provide updated information on phase one and subsequent phases as the planning sprint is completed.

Committee Action

By January 15, 2026, the committee must vote to make a recommendation on the following aspects of this request:

- repurposing \$15.8 million in funding previously appropriated in FY 2024-25 for the Leveraging Technology for Seamless Human Services Delivery to be utilized for phase one of the Reimagining Colorado’s Benefits Eligibility Systems project; and

- repurposing \$7.7 million in JAI operating budget requests from FY 2025-26 and future years.

This will be a total of \$15.5 million between FY 2025-26 and FY 2026-27 operating costs to be utilized for phase one of the Reimagining Colorado's Benefits Eligibility Systems project.

By February 15, 2026 the committee must vote to make a recommendation on the following aspect of the request:

- amend and repurpose the \$4.8 million in funding requested in FY 2026-27 for the CBMS Re-Procurement IT capital project for phase one of the Reimagining Colorado's Benefits Eligibility Systems project.