Topic: OSA Audit Remediation Tracker (Slide 8)

Summary of Request from Joint Technology Committee
Percentage implemented, what moved since last quarter, what's stalled and why. We want a number, not a narrative. The compliance report trigger under § 2-3-1704(14) is real; recommendations two or more years past their committed implementation date put a special audit in play.

Current Status

According to internal audit reporting, OIT has successfully remediated all remaining non-cybersecurity recommendations, all of which were significantly older than two years (with the most recently closed recommendation being over five years old).

OIT also remediated six cybersecurity resiliency recommendations - one was public (2G) and five were confidential - bringing the total to 44 of 85 fully implemented. None of the remaining open recommendations are stalled.

The Office of the State Auditor (OSA) has a practice of closing, rewriting, and reopening similar audit findings over multiple years. As such, it is difficult for us to fully track how many findings are 2 years or older. Currently, OIT considers 25 of the remaining unimplemented cybersecurity recommendations to be more than 2 years old: 18 have the same recommendation language as the 2023 report and an additional 7 recommendations featured updated 2025 language but address underlying issues similar to the original 2023 report. Of these 16 are fully administrative in nature.

Additionally, OIT received three new financial recommendations.

Please note that these internal findings have not yet been substantiated by the Office of the State Auditor (OSA). Consequently, results may differ from OSA's report, *Status of Audit Recommendations Not Fully Implemented, as of June 30, 2026*, which is expected to be presented to the Legislative Audit Committee on December 7, 2026.

The results below have NOT been certified by OSA, and OIT remains on track to achieve the outlined targets.

OIT's Q4 2026 Response to RFI for Audit Recommendation Status

On July 23, 2026, OIT responded to a Request for Information (RFI) from the Joint Budget Committee and Legislative Audit Committee Request for Information to specify and certify OIT's progress in remediating Office of the State Auditor (OSA) findings through the implementation of OIT's audit recommendations as of that date, and outlining its steps to complete remediation with specific future implementation dates for any portions of audit recommendations that have not been fully implemented.

Members of the Joint Budget Committee and the Legislative Audit Committee:
This report is submitted pursuant to the directive that the Office of Information Technology (OIT) report to the Joint Budget Committee (JBC) and the Legislative Audit Committee (LAC) specifying and certifying OIT's progress in remediating findings identified by the Office of the State Auditor (OSA), and outlining the steps and specific future implementation dates for completing remediation of any recommendations not yet fully implemented.

Certification of Progress
OIT certifies that, as of June 30, 2026, it has made substantial progress in implementing recommendations from the OSA's Cybersecurity Resiliency Audit and other prior IT audits and statewide audits with OIT-related findings.

- Of the 85 recommendations from the Cybersecurity Resiliency Audit, OIT has actively addressed 57 percent of all recommendations, with 38 recommendations (45 percent) fully implemented and 11 recommendations (12 percent) partially implemented. OIT's near-term remediation priorities are IT Logging and Monitoring, IT Asset Management, and IT Security Planning.
- Of the 85 recommendations from the Cybersecurity Resiliency Audit, 35 recommendations (41 percent) remain not implemented as of June 30, 2026; all outstanding recommendations from the other OSA audits are either partially or fully implemented.
- Of the 85 recommendations from the Cybersecurity Resiliency Audit, 1 recommendation (2 percent) is no longer applicable as of June 30, 2026.
- Of the 14 outstanding recommendations from other OSA audits, OIT has implemented all but one of them - 93% fully implemented.

Current Implementation Status - Cybersecurity Resiliency Audit (85 Recommendations)

Status	Count	% of Total
Fully Implemented	38	45%
Partially Implemented	11	12%
Not Yet Implemented	35	41%
No Longer Applicable	1	2%
Total	**85**	**100%**

Current Implementation Status - Non-Cybersecurity Resiliency Audit Recommendations (14 Recommendations)

Status	Count	% of Total
Fully Implemented	13	93%
Partially Implemented	1	7%
Not Yet Implemented	0	0%
No Longer Applicable	0	0%
Total	**14**	**100%**

Current Implementation Status - All Audits Combined (99 Recommendations)

Status	Count	% of Total
Fully Implemented	51	52%
Partially Implemented	12	11%
Not Yet Implemented	35	35%
No Longer Applicable	1	2%
Total	**99**	**100%**

Please be advised that Sections 2-3-103(2) and 2-3-103.7(1), C.R.S., prohibit public disclosure of information contained in any reports prepared by the State Auditor until the report is released by a majority vote of the Legislative Audit Committee (LAC). Because the respective confidential audit reports have not been released by the LAC, they remain confidential, and the details related to those reports' findings and recommendations remain confidential as well and cannot be shared publicly (through this RFI response or otherwise). Accordingly, while OIT can provide status information related to findings and recommendations contained in publicly released audit reports, OIT is only able to provide higher-level status information regarding findings and recommendations contained in confidential audit reports that have not yet been released by the LAC. The OSA will present its assessment of OIT's implementation status at the LAC hearing, projected for December 2026, once the related audit work is complete.

Recommendations Referenced in This Report

Per OSA guidance, because the titles of Recommendations 3–12 were publicly released in the table of contents of the Cybersecurity Resiliency Audit (2551-IT) report, OIT is providing that same level of detail below. No additional narrative or recommendation-level detail for the confidential recommendations is included, consistent with Sections 2-3-103(2) and 2-3-103.7(1), C.R.S.

Rec #	Rec Title (Per Public Audit Report Table of Contents)	Report Status
Rec 1	IT Governance	Public
Rec 2	Information Security Training and Awareness	Public
Rec 3	Asset Management	Confidential
Rec 4	Contingency Planning	Confidential
Rec 5	Identification and Authentication	Confidential
Rec 6	Incident Response	Confidential
Rec 7	Logging and Monitoring	Confidential
Rec 8	Physical Access	Confidential
Rec 9	Risk Management	Confidential
Rec 10	Security Planning	Confidential
Rec 11	User Access Management	Confidential
Rec 12	Vulnerability and Patch Management	Confidential

Remediation Plan and Implementation Dates

For the 47 recommendations not yet fully implemented, as of June 30, 2026, OIT commits to the following implementation schedule:

Target Completion Date	Recommendations	Cumulative % Complete
By December 31, 2026	30	82%
By July 31, 2027	15	98%
By July 31, 2028	2	100%

Short-Term (By December 31, 2026): OIT will fully implement 30 of the remaining recommendations, bringing the agency close to an 82% overall completion rate by the end of the calendar year.

Long-Term (By July 2028): 15 recommendations will be implemented by July 2027, and the final 2 recommendations by July 2028.

Commitment

OIT remains committed to full remediation of all OSA audit recommendations and to transparent, ongoing reporting to the Committees on its progress. OIT welcomes any questions from Committee members or staff and is available to brief the Committees in further detail at their convenience.

Topic: Service Hub Projects (Slide 10)

Summary of Request from Joint Technology Committee

1.) Total inventory of projects straight out of ServiceHub, and

2.) For each project and all OIT workers, a breakdown of # employees, # contractors, cost per project (break out contractor costs).

Current Status

Joint Technology Committee members and staff can access the OIT ServiceHub Project Data Analysis dashboard using their official coleg.gov email addresses. The dashboard provides visualization of the data as follows:

- **ServiceHub All-Time Project Resources Breakdown:** Provides the overall % and cost of contractor and State employee resources across all project records in ServiceHub as of September 22, 2026.

- **Project Resources Breakdown by Percent and Cost:** Provides visualization of the same data broken out by Fiscal Year.

- **Breakdown by Agency and Fiscal Year:** Provides visualization of the same data broken out by fiscal year, by Resource Type, then by Agency.

- **Project Detail Breakdown:** Provides the total inventory of project records in ServiceHub (since ServiceHub's inception at OIT) as of September 22, 2026, along with the breakdown of contractor and State employee resource costs as requested and directly answers both parts of the request.

Topic FIN-1: One-time OIT budget request to JTC (Slide 7)

Summary of Request from Joint Technology Committee

Pursuant of SB26-185 Enhance Security of Office of Information Technology (OIT), the Governor's Office of Information Technology (OIT) must develop a list of all active IT vendor contracts, and make this list available to state agency IT leadership and the Joint Technology Committee (JTC). State agencies must provide vendor information to the OIT. The bill requires that the OIT submit a one-time IT budget request to the JTC for the cost of developing the list, and may use the TRPR if more money is needed to implement and maintain the list.

Proposed Solution

The Governor’s Office of Information Technology (OIT) assessed the additional workload required to develop the vendor contract list, as stated in SB26-185. At this time, it is estimated that the OIT can accomplish this work using existing resources.

Fiscal Impact of Solution

The Governor’s Office of Information Technology (OIT) proposes a $0 funding request for FY 2027-28 and beyond for maintaining a list of active IT vendor contracts for the State of Colorado.

Topic FIN-2: Active Capital IT project status (Slide 16-18)

Summary of Request from Joint Technology Committee

Active capital IT project status Schedule vs. actual, budget appropriated vs. spent, any contract deadline changes. If something is heading sideways we want to hear it from you first.

Summary of Budget vs Actuals as of August 31, 2026

IT Controlled Maintenance Projects	STATE AGENCY	(A) BUDGET	(B) EXPENSES & Encumbrances	PROJECT STATUS
Inspector General Offense Reporting System	Corrections	$510,669	$ -	Initial Planning Stages
School Finance System Modernization	Education	$3,000,000	$2,757,440	On Time & Within Budget
Social Health Information Exchange Project	Health Care Policy & Finance	$23,220,982	$14,243,148	On Time & Within Budget
Reimagining Colorado's Benefit Management System	Human Services	$4,823,806	$518,868	On Time & Within Budget
Workers' Compensation Database Replacement	Labor and Employment	$36,660,006	$24,825,266	On Time & Within Budget
Human Resources Information System	Personnel & Administration	$955,500	$ -	Initial planning stages (pending feasibility study)
Statewide Procurement System	Personnel & Administration	$2,299,500	$574,682	Potential Risk - Schedule Within Budget
Stationary Sources Modernization	Public Health & Environment	$5,685,169	$1,375,000	On Time & Within Budget
Health Facilities and EMS Modernization	Public Health & Environment	$12,378,706	$8,703,678	Potential Risk - Schedule & Within Budget
Records Utilization Upgrade	Public Safety	$2,564,100	$1,915,125	At-Risk: Delayed & Within Budget

Door Access Control Upgrade	Institutes of Higher Education (Fort Lewis College)	$722,818	$ -	On Time & Within Budget
Campus Security Improvements	Institutes of Higher Education (Otero College)	$234,300	$ -	On Time & Within Budget
Life Safety Technology Modernization	Institutes of Higher Education (University of Northern Colorado)	$1,982,160	$ -	On Time & Within Budget

Joint Technology Committee: IT Capital Construction Projects Report

1. Inspector General Offense Reporting System

Department: Department of Corrections (DOC)

Project Status: Initial planning stages

Project Recap / Status Update

DOC requested and successfully secured FY27 Decision Item funding for an internal case management system for the Office of the Inspector General (OIG). With new OIG leadership recently onboarded, OIT is collaborating with these stakeholders and initiating the discovery phase for the new product.

Wins & Risks

- **Wins:** Funding successfully secured for the internal OIG case management system.
- **Risks:** As we engage with new OIG leadership and evaluate solution options (e.g., RFI/RFP path), the detailed project timeline and final technical approach are currently being defined.

2. School Finance System Modernization

Department: Department of Education (DOE)

Project Status: On Time & Within Budget

Project Recap / Status Update

The project is progressing smoothly, hitting all major milestones on schedule without issues. The vendor created a prototype website as the development model, enabling weekly reviews and feedback. The tool is already generating real-world ad hoc reports with functionality that was not previously available. Team focus is currently transitioning from State Equal functionality to the Audit module.

Wins & Risks

- **Wins:** Successfully deployed prototype model for continuous weekly feedback; delivered functional ad hoc reporting capability; key milestones met on schedule.
- **Risks:** None reported at this time.

3. Social Health Information Exchange (SHIE) Project

Department: Health Care Policy & Finance (HCPF)

Project Status: On Time & Within Budget

Project Recap / Status Update

The project is executing a Brownfield-to-Greenfield Google Cloud Platform (GCP) migration. Milestone 1 (Project Initiation & Greenfield Readiness) officially kicked off in late August 2026. On July 1, 2026, the project transitioned from a fixed-cost Subscription Agreement to OIT's pay-as-you-go Enterprise Agreement.

Wins & Risks

- **Wins:**
    - **Financial Savings:** Transition to OIT Enterprise Agreement is estimated to save OeHI/HCPF approximately $120,000 annually based on historical utilization.
    - **Governance:** Established a three-tier governance structure (Migration Working Group, Milestone Gate Approvers, Executive Steering Committee).
    - **Project Health:** Recovered from vendor-related challenges regarding the Fall '24 release. Non-production readiness is targeted for late 2026 with production cutover in Dec 2026 / Jan 2027.
- **Risks:**

    - **Operational Compliance:** Active work required to meet strict OIT logging mandates (Splunk) and HIPAA compliance requirements in the new environment.
    - **Legacy Complexity:** Bridging legacy configurations into enterprise standards requires extensive manual, creative effort.

4. Reimagining Colorado's Benefit Management System

Department: Department of Human Services (CDHS)

Project Status: On Time & Within Budget

Project Recap / Status Update

Utilizing a 3-year, multi-phase approach to modernize legacy systems (CBMS and PEAK). Phase 1 (foundational) completed procurement and initial configuration for the Document Management System (DMS). Transitioning into Phase 2, which includes replacing PEAK/PEAKPro and initiating replacement of high-priority CBMS modules to support H.B. 26-1429 requirements by June 30, 2028.

Wins & Risks

- **Wins:** Adopting a modular procurement approach has successfully reduced delivery risk; foundational DMS procurement and configuration is complete.
- **Risks:**
    - **CBMS Integration & Vendor Risk:** Limited documentation for CBMS integrations creates delay risks. Cost associated with integrations to enable modularization and a multiphase approach create cost escalation risk. Vendor knowledge gaps in state eligibility and CMS certification could jeopardize compliance.
    - **Uncertainty:** Full costs/timelines remain variable until procurement phases wrap up and H.B. 26-1429 implementation plans finalize in January 2027.

5. Workers' Compensation Database Replacement

Department: Department of Labor and Employment (CDLE)

Project Status: On Time & Within Budget

Project Recap / Status Update

The primary project achieved a successful, on-time go-live on July 13, 2026 (meeting a launch date target established 18 months prior). The team is now building a product backlog for future releases:

- **Release 1.1:** November 2026
- **Release 1.2:** March 2027
- **Release 1.3:** June 2027
- **Release 1.4:** September 2027
- **Release 1.5:** December 6, 2027

Wins & Risks

- **Wins:** Successful on-time go-live. High vendor performance noted for CapTech, who absorbed significant delays to ensure project success.
- **Risks:** None reported at this time.

6. Human Resources Information System

Department: Department of Personnel and Administration (DPA)

Project Status: Initial planning stages - Feasibility / Study Stage

Project Recap / Status Update

DPA's pursuit of a Human Resources Information System (HRIS) is currently in its initial planning stages. The department is actively seeking funding to conduct an initial feasibility and solutioning study.

Wins & Concerns

- **Wins:** Initiative formally defined and moving into the funding request phase for study and scoping.
- **Risks:** Project implementation and schedule are contingent on securing funding for the preliminary study.

7. Statewide Procurement System

Department: Department of Personnel and Administration (DPA)

Project Status: Potential Risk - Schedule & Within Budget

Project Recap / Status Update

The team is continuing scope refinement with the vendor, focusing on data migration and integration decisions. DPA has initiated Value Stream Mapping sessions with 16 agencies and 53 participants to analyze operational challenges. Cost-Benefit Analysis (CBA) and ROI documentation are being built alongside an OIT Level of Effort (LOE) draft review. DPA has also secured permission to proceed with a State Pricing Agreement.

Wins & Concerns

- **Wins:** State Pricing Agreement permission officially secured; successful rollout of agency Value Stream Mapping workshops.
- **Risks:** Contractual dependencies are outstanding. Awaiting an amendment to the vendor's NASPO cooperative master agreement to align with the state's 10-year performance period; state redline responses to the IT contract are still undergoing vendor review.

8. Stationary Sources Modernization

Department: Department of Public Health and Environment (CDPHE)

Project Status: On Time & Within Budget

Project Recap / Status Update

All Air Pollution Emission Notices (APENs) went live electronically on March 31, 2026, fully digitizing intake workflows. The Title V application and permitting tool was placed into production, with staff training and SOP updates underway for a full permit-holder launch later in 2026. System compliance reports (including ~30 landfill-related reports) are currently being built.

Wins & Risks

- **Wins:** Full digitization of intake workflows; successful deployment of Title V tool into production; decommissioned two out of four legacy databases following the complete retirement and archival of the infrared (IR) camera inspection tool.
- **Risks:** None reported at this time.

9. Health Facilities and EMS Modernization

Department: Department of Public Health and Environment (CDPHE)

Project Status: Potential Risk - Schedule & Within Budget

Project Recap / Status Update

During the previous quarter, the department narrowed the vendor pool from eight to four finalists and completed interviews. A winning vendor has been selected, and the project is actively moving through the contract finalization phase.

Wins & Concerns

- **Wins:** Successfully completed vendor selection process.
- **Risks:** Contract finalization is ongoing; schedule risk should be monitored until execution is complete.

10. Records Utilization Upgrade (RUU)

Department: Department of Public Safety (CDPS)

Project Status: Delayed / Not On Time (Within Budget)

Project Recap / Status Update

- **Phase 1 (Design Blueprint & Roadmap):** Completed July 2025.
- **Phase 2 (eCitation):** Contract fully approved as of September 9, 2026; initial implementation has begun. Operations completion is anticipated in mid-to-late 2027.
- **Phase 3 (RMS Replacement):** Procurement activity initiated in FY 2026–2027, running concurrently with Phase 2. Per OSPB recommendations, the previously standalone Phase 4 element has been merged into Phase 3.

Wins & Risks

- **Wins:** Phase 1 blueprint completed; eCitation contract finalized; merged Phase 4 into Phase 3 per OSPB guidance to optimize procurement efficiency.
- **Risks: Schedule Delays:** Lengthy state-vendor contract negotiations caused an 8-month delay. Overall project status is flagged Yellow (Not On Time), though costs remain within expected budget parameters.

11. Door Access Control Updates

Institution: Fort Lewis College (Higher Education)

Project Status: On Time & Within Budget

Project Recap / Status Update

Phases 1 and 2 are proceeding as planned, with target completion set for Summer 2027. Software configuration is underway, and new hardware is ready for deployment. Phase 3 is currently in the design stage.

Wins & Risks

- **Wins:** Hardware ready for deployment; software configuration actively progressing across early phases; no budget or schedule concerns reported.
- **Risks:** None reported at this time.

12. Campus Security Upgrades

Institution: Otero College (Higher Education)

Project Status: On Time & Within Budget (Initiation Phase)

Project Recap / Status Update

The project is officially launching with a formal project kickoff meeting scheduled for this week to establish implementation timelines and next steps. Physical implementation has not yet begun.

Wins & Risks

- **Wins:** Kickoff meeting scheduled to baseline scope and project schedules; no budget concerns or roadblocks to report.
- **Risks:** Full schedule visibility remains pending until post-kickoff planning is finalized.

13. Life Safety Technology Modernization (Wireless First)

Institution: University of Northern Colorado (Higher Education)

Project Status: On Time & Within Budget

Project Recap / Status Update

UNC’s "Wireless First" modernization project is tracking toward a target completion date of June 30, 2027. Over the summer, the university replaced ~340 access switches across campus, upgraded switch-to-main distribution links to 10 Gig, upgraded main distribution-to-core links to 25 Gig, and deployed multi-gig wireless access points in all residential buildings. Over the next 9 months, work will shift to replacing access points and running multi-gig cabling across all academic and administrative facilities.

Wins & Risks

- **Wins:** Major summer infrastructure overhaul complete (~340 access switches replaced; network core bandwidth upgraded to 25G); residential wireless upgrades complete.
- **Risks:** Extensive physical cabling work remains across all academic and administrative facilities over the next 9 months.

Topic FIN-3: Colorado operations resource engine upgrade and continuous improvement project (CORE) (Slide 20)

Summary of Request from Joint Technology Committee
CORE progress Brief update per our obligation under § 24-37.5-123.

The Department of Personnel & Administration (DPA) requests funding for staffing to implement iterative releases to the Colorado Operations Resource Engine (CORE) and implement new functionality utilization. The combination of substantial amounts of new system functionality along with the required and valuable software release cadence will increase the need for staffing support in CORE Operations across system administration, functional, and user support/training.

Solution
The Department requested funding for 3.0 FTE to address the new, necessary and valuable incremental software release schedule. The request also includes an additional 0.9 FTE to support implementation and ongoing support of Insights, the reporting tool for CORE that is a more dynamic and more centralized system than the current reporting tool. New areas rolling out in CORE operations includes: Three Feature Set Releases and 10 Interim Releases - release note review, testing, training, communications, support. New Functionality includes: CORE upgrade Homepages/roles, Google MFA, UPDOCs, PB*, Advantage Asst training

Current Status
In FY27, Funding was approved to support the purchase of the document storage capacity. DPA provides a CORE Newsletter that provides information about CORE activities. It includes key dates, FAQs/Job Aids, helpful hints, and training that have yielded positive feedback with the new system functionalities made available to users to date. This delegated system project improvement efforts are on time and on budget.

Topic FIN-4: Federal funding exposure (Slide 28-29)

Summary of Request from Joint Technology Committee

What federal IT funding and program participation OIT is currently dependent on, what is at risk, and what the contingency is if it disappears. Frame this as risk, not just wins.

OIT risk to federal funding changes falls into two categories:

1. Direct Funding: Funding paid to OIT for projects or initiatives managed by OIT (e.g., broadband or cybersecurity) and
2. Indirect Funding: Funding paid to state agencies where cuts may impact the State's ability to deliver key digital services (i.e., cuts to programs result in associated cuts in the technology spend for the delivery of those services such as applications, contact centers, etc.)

Direct Funding

Federal Funding Financial Summary (thru 07/31/2026)

Name	Fund	FTE	Budget	Encumbrance	Expense	Spend Plan Total	% Encumbered/ Spent	Expiration Date	Description	Project Status
ARPA (SLFRF)	DGIC & 29DC	3.6	$62,000,000	$10,088,523	$50,604,199	$62,000,000	97.89%	12/31/2026	Digital Inclusion Grant Program Administration, DGIC Telehealth Grants - Administration, DGIC Grants to Tribes - Administration, SLFRF Broadband Admin, Telehealth Grants, Grants to Tribes & SLFRF Broadband	Remaining Funds re-financed, OIT spent 100% of all federal funds; any reversions would to back to the state, and any changes in federal funding to SLFRF - no further impact to OIT
ARPA (DAA)	CCPF	4.5	$122,048,429	$55,358,695	$66,726,901	$122,048,429	100.03 %	12/31/2026, Administration and some grants extended to 6/30/2027	CPF Broadband & CPF Broadband Admin. Notes for July 2026: Accruals are overstating some expenditures this month, once they are reversed, it should be fixed.	Active and in-progress
ARPA IA	CSFG	9.7	$5,628,325	$0	$5,092,592	$5,092,592	90.48%	06/30/2023	Broadband Administration & myColorado Vaccination	Completed and Closed
Broadband Administration	CSFG	2.0	$1,109,823	$0	$1,109,823	$1,109,823	100.00 %	12/30/2024	Broadband Mapping and Administration.	Completed and Closed
Broadband Equity, Access, and Deployment	1000	3.0	$478,950,813	$247,989,128	$8,904,011	$478,950,813	53.64%	06/30/2032 (extended to 12/31/2040)	Broadband Equity, Access, and Deployment Planning & Broadband Equity, Access, and Deployment Program. Note Additional $454.M added per Notice of Grant Award 3.02.2026	Active and in-progress

Digital Equity Planning Grants	1000	0.0	$897,119	$0	$883,799	$897,119	98.52%	03/29/2024	Digital Equity Planning Grants	Completed and Closed
Broadband Equity, Access, & Deployment Match	IIJA	0.0	$51,600,000	46,968,947	0.0	$51,600,000	91.03%	6/30/2027	Broadband Equity, Access, & Deployment Match	Active and in-progress; State matched funds
myColorado	CSFG	7.7	$4,518,502	$0	$3,982,769	3,985,852	88.14%	06/30/2023	myColorado Vaccine	Completed and Closed
State and Local Cybersecurity Grant Program	6130	0.0	$14,727,729	$2,001,089	$9,394,717	$3,331,921	60.06%	09/30/2028	State and Local Cybersecurity Grant Program	SLCGP22 - closed, SLCGP23 & SLCGP24 - active and in-progress.

Current State

Specific to the Colorado Broadband Office, the federal government allocated $826.5 million to Colorado from the federal Broadband Equity Access and Deployment Program (BEAD) program for broadband development, which will be administered by OIT. However, on June 6, 2025, the National Telecommunications and Information Administration (NTIA) released a BEAD Restructuring Policy Notice requiring changes to the BEAD program. To comply with the new NTIA guidelines, the CBO rescinded all preliminary BEAD awards and reapplied. In September 2026, NTIA issued an additional BEAD policy notice requiring states to engage in an additional round of applications that will be funded from previously unallocated BEAD funds ($347M). CBO still expects to receive over $800 million, and $51.6 million has been allocated from the Infrastructure Investment and Jobs Act (IIJA) Cash Fund to support the state match.

Current Risk

Were BEAD funding to be eliminated entirely, the Governor’s goal to connect 99 percent of Colorado households to high-speed broadband internet service by 2027 is at risk. More likely, potential special conditions tied to state policies that do not align with federal administration priorities (e.g., AI governance) could hinder Colorado's ability to draw down its full allocation. Due to delays in receiving BEAD guidance and conditions, CBO cannot yet determine the precise financial risk, but estimates that the remaining $400M in BEAD funding remains vulnerable.

Without the investment of existing federal funding or other alternate funding sources available to the state, the middle mile broadband infrastructure plan and digital access programs would be in jeopardy. Colorado could continue to experience fragmented and inefficient governance of middle mile operations. Colorado will not be able to prioritize hundreds of miles of missing infrastructure.

Indirect Funding

OIT Operations (Non-Broadband)/Flowthrough Impact

This section describes the impact to program delivery that funding cuts at the federal level would create: OIT's technology infrastructure — the databases, systems, and platforms that power agency program delivery — is sustained in part through federal funding, channeled through agencies' payments to OIT long bill appropriations via the Real-time Billing process. This funding sustains the digital systems that determine whether Coloradans can access SNAP benefits, receive Medicaid coverage, and interact with the programs they depend on. If HR1 penalties reduce or eliminate this federal funding (SNAP-CDHS and Medicaid-HCPF), the staffing and systems that enable program delivery will also be adversely impacted. The projected impact is:

- **FY 2027:** approximately $27.6M in program-critical technology infrastructure at risk
- **FY 2028:** approximately $28.5M in program-critical technology infrastructure at risk

What does this mean for OIT?
Agencies rely on federal funds to sustain the technology systems that power program delivery. If HR1 reduces or eliminates that funding source, agencies could lose the resources needed to keep those systems — and the programs they support — operational.