

**Office of the Governor**  
**FY 2026-27 Joint Budget**  
**Committee Hearing Agenda**

Tuesday, January 6, 2026

1:30 pm – 4:30 pm

**1:30 – 1:40      Governor's Office**

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Main Presenter:

- David Oppenheim, Chief of Staff

Supporting Presenters:

- Jonathon Bray, Chief Financial Officer & Controller
- Mark Ferrandino, Budget Director

Topics:

- Introduction: Slides 1-4
- Budget reduction options: Pages 15-18 in the packet, slides 5-7

**1:40 – 1:50      Lt. Governor's Office**

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Main Presenter:

- Dianne Primavera, Lieutenant Governor

Supporting Presenters:

- Mark Honnen, Chief of Staff to the Lieutenant Governor
- Emily King, Deputy Director of the Office of Saving People Money on Health Care

Topics:

- Introduction: Slides 9-10
- Programs: Slides 11-15
- Office of Saving People Money on Health Care: Pages 28-29 in the packet, slide 16

## **1:50 – 2:15      Office of State Planning and Budget**

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Main Presenter:

- Mark Ferrandino, Budget Director

Supporting Presenters:

- Sherry Wolfe, Deputy Director
- Sam Taylor, Chief of Federal Funds and Strategic Initiatives

Topics:

- Budget requests: Pages 11-18 in the packet, slides 18-23

## **2:15 – 2:40      Colorado Energy Office**

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Main Presenters:

- Will Toor, Executive Director
- Dominique Gómez, Deputy Director

Supporting Presenters:

- Natalie Doerre, Associate Director Operations & Finance

Topics:

- CEO Structure, Mission & Work: Page 25 in the packet, slides 25-28
- CEO Cash Funds: Pages 9 and 15-17 in the packet, slides 29-30
- CEO Programs & Questions from Committee: Pages 23-25 and 29-34 in the packet, slides 31-37

## **2:40 – 2:45      Break**

## **2:45 – 3:30      Office of Economic Development and International Trade**

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Main Presenters:

- Eve Lieberman, Executive Director
- Jeff Kraft, Deputy Director & Director of Business Funding and Incentives

Supporting Presenters:

- Jonathon Bray, Chief Financial Officer & Controller

Topics:

- OEDIT Structure, Mission & Work: Slides 39-43
- Legislative & Budget Requests: Pages 14-15 in the packet, Slides 45-51
- Questions from Committee: Pages 14, 16, and 18-21 in the packet, Slides 53-57

## **3:30 – 4:30      Office of Information Technology**

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Main Presenters:

- David Edinger, Chief Information Officer

Supporting Presenters:

- Katie Shakun, Interim Chief Technology Officer
- Alex Monts, Chief Financial Officer
- Amy Bhikha, Chief Data Officer
- Sarah Tuneberg, Director of Colorado Digital Services
- Heather Weir, Senior Director of Strategy, Performance, and Administration

Topics:

- Technical Debt Reduction: Page 38 in the packet, Slides 3-7
- Annual Depreciation Lease-Equivalent (ADLE) Payments: Pages 37-38 in the packet, Slides 8-10
- Information Technology Revolving Fund: Page 50 in the packet, Slides 11-15
- Budget Overview: Page 50 in the packet, Slides 16-40



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**COLORADO**

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**FY 2026-27 Office of the Governor's JBC Hearing**

Governor Jared Polis

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January 6, 2026



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# Introduction

Office of the Governor

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# Key Issues

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## Economy

Foster an economy that works for everyone



## Environment and Renewables

Move to renewable resources and protect the environment



## Health

Save Coloradans money on healthcare



## Education

Fulfill every child's potential regardless of their zipcode

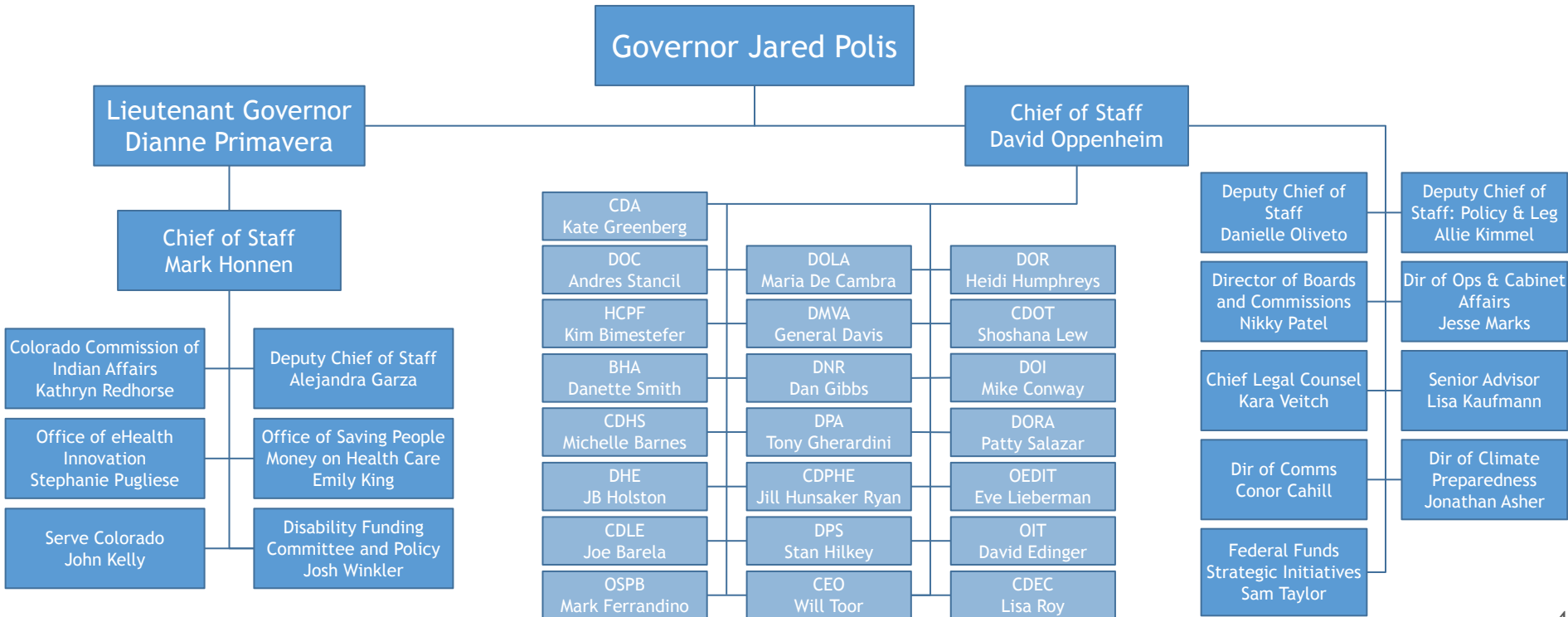


State of  
COLORADO



# COLORADO

## Governor Jared Polis



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# Budget Reduction Options

Office of the Governor

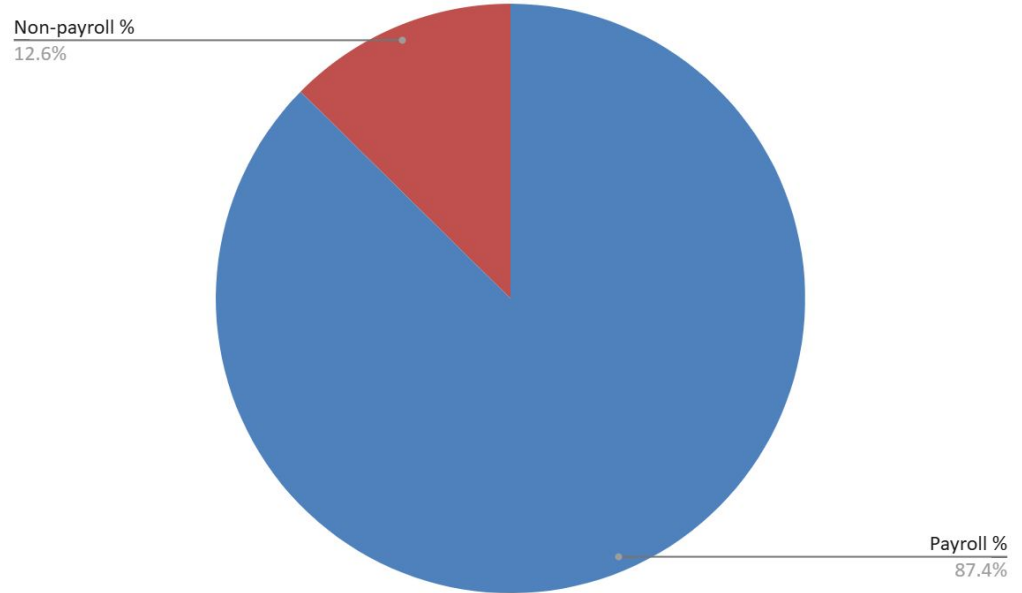
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# Proposed Budget Reductions

FY	Timing	Item	Amount Returned
26	HB25B-1006	Transfer of ARPA-SLFRF Refinanced Discretionary Account	\$ 10,000,000
	Jan 2 Budget Submission	Return of Pay for Success Cash Fund Balance	\$ 1,561,746
	Jan 2 Budget Submission	Executive Order Return of ARPA-SLFRF Refinanced Discretionary Account	\$ 5,400,000
	Jan 2 Budget Submission	Additional Return of ARPA-SLFRF Refinanced Discretionary Account	\$ 11,147,000
27	Nov 1 FY27 Budget Submission	2.5% Operating Reduction	\$ 263,942
	Jan 2 Budget Submission	Return of IIJA Match Cash Fund Interest	\$ 5,000,000
<b>TOTAL</b>			<b>\$ 33,372,688</b>

# GOV R-01: 2.5% General Fund Reduction

Governor: \$167,090  
Lt. Governor: \$41,114  
OSPB: \$55,738



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# Questions

Office of the Governor

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**COLORADO**

# **FY 2026-27 Office of the Lt. Governor JBC Hearing**

Lieutenant Governor Dianne Primavera

Chief of Staff Mark Honnen

January 6, 2026



# Programs

Colorado  
Commission of  
Indian Affairs

Aerospace & Defense

Disability Policy

Serve Colorado

Office of eHealth  
Innovation

Office of Saving  
People Money on  
Health Care

# Colorado Commission of Indian Affairs



- 20 State-Tribal Consultations
- 5 American Indian/Alaska Native community listening sessions
- Tribal and American Indian/Alaska Native Roadmap



*Lt. Governor poses with Southern Ute Indian Tribal Chairman Melvin Baker and Ute Mountain Ute Tribal Chairman Manuel Heart and CCIA staff at Ute Day at the Capitol.*

# Aerospace & Defense

- Aerospace & Defense workforce
- SB25-073: Military-Connected Children with Disabilities
- SB25-247: Tuition Waiver & Colorado National Guard Members
- HB25-1132: Military Family Behavioral Health Grant Program



Lt. Governor Primavera at the 2025 Aerospace Day at the Capitol.



# Disability Policy

- Colorado Disability Opportunity Office
- Task Force on the Rights of Coloradans with Disabilities
- “A Colorado for All: A Legacy of Accessibility”



*Lt. Governor Primavera with disability community members at a National Disability Employment Awareness Month event*

# Serve Colorado



- Workforce Development & Credentialing
- Community Resilience & Critical Infrastructure
- Youth Mental Health Corps



*Lt. Governor Primavera poses with Major General Davis and members of the first-in-the-nation all Colorado National Guard wildfire mitigation crew within Serve Colorado's AmeriCorps portfolio.*

# Office of eHealth Innovation

- 2025 Colorado Health IT Roadmap
- Connect to Health @ Your Library
- Rural Connectivity Program
- Colorado Social Health Information Exchange (CoSHIE)



*Lt. Governor Primavera with Office of eHealth Innovation team at Colorado Health IT Roadmap launch event*



# Office of Saving People Money on Health Care

- Core 5 Health Cabinet
- All Roads Lead to Health Cabinet
- Policy analysis and support
- Medical Financial Partnership Pilot Program



*Lt. Governor & OSPMHC Director Primavera meets with state staff and lawmakers at the 2025 Colorado Community Behavioral Health Action Summit*



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Questions





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**FY 2026-27 Office of State Planning and Budgeting**

Governor Jared Polis

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January 6, 2026

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# Budget Requests

Office of State Planning and Budgeting

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# Budget Request and Proposed Budget Reductions

- R-01 Extend IIJA Cash Fund
- BA-01 IJA Cash Fund Interest Transfer
- S-01 Return of Pay for Success Cash Fund Balance
- S-02 ARPA Refinance State Money Cash Fund Transfer

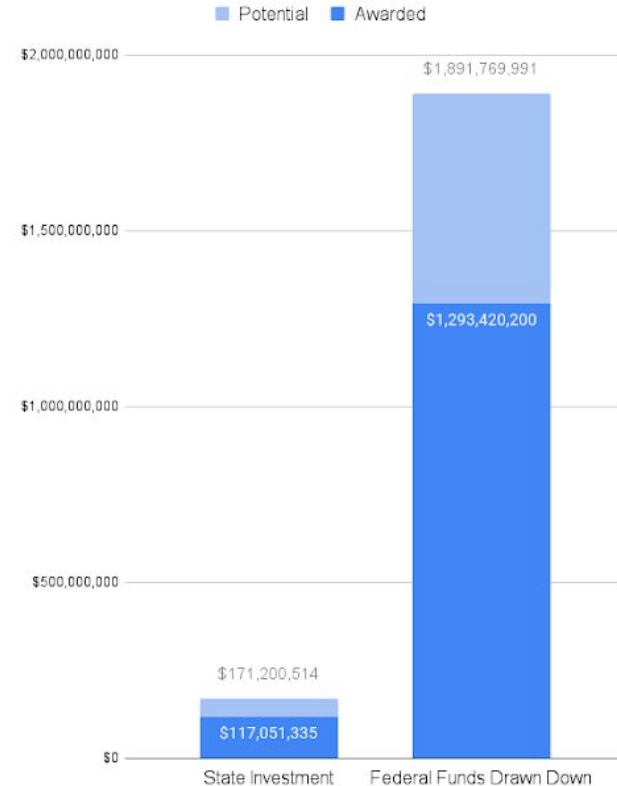
# OSPB R-01 Extend IIJA Cash Fund

## Continuous Spending Authority

June 30, 2027



June 30, 2029



# Proposed Budget Reductions

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# Questions

Office of State Planning and Budgeting

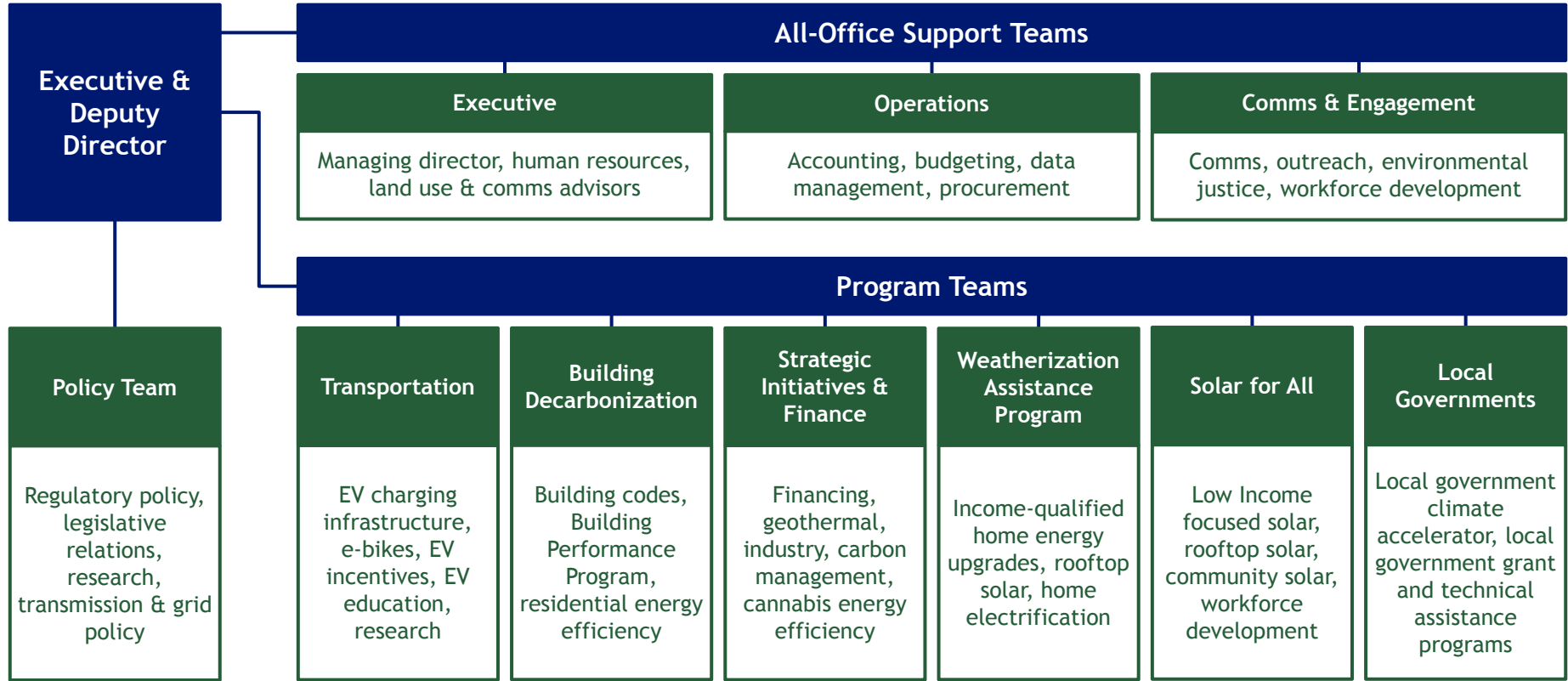
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# Colorado Energy Office

FY 2026-27 Joint Budget Committee Hearing  
Will Toor, Executive Director



# CEO Organizational Chart





## Mission

*Reduce greenhouse gas emissions and consumer energy costs by advancing clean energy, energy efficiency and zero emission vehicles to benefit all Coloradans.*

## Vision

*A prosperous, clean energy future for Colorado.*



# CEO FY 2026-2027 Budget Request

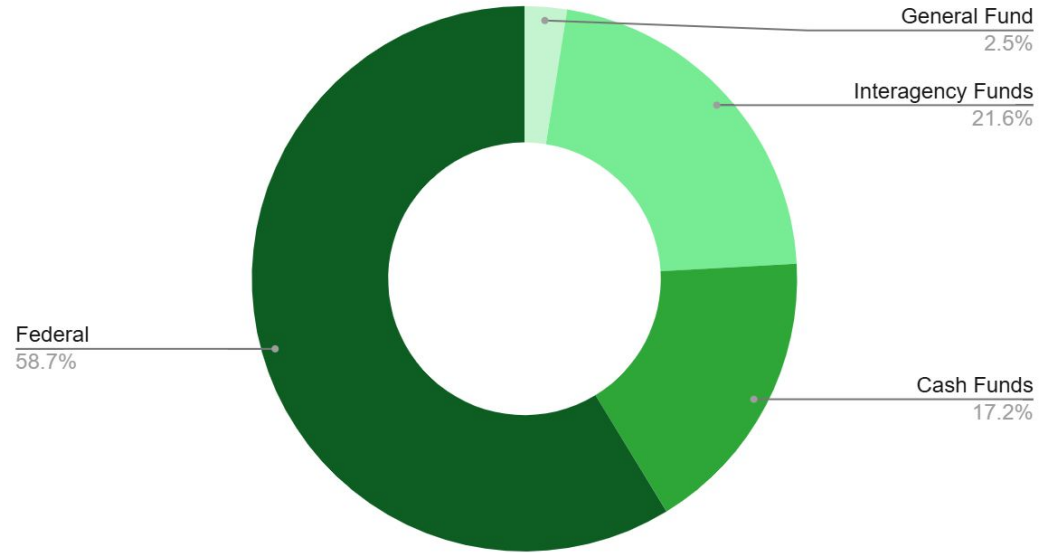
## FY 2026-27 Budget Snapshot

FY 2026-27 Total Funds: \$211,357,128<sup>1</sup>

FY 2026-27 General Fund: \$5,295,988

<sup>1</sup> This includes non-appropriated funds for transparency

Total Funds \$211,357,128



# History of Energy Office

*Please give a brief history of the Energy Office. Why is it housed in the Governor's Office? To what extent is the Energy Office independent?*

- Created in Governor's Office in 1977 to promote energy conservation.
- Renamed over time to reflect evolving mission.
- Duties, authority set in statute (CRS 24-38.5-101).
- CEO (like OEDIT) is an office of the Governor, Executive Director is a cabinet member. Maintains own website, offices, funding, staff, programs. Shares backend operations with Governor's office (HR etc).
- Placement on long bill does not change way office operates, likely continued legacy of Long bill format rather than intentional choice.

# CEO Cash Funds

*Please speak to each of the options presented in JBC staffs budget briefing document.*

- **Transfer from EV Cash Fund:** consumer fee specifically from EV users. Funds are fully encumbered each year. EV infrastructure is underfunded, even with all available resources. EV adoption critical for air quality and GHG goals. [3.1 FTE]
- **Transfer from Industrial Clean Air Grant:** Cost effective decarbonization with air quality benefits in DI communities, investment in CO business & manufacturing sector. ~\$2M unobligated (unawarded, unencumbered): enough for final award round and staff costs for compliance through grant lifetime. [2.4 FTE]

# CEO Cash Funds cont.

*Please speak to each of the options presented in JBC staffs budget briefing document.*

- **Transfer from Clean Air Building Investments:** Fully encumbered funds except for staff costs for compliance through grant lifetime. [1.5 FTE]
- **Transfer from Geothermal Grant:** One final grant award to be made in January. All other funds fully encumbered except for staff costs for compliance through grant lifetime. [1.2 FTE]
- **Transfer from Sustainable Rebuilding Program:** Fully encumbered funds save except for costs for compliance through grant lifetime. [0.25 FTE]

# Federal Grants

*What federal grant funds have been rescinded? How has CEO replaced that funding? Have any programs been eliminated?*

- No federal funds rescinded by Congress. Agency terminations include:
  - EPA - \$156M Solar For All
  - DOE - \$5M Resilient and Efficient Codes Implementation (RECI)
- Have litigated to re-secure funds not officially terminated but held back by other policy changes/interpretations (NEVI, SEP, WAP).
- No funds have been replaced.
- Solar For All on hold pending litigation.
- RECI related programs remain underway (at smaller scale) with previously dedicated state funding.

# Litigation Costs & Focus

*How much money was spent on AG for litigation? List all related litigation*

- \$60,000 thus far in FY26 litigation related to federal funds CEO administers and other federal actions impacting CEO
  - Two lawsuits challenging EPA termination of \$156M in Solar For All funds
  - One lawsuit challenging DOT withholding of \$57M in Natl Electric Vehicle Infrastructure (NEVI) funding, in partnership with CDOT
  - One (successful) lawsuit challenging DOE change in indirect policy impacting \$8M/yr in formula funding and possibly other funds
  - Other legal work to prepare for/respond to federal actions impacting CEO
- \$41,000 thus far in FY25 defending against lawsuit by Colorado Apartment Association regarding Air Regulation 28 and the Building Performance Colorado (BPC) program.

# PUC proceedings and interventions

*How much money was spent on PUC regulatory proceedings? List all filings for the last 10 years. Did this representation result in savings to the state and taxpayers?*

- Thus far in FY26, \$488,861 has been spent on PUC regulatory proceedings by the Department of Law team that serves CEO.
- CEO has participated in 280 proceedings, with thousands of associated filings, in the last ten years. A list of proceedings is available [here](#).
- Comprehensive savings not quantified, but recent decisions CEO influenced include significant cost savings for ratepayers through advocating alternatives to expensive gas infrastructure investments, ensuring uptake of federal incentives, low cost renewable resources.



# Community Access Enterprise

*Please give an overview of how the Community Access Enterprise works. How successful has it been? What has it accomplished?*

- Created in 2021 through SB21-260.
- Funded by Retail Delivery Fee (\$0.0567/delivery to CAE in 2025).
- Invests in transportation infrastructure, funding to offset cost of electric vehicles and e-bikes, electric vehicle education.
- Example program: Vehicle Exchange Colorado provides a rebate for income-qualified residents trading in an older/high emitting vehicle for a new or used EV. It helped 1,784 households purchase EVs with a point-of-sale rebate in FY25.

# Electric Vehicle Charging Infrastructure

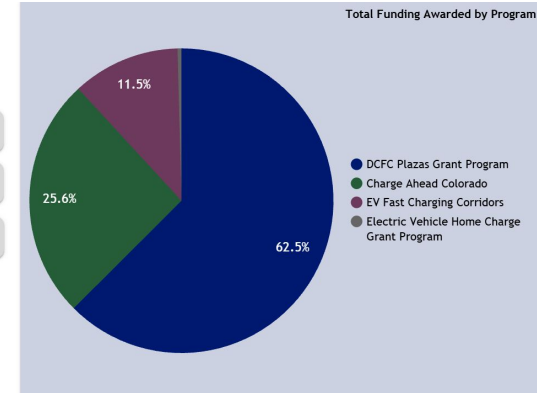
*List all EV-funded charging stations, source of funds, built versus operational, funded, private or public stations? What data does CEO have to show the return on investment for these funds?*

- Publicly available dashboard shows all CEO funded stations, with status and funding source.
- Currently over 5,000 L2 ports and 1500 DCFC total ports in CO.
- Significant benefit in reduction of air pollution, direct savings to consumers.

Electric Transportation Programming Dashboard  
Community Access Enterprise (CAE) + Other Funding Sources  
Last Updated 8/29/2025

Use the dropdown buttons below to filter the data.

Fiscal Year	Project County
Program: Charge... (4)	Project Status
CAE Funding	In a DI Community
Reset All Filters	



# Streamlined Solar Permitting

*Please provide an overview of the Streamlined Solar Permitting program, including: Where does funding come from?*

- HB23-1234 provided \$992,709 CEO to support local and tribal government implementation of automated permitting software for residential solar and storage projects.
- CEO created rolling application, has advertised program and benefits throughout state, supported program modifications to improve uptake in 2025 through HB25-1096.

# Questions & Contact Information

Will Toor, Executive Director

[will.toor@state.co.us](mailto:will.toor@state.co.us)

Dominique Gómez, Deputy Director

[dominique.gomez@state.co.us](mailto:dominique.gomez@state.co.us)

# *Joint Budget Committee Hearing*

Office of Economic Development & International Trade  
January 6, 2026



**COLORADO**

Office of Economic Development  
& International Trade

# *OEDIT Mission & Work*

## **Mission**

- To achieve and sustain a healthy Colorado economy that works for everyone and protects what makes Colorado the best state in the country to live, work, start a business, raise a family, and retire. By growing our economy with jobs that cannot be outsourced, employee owned business creation and infrastructure to enable entrepreneurship in all parts of the state, we strive to grow a resilient economy where everyone not only gets by, but thrives.



# OEDIT Goals FY 2026-27

1. OEDIT set a goal of supporting the creation of 16,750 housing units by June 30, 2027. We expect to support at least 5,532 units over FY26.
2. OEDIT seeks to support rural communities in attracting and retaining 16,400 jobs by June 30, 2027. We expect to support at least 6,300 jobs in FY26.
3. OEDIT strives to bring \$917,000,000 in federal and private investment to support Colorado's knowledge intensive and innovation ecosystems by June 30, 2027. We expect to support the investment of at least \$95,000,000 in FY26.
4. OEDIT's 4th goal aims to increase international visitors into Colorado through hosting or attending 200 high impact engagement events by June 30, 2026.

# OEDIT: Impact on Colorado

## Revenue Generation:

- Job Growth Incentive Tax Credit alone produced \$40+ million in net new direct income and sales tax revenue for the state between 2016 and 2022.
- CTO investments are building & strengthening a tourism economy contributing \$28.5 billion annually to Colorado.

## Quantum:

- Colorado is federally designated as a national leader in quantum. This positions the state for \$3.5 trillion in projected economic growth while creating high-quality jobs that do not require an advanced degree, including skilled trades.

## Sundance:

- OEDIT and local partners recruited the Sundance Film Festival to Boulder starting in 2027, an event expected to generate \$196.1M in economic activity, including \$162.4M in annual out-of-state visitor spending.

## CHIPS:

- Colorado in 2023 took hundreds of millions of dollars in federal funding to boost CHIPS manufacturing, building a durable & diversified economy.

## Job creation:

- Support the creation of 8,274 jobs and 20 company expansions projected to create up to 4,870 new jobs in



# Macroeconomic Headwinds

## Business Confidence Under Uncertainty

### Hiring Expectations

38.4 in Q3 2025, 34.8 in Q4 2025, and 35.9 in Q1 2026



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### Leeds Business Confidence Index

Component	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Quarterly Change	Annual Change
Industry Sales	48.0	53.4	37.3	42.7	41.7	▼	▼
Industry Profits	46.3	50.4	35.2	39.6	39.2	▼	▼
Industry Hiring	44.6	48.1	32.6	38.4	34.8	▼	▼
Capital Expenditures	46.6	47.7	32.5	36.9	38.3	▲	▼
State Economy	49.0	50.1	28.1	34.0	31.0	▼	▼
National Economy	45.8	50.3	25.9	35.6	31.1	▼	▼
<b>LBCI</b>	<b>46.7</b>	<b>50.0</b>	<b>31.9</b>	<b>37.9</b>	<b>36.0</b>	▼	▼

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# FY 26/27 Long Bill Allocation

Total Funds	\$61,428,272
General Funds	\$22,405,885

Proposed Budget Reduction: \$144M Total	Ongoing Reductions
<ul style="list-style-type: none"><li>• -\$110M Prop 123 funds</li><li>• -\$15M CLIMBER</li><li>• -\$1M from CTO to History Colorado (Ongoing)</li><li>• - \$530K 2.5% GF (Ongoing)</li><li>• -\$18.5M pursuant to FY24-25</li></ul>	<ul style="list-style-type: none"><li>• Skill Advance</li><li>• 1% Ongoing GF Cut</li></ul>

# *Legislative & Budget Agenda*



**COLORADO**

Office of Economic Development  
& International Trade

# *OEDIT Legislative Agenda*

- **JGITC:** Reauthorize the Job Growth Incentive Tax Credit which is currently set to expire January 1, 2027.
- **Opportunity Next:** This request will reallocate a small portion of unused program funds to support small businesses.
- **CLIMBER:** Restructure CLIMBER's loan program to reflect a more uncertain economic environment.
- **Technical Statutory Alignment:** Align our Colorado Creative Industries Division with Colorado Office of Film, Television, & Media.

# OEDIT Budget Requests

#	REQUEST	FY 2025-26 FUNDING
R-01	2.5% GF Reduction	-\$528K
R-02	Prop 123 Fiscal Budget Bill	Spending Authority On Interest
S-01	CLIMBER Supplemental	- \$15M
S-02	Prop 123 Supplemental	-\$110M



# *Budget Requests*



**COLORADO**

Office of Economic Development  
& International Trade

## *R-01 2.5% General Fund cut*

- As a part of the Governor's effort to reduce GF spending, OEDIT will take a 2.5% GF cut that is evenly distributed across all OEDIT divisions. The reason for the equitable cut is because if any one division absorbed this impact, it would become nonfunctional.

# *R-02 Prop 123 Statute Changes*

- R-02 requests statute changes associated with S-01, the diversion of \$110M in AHFF Prop 123 funds.
- The statute changes requested are as follows:
  1. Temporarily amend the statutory percentage ranges for program funding allocations to reflect flexibility to maximally leverage federal LIHTC funds
  2. Provide spending authority on interest, intended by ballot language but omitted from statute
  3. Temporarily calculate admin off of pre-diversion total dollars rather than the program ranges in statute



# *S-01 CLIMBER Budget Reduction*

- This proposal is a reduction of \$15,000,000 from the CLIMBER program to support budget balancing. This program received one-time state stimulus funds.

# *S-02 Proposition 123 Budget Diversion*

- A diversion of \$110M to the General Fund from Prop 123 to support statewide budget balancing.



# *Responses to Questions asked by the Joint Budget Committee*



**COLORADO**

Office of Economic Development  
& International Trade

## *Discuss the statute changes described in the R-2, as well as the reason for needing additional legislation for the supplemental request.*

R-02 requests statute changes associated with S-01, the diversion of \$110M in AHFF Prop 123 funds.

The statute changes requested are as follows:

- 1) Temporarily amend the statutory percentage ranges for program funding allocations to reflect flexibility to maximally leverage federal LIHTC funds
- 2) Provide spending authority on interest, intended by ballot language but omitted from statute, and
- 3) Temporarily calculate admin off of pre-diversion total dollars rather than the program ranges in statute

# *How well are the CLIMBER and Colorado Startup Loan Program working?*

Both CLIMBER and the Colorado Startup Loan Fund are working as designed, serving different but critical gaps in Colorado's small-business financing ecosystem.

- CLIMBER supports *more established* small businesses that have cash flow but limited access to traditional bank loans:
  - Retained over **2,150 jobs** and created **283 new ones**, including significant rural reach.
- The Colorado Startup Loan Fund, targets *very early-stage* businesses in their first two years of operation.
  - Supporting more than **1,200 startups**
  - Retained more than **2,400 jobs**, with a strong focus on low-income entrepreneurs and rural communities.

*How many FTE are associated with the funds/programs identified in the “Additional Options for General Fund Relief” table on page 17 and 18 of JBC staff’s budget briefing document?*

- There is 1.1 FTE assigned to the program per the fiscal note on HB21-1288.



# *Responses to Additional Proposed Reductions*



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Office of Economic Development  
& International Trade

# *Sweep the Colorado Startup Loan Program*

- The CO Startup Loan Fund (CSLF) is fully encumbered and has no funds currently available.



# *Questions*





# COLORADO

Governor's Office of  
Information Technology

## Joint Budget Committee Hearing

### January 6, 2026



# Agenda

Tech Debt Reduction

Annual Depreciation Lease-Equivalent (ADLE) payments

Information Technology Revolving Fund

Budget Overview



**COLORADO**  
Governor's Office of  
Information Technology

# Tech Debt Reduction





# Managing Tech Debt

Goal is to get to a well-managed tech debt landscape through IT Lifecycle Management (ITLM):

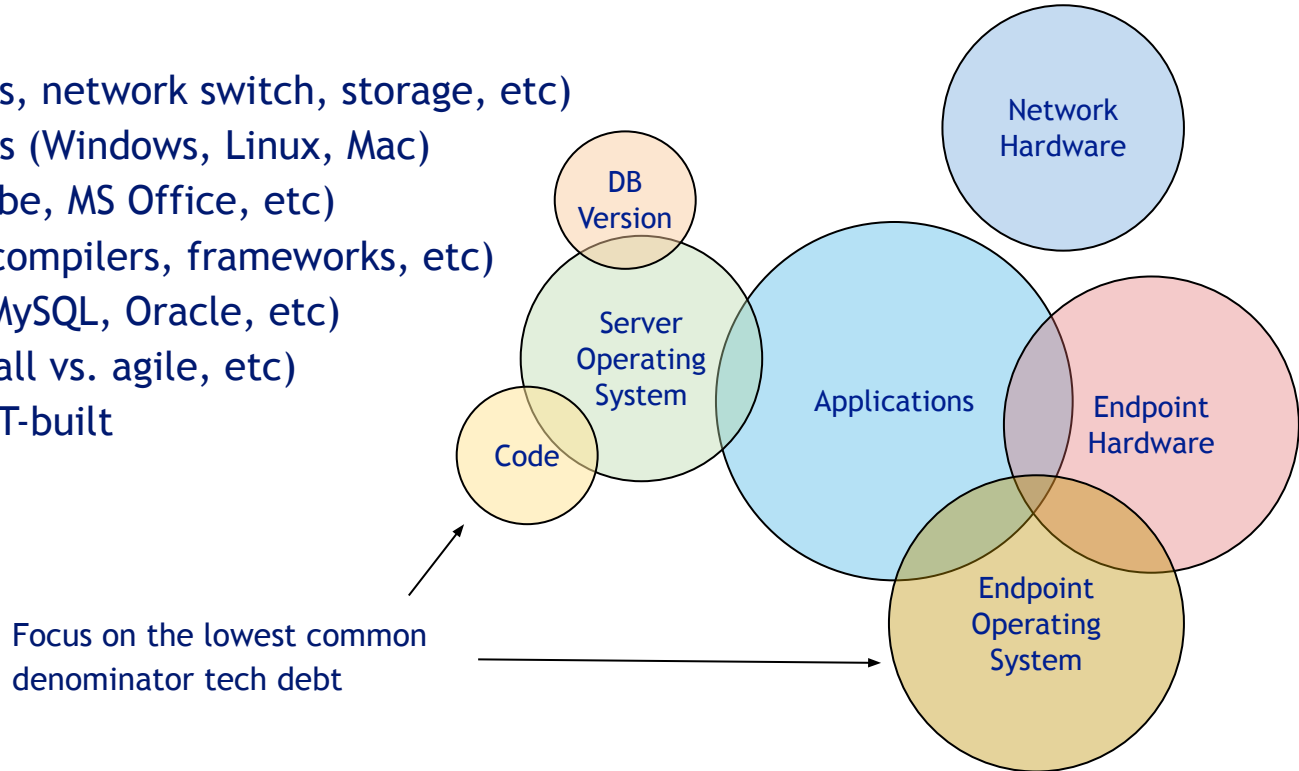
- Build a culture of continuous improvement
- Focus on the root cause tech debt
- Prioritize and categorize the debt to ensure we're focused on high-impact, high-visibility environments and security/compliance risks
- Ensure managing debt is part of the product lifecycle and some % of a team's time is dedicated to managing their debt during sprints/efforts
- Operationalize lifecycle management into a predictable model for agencies
  - Get ahead of agency budget cycles
  - Ensure a product-view model



# Managing Tech Debt continued

Tech debt is an ongoing reality that all large-scale organizations face across all aspects of their technology footprint:

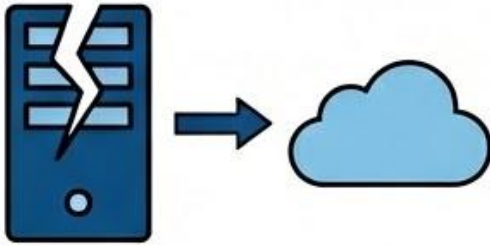
- Hardware (laptops, network switch, storage, etc)
- Operating Systems (Windows, Linux, Mac)
- Applications (Adobe, MS Office, etc)
- Code (language, compilers, frameworks, etc)
- Databases (SQL, MySQL, Oracle, etc)
- Concepts (waterfall vs. agile, etc)
- Vendor-built & OIT-built





# Tech Debt - Our Progress

Tech debt had been accumulating for years without proper management, leaving the state at a higher risk for security and compliance issues. With the tech debt funding OIT has received we have completed many large scale projects, here are just a few.



## Mainframe Decommissioning

Stabilized regularly failing mainframe environments by moving from the legacy on-premise mainframe to a hosted, mainframe-as-a-service environment. Improved key platforms (ACSES, CBMS, CHATS, Trails).



## Exit the eFORT Data Center

Ended an expensive lease and eliminated tech debt by moving applications to the cloud. Better protected data and disposed of more than 1,000 pieces of outdated IT equipment.

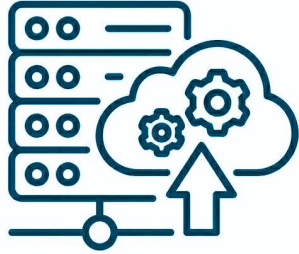


## Security Audit Findings Remediation

Updating older and unsupported servers, closing system vulnerabilities and setting new standards with supporting processes to help mitigate technology risks, resulted in enhanced security and efficiency of our systems, leading to overall improvements in our operations.

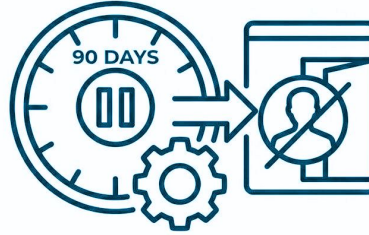


# Tech Debt - Our Focus



## Remediation of Legacy Stacks

Upgrading server, application, database to support modern databases and servers, prioritizing a shift to cloud native architecture



## Automated Offboarding of Inactive Accounts

Reduce security risk and prevent future tech debt by automating the offboarding of accounts that have been inactive for 90 days or more across state agencies using Identity Manager.



## Upgrade end-of-life operating systems

Reduce tech debt by replacing Windows 10 and Windows 11 v22H2





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**Governor's Office of  
Information Technology**

# Annual Depreciation-Lease Equivalent Payments (ADLE)



# What Are ADLE Payments?

- Definition: ADLE = Annual Depreciation-Lease Equivalent payments
- Required by: C.R.S. 24-37.5-127
- Purpose: Helps ensure IT capital assets are sustainably funded over time
- Applies to IT capital projects funded starting in FY 2025-26



# FY 2025–26 Impact Summary

- FY26 is the first year ADLE applies
- No ADLE transfers are required yet—no assets currently in service
- OIT must annually submit a fiscal impact analysis (per statute)
- 1% Risk Transfer: Per C.R.S. 24-37.5-127(2)(b), 1% of project costs must go to the Technology Risk Prevention and Response Fund
- Agencies must plan for ADLE in future budget cycles (e.g., FY27 and beyond)
- OIT will help agencies coordinate data gathering for fiscal impact analysis
- ADLE currently only applies to new assets purchased using IT capital funds





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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 funds services consumed by state agencies on a 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.



# IT Revolving Fund Balances (6130)

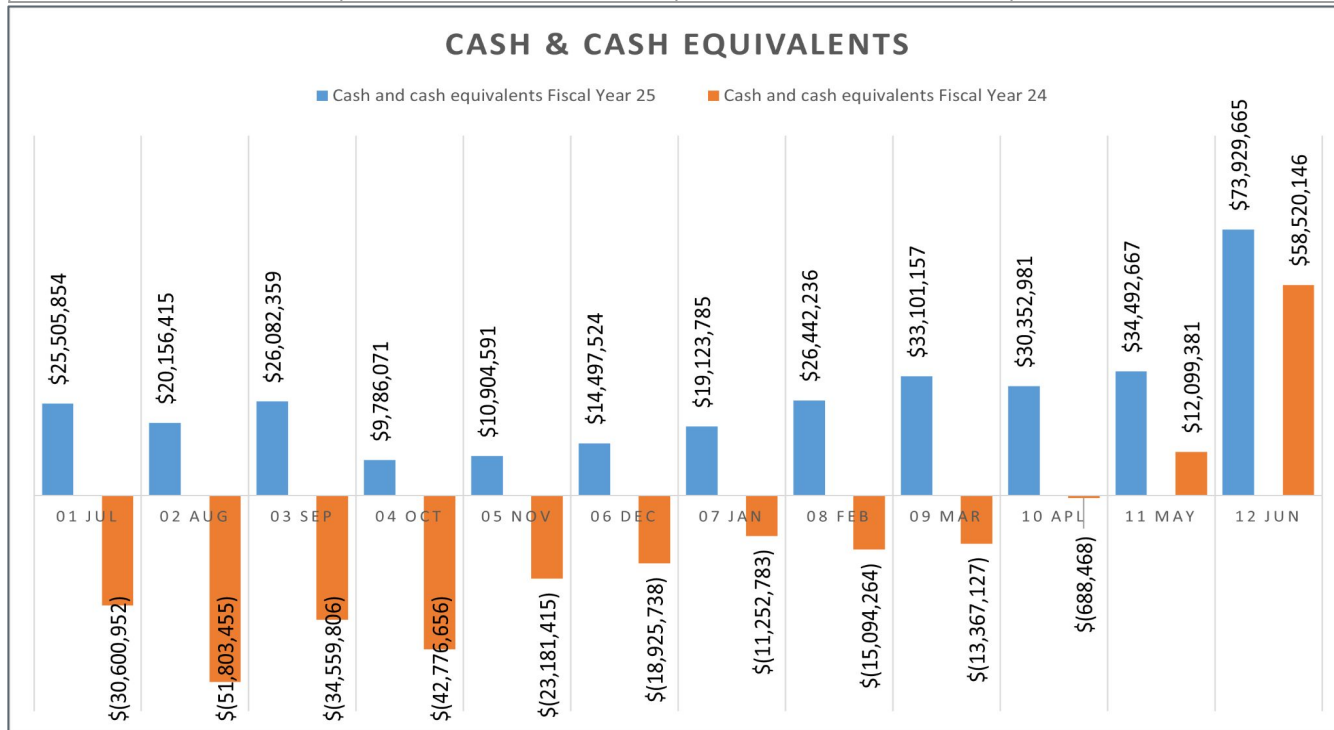
Schedule 9	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Forecast	FY 2026-27 Forecast
Beginning Fund Balance	\$6,624,226	\$48,301,607	\$61,665,061	\$25,000,000
Change to Fund Balance	\$41,677,381	\$13,363,454	(\$36,665,061)	\$20,332,530
Ending Fund Balance	\$48,301,607	\$61,665,061	\$25,000,000	\$45,332,530
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 RtB Supplemental (\$14.5 million decrease to Payment to OIT appropriation lines.) An intended JBC initiated bill \$11M transfer to the General Fund from the IT Revolving Fund.



# IT Revolving Fund - FY24 & FY25 Cash

FY 2023-24		FY 2024-25	
Beginning Fund Balance	Ending Fund Balance	Beginning Fund Balance	Ending Fund Balance
\$6,624,226	\$48,301,607	\$48,301,607	\$61,665,061







# IT Revolving Fund & Real-time Billing

## Real-time Billing (RtB)



1

### Service Rate Setting



OIT calculates rates from service cost estimations at projected utilization levels informed by historical data, agency feedback, legislative decisions and market trends.

2

### Rates & Services Board Approval



The agency-advised IT Rates & Services Board reviews and approves rates before distributing them to agencies for utilization planning.

3

### Agency Utilization Planning



Agencies use approved rates to finalize their service utilization request for the November 1 budget submission, aligning with their specific needs and budgetary constraints.

4

### Service Budget Adjustments



After the Long Bill is signed, OIT adjusts service budgets to align with approved 'Payment to OIT' appropriation lines, supplemented by any service requests funded through agency operating lines.

5

### RtB Supplemental Request



In late November, OIT submits supplemental budget request to more accurately reflect cost to meet agency service demand, informed by 5 months of actual service consumption data.

6

### IT Revolving Fund Balance Change



At year-end, the difference between the RtB supplemental amount and actual costs should approximately equal the change in the IT Revolving Fund's balance.

## How It Works

Improving resource management and budget efficiency

Since RtB's introduction in FY22...

3 of the 4 RtB supplemental requests submitted were reductions in agencies' 'Payment to OIT' appropriation lines.







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# Budget Overview



# FY 2026-2027 Budget Package

Priority	Title	FTE	FY27 Amount	Funding Type
<a href="#">R-01</a>	Statewide SB24-205 AI Compliance	33.8	\$5,234,764	All fund types (ongoing)
<a href="#">R-02</a>	OIT Statewide Innovation Enablement	2.8	\$462,930*	Reappropriated (ongoing)
<a href="#">R-03</a>	Statewide IT Accessibility	15.4	\$3,087,629	All fund types (ongoing)
<a href="#">R-04</a>	OIT TAP Operating Reduction	0	(\$135,887)	General Fund (ongoing)
<a href="#">R-05</a>	OIT Operating Realignment	0	(\$5,567,000)	Reappropriated (ongoing)
<a href="#">R-06</a>	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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# Artificial Intelligence



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# Statewide SB24-205 AI Compliance R01





## 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 25 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 - Agency FTE Breakdown

Agency	FTE
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



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# OIT Statewide Innovation Enablement R02



## 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.



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# Statewide IT Accessibility R03





# IT Accessibility Funding History

Year	FY17 (JBC Initiated request)	HB21-1110	FY23	FY24 - FY26	FY27 Request
Amount	\$160,000	\$312,922	\$1.8M	\$46M (17 agencies) Agency amounts vary: \$228,036 - 8,365,460	\$3.1M (22 agencies) Agency amounts vary: \$20,000 - \$290,157
Funding for	1.0 OIT FTE	1.0 OIT FTE  Website software	5.0 OIT FTE  Software  Training	43.3 FTE across 11 agencies  Software  Training  Application testing and remediation	15.4 FTE across 17 agencies  Software  Application testing and remediation



# Statewide IT Accessibility Progress

- Website accessibility scores - 86.4% (FY24) to 94.9% now
- IT Accessibility Adoption Plans - 37% (FY24) to 98% 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
  - Agencies address accessibility in multiple ways such as providing accommodations when a product is not yet fully accessible.



# 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



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# OIT TAP Operating Reduction R04



# R 04 OIT TAP Operating Reduction

- The Technology Accessibility Program (TAP) has been supporting agencies to assess how accessible their websites are and address the ongoing requirements set forth by H.B. 21-1110.
- Ongoing operating reduction of (\$135,887) from the TAP program for FY 2026-27 and beyond as an ongoing operating reduction.
- No material operational or programmatic impacts are anticipated from this change.





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# OIT Operating Realignment R05





# R 05 OIT Operating Realignment

- Realign the Information Security long bill appropriation to match the expected spend plan and rate adjustments.
- Reduce the (C) Information Security long bill allocation, which also reduces agency payments to OIT long bill allocations. There will not be any material operational changes or programmatic impacts from this request.
- Ongoing reduction of (\$5,567,000) in reappropriated funds from the Information Security long bill appropriation for FY 2026-27 and beyond as an ongoing reduction.



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# OIT Operating Efficiencies R06



# R 06 OIT Operating Efficiencies

- OIT plans an organizational restructure of the Customer, Operations, and Technology Offices while delivering operational efficiencies.
- These plans are based on customer survey feedback and in support of OIT's WIG #2 "Strengthen Agency Partnerships & Satisfaction."
- FY 2026-27, a reduction of -\$2,640,305 RF with a -17.0 FTE.
- FY 2027-28 and ongoing, a reduction of -2,624,433 RF with a -17. FTE.
- While these plans are still in progress, OIT is proposing to reduce the Executive Director Office/Central Administration Long Bill line starting in FY 2026-27 to reflect the FTE reduction.





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# Supplemental Requests



# FY26 Supplemental Request

- \$14.5M reduction to OIT Long Bill appropriations and agency “Payments to OIT” appropriations.
- The FY26 submission is a larger credit than previous submissions.
- Supplemental is composed of three parts: FY26 Rate changes, agency-requested changes, & adjustments to meet fund balance targets.
- The benefit: The state can put these funds to work more quickly, making it available an entire fiscal year earlier than would have happened under the prior common policy true up model.



# Questions?



## Office of the Governor

### FY 2026-27 Joint Budget Committee Hearing

Tuesday, January 6, 2026  
1:30 pm - 5:00 pm

#### Common question For Department Hearings (Written-only Response)

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*1. Please provide a breakdown of your department's total advertising budget for the current and prior fiscal year. Specifically:*

- a. What is the total amount budgeted and expended on advertising and media placement type?*
- b. How are those advertising dollars allocated across different media types (e.g., television (national/local/cable), radio (terrestrial vs streaming), SEM, digital (display, YouTube), connected TV, social media, print, outdoor, etc.)?*
- c. How much of that spending is directed to Colorado-based or local media outlets? How is the media currently purchased?*
- d. What performance metrics or evaluation tools does the department use to measure the effectiveness of these advertising campaigns? What are the goals of the campaigns, and what key performance indicators are measured for success?*
- e. If any portion of advertising is managed through third-party vendors (or 'partners';) or media buying firms, please provide any available data or reporting from those companies on campaign performance and spending. How often do the departments discuss media placements with these vendors?*
- f. Monthly or quarterly reporting - how is reporting delivered?*

**The Offices of the Governor, Lieutenant Governor, and State Planning and Budgeting do not advertise.**

In Fiscal Year 2024-25, the **Colorado Energy Office (CEO)** budgeted \$122,000 and spent \$123,436 on paid media and advertising. This included paid media campaigns distributed via search engine (4.3% of spent funds), digital media (e.g., YouTube, webpages, and digital publications/newsletters) (8.1%), social media (42.6%), printed mailers (3.3%), television (28.4%), radio (11.3%), and event sponsorships (2.1%). All paid campaigns targeted local audiences through locally available TV/radio stations and other channels. The specific publication is only known for about \$80,000 of the spent funds. Of that \$80,000, \$13,011 went to Colorado-based media outlets, and the rest went to national/international social media and search engine companies or news organizations with local stations. A third party vendor placed about \$98,000 of the funds spent on paid media campaigns in Fiscal Year 2024-25. In Fiscal Year 2024-25, CEO spent at least \$16,500 on paid media campaigns in Spanish. In Fiscal Year 2024-25, \$105,452 of the funds spent on paid advertising were to promote consumer

education and incentives related to electric vehicles, including \$89,000 for the EV CO education and awareness campaign. The remaining spending supported workforce development, industrial decarbonization, and building decarbonization.

In Fiscal Year 2025-26, the Colorado Energy Office budgeted \$244,317 and has spent \$121,467 to date on paid media and advertising. Budgeted funds are expected to cover paid media campaigns distributed via digital media, social media, printed mailers, print media (e.g., newspapers, magazines, and printed newsletters), television, and radio. Of the funds spent to date in Fiscal Year 2025-26, 9.7% were for digital media, 41.9% for social media, 3.3% for print media, 32.9% for television, and 12.2% for radio. All paid campaigns have targeted local audiences through locally available TV/radio stations and other channels. The specific publication is only known for about \$67,500 of the spent funds. Of that \$67,500, \$27,500 went to Colorado-based media outlets or community-based/nonprofit partner organizations, and the rest went to national/international social media companies. A third party vendor placed about \$97,000 of the funds spent on paid media campaigns in Fiscal Year 2025-26 to date. In Fiscal Year 2025-26, \$125,000 of the budgeted funds and \$94,000 of the funds spent to date are to support EV CO, and another \$48,000 of the budgeted funds will support other work in transportation electrification. The remaining budgeted/spent funds are to support industrial and building decarbonization.

*Performance metrics and evaluation tools:* Across programs, CEO's paid media campaigns had the goals of attracting candidates/applicants for our programs; increasing webpage traffic; increasing knowledge and awareness about program offerings among key audiences, including disproportionately impacted communities; increasing the number of subscribers to program contact lists; educating about opportunities and resources to increase adoption of key technologies or policies; and improving compliance with regulatory requirements.

CEO uses the following metrics to evaluate success, depending on the platform and goals of the campaign: reach and impressions (social media and search engine), google analytics data, number of new contact/interest form submissions, click/click-through rates, website visits, reporting compliance, returned mail, number of attendees or interactions at events, job applications, and QR code scans (print only).

When working with third-party vendors, CEO staff met with vendors to discuss the campaigns on a biweekly to monthly basis. Metrics and spending data was reported in invoices and progress reports as well as through social media and google analytics performance data.

Overall, depending on the project, data reporting for all campaigns, whether placed through a vendor or not, occurred on a weekly, biweekly, monthly, or project completion (for shorter campaigns) basis.

**The Office of Economic Development and International Trade (OEDIT)** has two divisions which engage in advertising activities, the Marketing & Communications Office (MarComm) and the Colorado Tourism Office (CTO).

**OEDIT's Marketing & Communications Office (MarComm)** does not spend on traditional advertising pieces. Rather, its main function is to increase awareness of programming and funding opportunities offered by OEDIT across the entire state of Colorado, specifically targeting our rural communities. MarComm budgets \$29,500 for this awareness.

MarComm only boosts and targets rural counties with programming and funding opportunities with direct social media “boosts” on LinkedIn and Meta, Facebook and Instagram, that otherwise would not be seen without using third-party vendors. Many rural & economically underserved communities may be eligible for programs but may not be aware of them.

MarComm evaluates effectiveness including spend amount, tagged published posts, views, impressions, engagement, engagement rate, cost per click, link clicks, reach, website visits, and percentage change with impressive result through Sprout Social reporting, Google Analytics, Google Sheets and a quarterly PDF report that is provided to the Executive Director.

MarComm's primary goal is to support OEDIT's programming to uphold OEDIT's mission to empower all to thrive in Colorado's economy. Additionally, MarComm strives to achieve the Division Wildly Important Goal (WIG) to deliver targeted marketing and communications campaigns to support rural job creation and retention, resulting in 148,000 media hits and digital engagements by June 30, 2026. Programs supported by this include Proposition 123, Rural Jumpstart, workforce development, creative districts, small business development centers, and more.

The main function of **OEDIT's Colorado Tourism Office (CTO)** is to influence visitors from around the world to explore Colorado responsibly and respectfully. From an advertising and marketing perspective the CTO's primary goals are to strengthen statewide economic growth and advance the state's competitive position via marketing and communications. Secondary goals are to promote destination stewardship, provide support to partner destinations and amplify the *Colorado for All* message. This is reflected in the CTO's spending, with a large portion of the budget utilized for advertising & media placement (economic growth and stewardship) as well to support local destinations via marketing programs. The total budget at CTO for advertising is \$16.5 million prior to the proposed \$1 million ongoing reduction. This funding has not increased since 2014.

The \$1 million ongoing proposed reduction will be taken as follows: \$500,000 from Domestic Economic Development Campaigns, \$250,000 from International Tourism, and \$250,000 from Destination Stewardship Campaigns.

CTO's advertising budget includes the following:

### *Domestic & International Advertising and Media Placement*

- Domestic Economic Development Campaigns: \$9. million
  - Economic Development Campaigns (e.g. *Shine A Little Brighter* and *Colorado Magic*) include media planning & buying as well as creative development for advertising to target a variety of high-value domestic travelers to visit Colorado. These advertisements first create awareness with new/qualified audiences. They then engage potential visitors with customized content (i.e., families, adventurers, etc.) and ultimately convert measurable incremental trips to diverse destinations across state. This approach creates a higher success rate and more effective spending.
- International tourism: \$2.5 million
  - International tourism accounts for nearly 10% of Colorado's tourism economy, with visitors spending 5x more than domestic travelers. The tourism spend in these communities directly funds many basic community services. Many rural communities and smaller destinations, from Purgatory to Glenwood Springs, are increasingly relying on CTO's marketing efficiency and reach to bring visitors to their destinations.
  - Colorado is active in six international markets without direct media spend. Work focuses on travel trade training, familiarization trips with partners, sales missions and content insertion into publications, all of which provide a tremendous value-add for Colorado without a paid media budget.
- Stewardship Campaigns: \$1 million
  - CTO operates a highly successful Destination Stewardship campaign aimed at ensuring that Colorado's visitors respect local communities & our natural resources. This helps promote conservation, wildfire prevention, and respect for local communities & businesses.
  - This program has been customized and amplified across 20 partner destinations throughout the state. (e.g., Do Estes Park Right, Do Steamboat Springs Right, Do Grand Junction Right, etc.).

*Other Marketing Verticals* that are tactics that reach consumers outside of traditional advertising and media placement,

- Content (Social, Website, OSVG/Publications, State Map, Email, etc.): \$3.5 million:
  - In addition to advertising, the CTO creates content for visitors that supports the full marketing funnel, from inspiration (awareness) to engagement to conversion.
- Earned Media: \$500k:
  - While not traditional advertising, earned media influences the articles and content visitors see about the state. (e.g., CTO sends a *New York Times* journalist to Grand Junction and then an article is written about Grand Junction in the publication.) In Fiscal Year 2024-25 this program was featured in over 300 top outlets and drove \$8 million in value.

CTO's advertising dollars are utilized across a variety of media types, leveraging a healthy mix of CTV (Connect TV/Smart TV), Linear TV (Cable/Satellite TV), digital, online travel

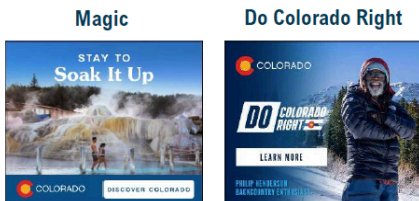
agencies, paid social, digital out-of-home, digital audio and paid search through a full funnel approach.

The exact dollar mix is refined for every campaign based on a variety of variables including the size of the campaign budget (larger budgets allow for greater diversity), campaign goals (e.g. leveraging audio to promoting music), external factors (e.g. avoiding CTV in election years due to higher cost) and previous performance. Media mix for the Fiscal Year 2024-25 winter campaign, Fiscal Year 2025-26 summer campaign and SEM can be reviewed in the graphics below.

## CTO Exhibit 1: FY25 Domestic Winter Campaign Media Spending

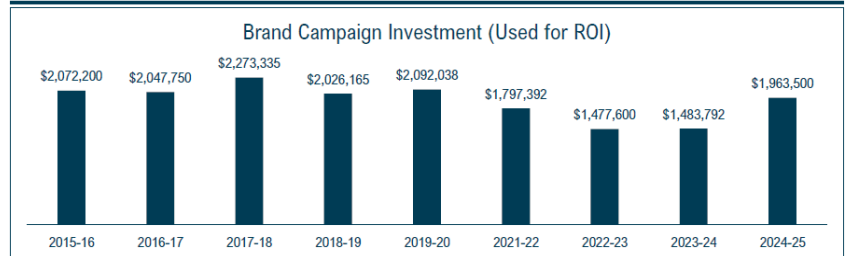
### Campaign Overview

- CTO invested \$2.18 million in its 2024-25 winter campaigns, a 28% increase in the media buy year-over-year.
- CTO placed an ad buy of \$1.96 million in the Magic campaign.
- The ad buy for Do Colorado Right was \$218,500. These ads and this investment are not included in the ROI measurement.
- In the next slide, there is a deeper dive into the media buy reallocation for this year's Magic campaign.



SMARInsights

2024-25 Ad Medium	Magic (Brand)	Do Colorado Right	Total
OTA Digital	\$216,500	\$46,599	\$263,099
CTV Digital	\$392,000	\$0	\$392,000
Digital (Site direct, programmatic, rich media, native)	\$545,000	\$5,000	\$550,000
Paid Social	\$177,500	\$42,000	\$219,500
DOOH	\$100,000	\$124,901	\$224,901
Digital Audio	\$182,500	\$0	\$182,500
Linear TV	\$350,000	\$0	\$350,000
<b>Total</b>	<b>\$1,963,500</b>	<b>\$218,500</b>	<b>\$2,182,000</b>



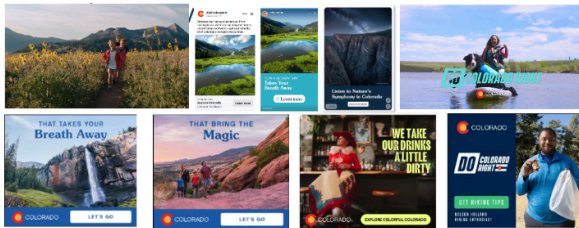
\*\$191K was added to the 2017-18 media buy for what was called "ski-emergency" funding because there was little snow early in the season, and CTO used this campaign with a strong call to action once there was snow later in the season.



## CTO Exhibit 2: FY26 Domestic Summer Campaign:

# Campaign Overview + Budget

- The spring/summer campaign consisted of multiple channels for the brand campaign, Magic, as well as the sustainability campaign, Do Colorado Right.
- Overall, CTO spent \$4.8 million on paid media for the summer campaign, with \$4.4 million dedicated to the brand campaign.
- Though the summer campaign again targeted a handful of spot markets, those shifted a bit to include Phoenix and Minneapolis, replacing Atlanta and Washington, DC which had been targeted the



SMARInsights

Medium	Magic	DCR	Total 2025
OTA/Travel Endemic Digital	\$675,000	\$140,000	\$815,000
CTV Digital	\$825,000		\$825,000
Digital (site direct, programmatic; display, video, rich media, native, custom content, etc.)	\$1,500,000	\$20,000	\$1,520,000
Paid Social (excluding influencer + boosted posts)	\$667,500	\$60,000	\$727,500
OOH	\$300,000	\$179,000	\$479,000
Digital Audio	\$450,000		\$450,000
<b>TOTAL</b>	<b>\$4,417,500</b>	<b>\$399,000</b>	<b>\$4,816,500</b>

Magic	Summer - 2024	Summer 2025
OTA Digital	\$600,000	\$675,000
CTV Digital	\$708,125	\$825,000
Digital*	\$1,740,225	\$1,500,000
Paid social	\$653,188	\$667,500
OOH	\$250,000	\$300,000
Digital Audio	\$350,000	\$450,000
<b>TOTAL</b>	<b>\$4,301,538</b>	<b>\$4,417,500</b>

DCR	Summer - 2024	Summer 2025
<b>TOTAL</b>	<b>\$570,000</b>	<b>\$399,000</b>

5

The majority of the CTO's budget is spent on national media to attract high-value, out-of-state guests that drive the greatest economic impact. A small portion of the destination stewardship campaign ("Do Colorado Right") funds are spent locally.

Media is purchased through MMGY, the CTO's advertising agency. MMGY is tasked with negotiating maximum value for the state and has secured approximately \$1.2 million in savings and value-adds for this year's campaigns relative to other similar ad-buys.

MMGY also negotiates lower-cost media rates for partner DMOs (Destination Management Organizations) throughout the state. These rates are made available via the CTO Summer and Winter Media Co-Op programs.

From a macro-level, campaign effectiveness is evaluated by SMARInsights, an independent third party that assesses the campaign performance of over a hundred US destinations. Key performance indicators (KPIs) include number of influenced visits (respondents who were screened for seeing the ad and then visited Colorado because of the ad), influenced economic impact and campaign ROI.

The CTO has delivered the top Winter ROI in the country in both Fiscal Year 2023-24 and Fiscal Year 2024-25 (\$978:1 versus \$400:1 industry average) and Summer performance is in the top 10% (\$523:1 versus \$314:1).

SMARI also analyzes the cost per aware household (HH) for each campaign. For the Summer Fiscal Year 2025-26 campaign this was \$0.12 per HH versus the industry average of \$0.19. This is almost 40% more efficient than average, demonstrating the campaign's effectiveness. Winter Fiscal Year 2024-25 had a \$0.13 cost per HH, 60% less than the industry average of \$0.32.

From a media plan perspective, KPIs for impressions and click-thru rates (CTRs) are used to measure the success of the total plan as well as every individual media tool in the plan.

As an example, in 1993, Colorado eliminated its tourism marketing budget. Within two years, the state lost 30% of its market share. Annual visit spending fell by more than \$1.4 billion, later exceeding \$2 billion in losses. Colorado's ranking as a top summer destination plunged from #1 to #17 nationwide. Colorado's ranking as a top summer destination plunged from #1 to #17 nationwide. It took nearly a decade to rebuild market share after funding was restored.

SMARI evaluations are done at the end of campaigns, approximately twice a year. MMGY campaign media performance is reported and discussed monthly to ensure plans are on-track to deliver goals. KPIs are detailed above and reports are available in the appendix

MMGY reporting is delivered monthly via presentation, with the team making real time adjustments as needed. SMARI reporting is delivered at the end of seasonal campaigns via presentation to both the CTO, agency partners and the CTO Board of Directors.

#### CTO Exhibit 4: SMARI Winter FY25 Campaign Performance:

CTO's ROI for Winter Fiscal Year 2024-25 was \$978:1, the highest in the country for a second year in a row as reported by SMARI. Economic impact directly influenced by the campaign was \$1.92 billion.

Winter Ad Impact	2015-16	2016-17	2017-18	2018-19	2019-20	2021-22	2022-23	2023-24	2024-25
Influenced trips	519,082	695,491	850,229	820,948	887,419	822,675	743,238	741,341	986,742
Visitor spending	\$1,785	\$2,127	\$1,985	\$1,938	\$1,948	\$2,117	\$1,915	\$1,943	\$1,947
Economic impact	\$927 million	\$1.48 billion	\$1.69 billion	\$1.59 billion	\$1.73 billion	\$1.74 billion	\$1.42 billion	\$1.44 billion	\$1.92 billion
Media spending	\$2,072,200	\$2,047,750	\$2,273,335	\$2,026,165	\$2,092,038	\$1,797,392	\$1,477,600	\$1,483,792	\$1,963,500
ROI	\$447	\$722	\$742	\$785	\$826	\$969	\$963	\$971	\$978

### CTO Exhibit 5: SMARI Summer FY26 Campaign Performance:

CTO's ROI for Summer was \$595:1, compared to the industry average of \$314:1 as measured by SMARI. Economic impact directly influenced by the campaign was \$2.63 billion.

	2016	2017	2018	2019	2021	2022	2023	2024	2025	% Change
Aware HH	44.79 M	36.24 M	34.41 M	36.52 M	39.24 M	44.42 M	44.84 M	42.95 M	40.16 M	-6%
Incremental travel	4.4%	5.0%	4.4%	3.8%	5.6%	3.1%	3.2%	3.8%	3.5%	-8%
Influenced trips	1.94 M	1.81 M	1.51 M	1.41 M	2.19 M	1.39 M	1.44 M	1.61 M	1.40 M	-13%
Trip spending	\$1,401	\$1,524	\$1,487	\$1,499	\$1,523	\$1,720	\$1,679	\$1,709	\$1,880	10%
Influenced visitor spending	\$2.72 B	\$2.76 B	\$2.25 B	\$2.12 B	\$3.33 B	\$2.40 B	\$2.42 B	\$2.75 B	\$2.63 B	-4%
Media spending	\$5.81 M	\$5.87 M	\$6.20 M	\$6.42 M	\$7.91 M	\$5.19 M	\$5.53 M	\$5.27 M	\$4.42 M	-16%
ROI	\$468	\$471	\$363	\$330	\$421	\$462	\$438	\$523	\$595	14%

SMARIinsights

8

### CTO Exhibit 6: MMGY Summer FY26 Campaign Performance:

The CTO monitors campaign performance during the actual campaign flight to ensure goals are met, ultimately delivering economic impact and efficient ROI for the state as reported by SMARI.

Confidential and Proprietary to the Colorado Tourism Office

## Overall Campaign Performance

Summer Magic | April 1, 2025 – August 31, 2025

**Summer Goals:** **\$4,421,200** Spend **388,070,040** Impressions **69,638,765** Engagements **\$0.06** CPE **0.24%** CTR\* **19.26%** ER

Actuals	Spend	Impressions	Total Engagements	CPE	CTR	Engagement Rate
<b>Overall Total</b>	<b>\$4,343,733</b>	<b>401,924,617</b>	<b>87,030,338</b>	<b>\$0.05</b>	<b>0.26%</b>	<b>22.23%</b>
<b>Digital Media</b>	\$3,443,788	260,265,104	69,353,109	\$0.05	0.17%	26.65%
<b>Paid Social</b>	\$667,445	131,146,596	17,677,187	\$0.04	0.42%	13.48%
<b>Offline Media</b>	\$232,500	10,512,917	-	-	-	-

#### Overall Campaign Performance Notes:

- Digital Media is comprised of Adara, Aki Technologies, Amazon, Atlas Obscura, Audacy, Digilant, Dotdash Meredith, Expedia, GumGum, iHeart, Kargo, LG, Matador, MiQ, Netflix, PadSquad, Pandora, Priceline/Bookings.com, Samsung, Simpli.fi, Smithsonian, Sojern, Spotify, Tripadvisor, and United.
- Paid Social is comprised of Meta, Pinterest, and TikTok.
- Offline Media is comprised of Undertone and Visual Feeder.
- Video completions, audio completions, website visits and 3rd party content interactions all count towards engagements to demonstrate success against creating engagement with content and moving consumers to seek out vacation planning information.

\*Industry Benchmark .09% – 0.12%

Source: Tableau

### CTO Exhibit 3: Always-On SEM Campaign (3x more efficient than avg.)

CTO's strategy for SEM is to leverage unbranded terms. (e.g., Buying "ski vacations" instead of "Colorado ski vacations") to have the most influence on undecided travelers.

#### PAID SEARCH FY25 BUDGET AND CPC

April 1, 2025 – December 31, 2025	Cost	CPC	CPC Industry Benchmark *	Total Clicks	Total Lodging Referrals	Total Winter Referrals	Total Leads
<b>Paid Search</b>	\$585,446	\$0.66	\$2.12	883,353	8,807	9,749	98,069

## Cash Fund Information

*[Sen. Kirkmeyer] Please provide fund balances for all of the funds that appear in the Cash Funds Detail table on page 5 of staffs briefing document. Please also include fund balances for continuously appropriated funds.*

Please see the below table for fund balances of cash funds which are not included in the Schedule 9s.

Fund Name	FY 2025-26 Approp.	Primary Revenue Sources	Primary Uses in Dept.	Fund Balance
Decarbonization Tax Credits Administration Cash Fund	\$ 1,026,941	12.5 percent off-the-top amount from severance tax revenue as a result of decreased ad valorem tax credits for FY 2023-24 through FY 2026-27	Supports administration of the decarbonization tax credits through FY 2034-35 as specified in HB 23-1272 (Tax Policy That Advances Decarbonization)	\$ 600,000
Outdoor Recreation Economic Development Cash Fund	\$ 723,488	Lottery Fund	Supports the Outdoor Recreation Industry Office	\$ 723,488
Gifts, grants, donations	\$ 1,184	Gifts, grants, and donations	This is not a cash fund, rather it represents spending authority to allow the Commission to raise some small funds for operating costs.	\$ -
Marijuana Entrepreneur Fund	\$ 653,353	Transfers from Marijuana Tax Cash Fund and General Fund	This funding provides grants, loans, training, and technical assistance for cannabis	\$ 653,353

			businesses.	
Venture Capital Authority Staffing Fund	\$ 294,405	Payment from the Venture Capital Authority	OEDIT uses the fund to pay costs incurred by the office in providing staffing for the Venture Capital Authority per 24-46-202(1)(d)(I), C.R.S.	\$ 294,405

*[Sen. Amabile] How many businesses take advantage of the Procurement Technical Assistance Cash Fund? What is the program accomplishing?*

The Colorado Procurement Technical Assistance Center (CO-PTAC), funded by the **Office of Economic Development and International Trade's** PTAC cash fund, has over 7,000 active clients, of which about 2,300 are minority-owned or economically disadvantaged-owned businesses that generate contract awards and bring federal dollars to Colorado. In 2013 it was originally determined that the annual \$220,000 is the minimum amount of state funds necessary to maximize the potential \$400,000 in federal funds that were available. The funding is fully utilized each year.

For small businesses, applying for and receiving Federal, State, and Local Government contracts is challenging, technical, and time consuming. This leaves many Colorado small businesses out of stable and long-term contracts with government entities. Additionally Colorado small businesses are competing for federal contracts and the inflow of federal dollars with small businesses in other states. The JBC in 2024 reauthorized funding for Colorado's PTAC.

*[Sen. Amabile] Please give an overview of how the Community Access Enterprise works. How successful has it been? What has it accomplished?*

The **Colorado Energy Office** submits an annual report on the Community Access Enterprise (CAE). The reports for Fiscal Years 2021-22 through 2023-24 are available on the CAE's website.<sup>1</sup>

*[Rep. Brown] Please provide an overview of the Streamlined Solar Permitting program, including:*

- *Where does funding come from?*
- *Has it been successful?*
- *How many more grants have been provided as a result of the program?*

The **Colorado Energy Office** submits an annual report on the Streamlined Solar Permitting (APPS) program. It is available on the CEO website.<sup>2</sup>

<sup>1</sup> <https://energyoffice.colorado.gov/about-us/boards-commissions/community-access-enterprise>

<sup>2</sup> <https://www.google.com/url?q=https://energyoffice.colorado.gov/plans-reports&sa=D&source=docs&ust=1767204085245510&usg=AOvVaw3qUadHy0dFAEWMD8FTDIri>



*[Rep. Sirota] Please explain the \$1.2 million Opportunity Now transfer and why it isn't included as part of the request.*

The latest economic business sentiment surveys show slowing hiring, increasing consumer debt, and reduced profitability expectations. This is a legislative placeholder submitted with the Governor's Budget to reallocate \$1.2M from the Universal High School Scholarship Program to the Economic Development Commission (EDC) for nimble response to growing economic uncertainty particularly for small and rural businesses. The Universal High School Scholarship Program ended June 30, 2025 and, in reporting, \$4.2M has been unused. This proposal sends \$3M of that to the General Fund and proposes a legislative reallocation of \$1.2M to support small business through means such as technical assistance or customs brokering & trade navigation. As the risk of unemployment rises, demand for a broad range of state services intensifies. OEDIT is looking to provide critical support in mitigating these impacts and keeping Colorado's economy resilient.

## Request Items

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### OSPB R1 Extend IIJA Spending Authority

*[Sen. Kirkmeyer] Please provide information on the \$14.6 million planned for the CDPHE SRF match. How much are those dollars leveraged? How much has already been spent toward that match? What specifically are the dollars used for?*

#### *Information:*

The \$14.6 million is the state match for Fiscal Year 2025-26, the final year (5th year) of the Infrastructure Investment & Jobs Act (IIJA) State Revolving Fund match requirement. The state is expecting to receive more than \$110 million in federal fiscal year 2026 IIJA funds through the State Revolving Fund program. While the federal fiscal year 2026 IIJA appropriations have not yet been released, we anticipate seeing final numbers in March or April calendar year 2026.

Over the first four years of the IIJA State Revolving Fund, Colorado received more than \$400 million in federal funds, with a total state match of approximately \$34.7 million. The state match for the State Revolving Fund has been provided from two sources of funding. One was through the General Assembly (23-215) using IIJA funds, and the other was through revising the Small Communities Grant program (23-238). Below are the state match amounts from each source over the first four years.

- IIJA Cash Fund - \$14,689,800
- Small Communities Grant Fund (23-238) - \$20,000,000
- Total state match provided - \$34,689,800

Colorado has been extremely successful in utilizing State Revolving Funds quickly. In fact, because we have been so successful and efficient in utilizing IIJA funds, Colorado has received over \$20 million of reappropriated funds from other states that could not spend or use their funding.

*Leverage:*

Depending on the final grant amounts from the EPA for the final year of IIJA (FFY 2026), the state match of \$14.6 million for State Fiscal Year 2025-26 is estimated to bring approximately \$5 dollars of federal money for every one dollar of state match. The state match dollars are a requirement of the grant funds. The state match has contributed to \$73 million in federal funds drawdown; however, with the inclusion of the Small Communities Grant Fund, the total drawdown is \$110 million.

Under the Infrastructure Investment and Jobs Act State Revolving Fund funding, CDPHE provides the match amount to the Colorado Water Resources and Power Development Authority, who receives the federal State Revolving Fund grants on behalf of the state.

*Spend & Use:*

The state match is a requirement of the grant funds and is deposited into a “state match” account per EPA requirement. As water and wastewater infrastructure loans are issued and projects draw on those funds for project-related expenses, the match is used to pay the cost of the project. Colorado has spent 100% of the state match provided for 2022-2025 IIJA funds.

These funds provide both grants and subsidized loans for water and wastewater infrastructure projects throughout the state, primarily targeted at small disadvantaged communities that would otherwise have difficulty completing their projects. Some examples of projects include:

- South Adams County Water and Sanitary received \$60 million from the State Revolving Fund, including \$30 million in principal forgiveness, to build an ion exchange treatment removing PFAS. The project will be complete in the summer of 2026.
- The Town of Boone received a \$1 million Drinking Water Revolving Fund loan with full principal forgiveness to install manganese treatment.
- City of Greeley received \$20.9 million and has already removed 150 lead service lines, aiming to eliminate all by 2027.
- The Town of Ramah received \$1.3 million (with \$ 674,000 forgiven) to build lagoons, a lift station, and a force main, ending wastewater discharge once complete.
- Beulah Water Works District received \$1 million (with \$803K forgiven) to replace pipes, add valves/hydrants, update meters, and create a GIS map.
- The City of Fort Lupton received \$19 million (with \$3 million forgiven) to build a storage tank, pump station, and pipelines.

The remaining funds set aside for this program are critical to ensure Colorado is prepared to continue successfully maximizing federal funding opportunities to support water and wastewater infrastructure projects, ensuring safe programming throughout the state.

*[Rep. Brown] Please provide the same information for the remainder of the \$46.5 million in the IIJA Cash Fund.*

The remainder of unobligated dollars are fully committed for essential purposes as directed by statute, including administrative needs, local match, CDPHE State Revolving Fund match (est. additional \$14.6 million), as well as CDOT federal match projects (est. \$22 million). Utilization of the IIJA cash fund requires state agencies to apply for funding through an internal controls process, so the plans may change in scale depending on federal awards available; however, each of the following projects have been discussed in depth in preparation for application and allocation. The following categories have a remaining spend plan:

- Administration
  - Admin funds are used to pay for existing FTE, grant writing and project planning assistance contractors for state agencies, and administrative assistance for state agencies managing programs. The remaining funds (currently < \$1.5 million) available within the 5% statutory limit for this category are reserved for personnel and administration through the requested extension and cannot be encumbered in advance per accounting practices.
- Local
  - \$3 million will be used for the Local Match Grant Program to expand the program, as the current program amount has been nearly fully committed for match investment. OSPB and the LOMA committee have identified this need from local communities and applications are still coming into the office for funding support in order to match federal requirements for IIJA grant funding. Based on the already committed \$10 million in program investment, over \$64 million in federal funds (with a few awards pending federal approval) are anticipated to be drawn down for local Colorado communities. This return on investment will increase as the remaining \$3 million is awarded to support additional local investment.
- Transportation
  - \$22 million is reserved for federal rail projects through CDOT. This includes mountain rail safety, capacity grants, and a railroad crossing elimination project.
- Water, Environmental, and Resiliency- state agency match
  - \$14.6 million is held as a match to be used for CDPHE formula funding for the EPA State Revolving Fund. These dollars are used for the Clean Water State Revolving Fund Grant Program and the Clean Drinking Water State Revolving Fund.

Beyond these specific plans, the remaining amount is intentionally reserved to ensure programs throughout our state are able to competitively pursue Colorado's share of federal funds in an efficient and responsive manner. This cash fund remains a valuable resource as federal opportunities are released and in instances where a higher than anticipated state match is required (example: BEAD recently required an additional \$10 million in match compared to the original estimates). Extended spending authority through June 2029 for this remaining amount, and the \$10 million from interest accumulation, ensure state agencies and local governments are able to maximize federal funding investments for Colorado.

*[Sen. Kirkmeyer] Please describe the options for using the money in the IJJA Cash Fund for budget balancing purposes. Discuss the legality of using the money, exactly how much could be made available, and the programs or projects that would not be funded as a result.*

The cash fund currently has an interest balance (approximately \$15 million) that we do not have the authority to spend and Decision Item R-01 would allow for spending of interest. Due to our current inability to use interest, \$5 million is being proposed for a transfer to the general fund, through OSPB BA-01, in the January 2nd submission. The remaining funding available, including \$10 million of interest dollars, is reserved for the remaining needs as identified above.

#### **OEDIT R1 Prop 123 Statute Changes**

*[Sen. Amabile] Please give a broad overview of this request. Discuss the statute changes described in the R1, as well as the reason for needing additional legislation for the supplemental request.*

The Office of Economic Development and International Trade's R-02 requests statute changes associated with S-01, the diversion of \$110 million in AHFF Prop 123 funds. The statute changes requested are as follows: temporarily amend the statutory percentage ranges for program funding allocations to reflect flexibility to maximally leverage federal LIHTC funds, provide spending authority on interest intended by ballot language but omitted from statute, and temporarily calculate admin off of pre-diversion total dollars rather than the program ranges in statute.

#### **OEDIT S1 CLIMBER Transfer**

*[Sen. Amabile] What would be the remaining balance in the Small Business Recovery and Resilience Fund if this request were approved?*

Approximately \$19 million will remain in OEDIT's CLIMBER fund if \$15 million is transferred to the General Fund. The current cash balance is approximately \$34 million including funds to be used for program administration including first-loss capital that leverages private capital, fees for lending institutions, and administrative costs. The funds are currently encumbered via a

five year contract with Colorado Housing & Finance Authority (CHFA), our partner administrator.

CLIMBER is a loan fund which needs state capital to leverage private capital which is then made available to organizations (community banks, Community Development Financial Institutions, and other mission-based lenders) to make loans to existing small businesses that struggle to access working capital. The CLIMBER program, following the last statutory amendment in 2024, is designed to be a long-term program where funds (or tranches) are built with state and private capital and then recycled as they are paid back. The \$15 million reduction shortens the life of CLIMBER from a quasi-evergreen program to one that will deplete the fund balance within approximately 3 years. Once all capital has been loaned out, new loans will be on a hiatus until loan capital is repaid by the lending organizations to then be recycled.

## Budget Reduction Options

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*[Committee] Please speak to each of the options presented in JBC staffs budget briefing document.*

### *Transfer from Pay for Success Contracts Fund*

The Office of State Planning and Budgeting agrees that this cash fund can be transferred to the General Fund for balancing purposes. The Pay for Success Contracts Program was created by House Bill 15-1317 to provide performance-based funding to intervention programs which improved the lives and living conditions of individuals by increasing economic opportunity and the likelihood of healthy futures and promoting child and youth development. Three pilot programs were specifically required to receive the funding, and OSPB was authorized to seek and select additional programs to contract with.

The House Bill 15-1317 established the Pay for Success Contracts Program cash fund to provide funding for the program through transfers of General Fund and Marijuana Tax Cash Fund. The last pay for success contract ended in Fiscal Year 2023-24, and the Office no longer operates the program. \$1,561,746 remains in the cash fund, and under current statute the money in the fund can only be used to implement the program. Since the program is defunct, this money is an excellent candidate for reallocation to meet other needs in Fiscal Year 2025-26.

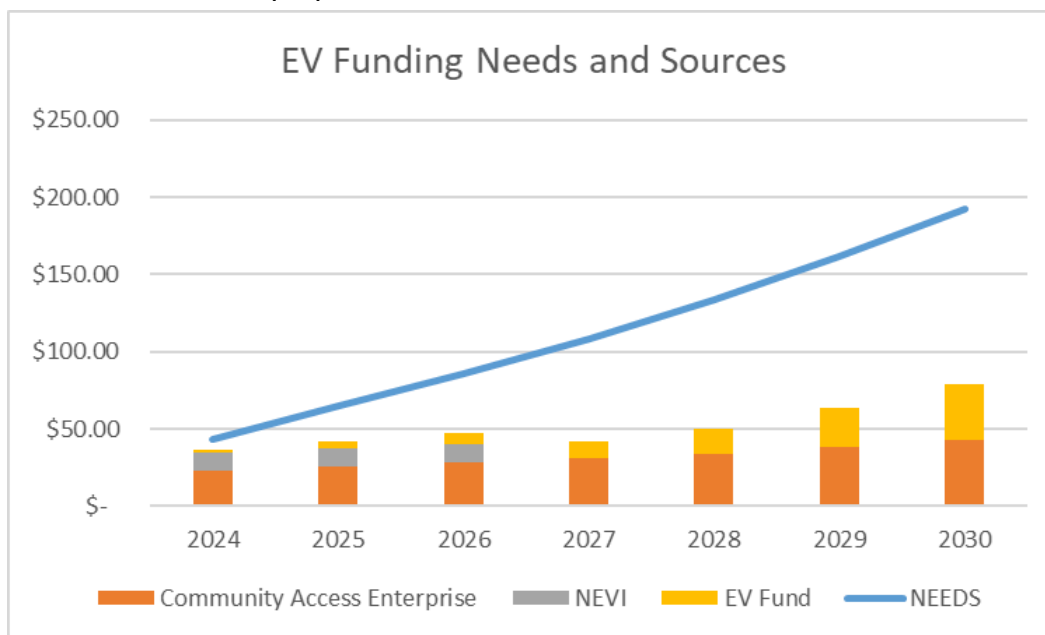
The Governor's Office proposes the Joint Budget Committee drafts legislation to repeal the program and transfer remaining cash funds to the General Fund. Since the program no longer operates, and no FTE are associated with these funds, the money may be used for balancing purposes.



### *Transfer Funds from the Electric Vehicle Grant Fund*

The **Colorado Energy Office's** Electric Vehicle (EV) Grant Fund is a cash fund created by HB 19-1198 which specifies that funds should be used to make grants for installing EV chargers at public and private locations and related technical assistance. The source of revenue in this fund is EV registration fees and is intended to support transportation infrastructure. The Colorado Energy Office encumbers and spends funds in the EV fund through multiple rounds of award cycles per year for applicable programs including Charge Ahead Colorado. Encumbered funds may not be fully expended for several years after awards are made, depending on infrastructure and supply chain timelines. Because the projects being funded are multi-year projects, the fund balance may show cash balance, but the funds are fully encumbered each year given the high demand relative to available funds and are committed to specific ongoing or imminent projects. A reduction in available cash in the fund would require CEO to pullback from already awarded grants and will likely hinder the progress of ongoing projects.

Colorado consumers are leading the nation in rate of EV purchases and therefore the demand for charging infrastructure from Colorado's vehicle owners is also fast growing. The EV fund is one of several funds that supports EV charging, but existing sources fall short of total estimated EV infrastructure funding needs. Sweeping funds from the EV fund would not only exacerbate this problem, but would also take revenue collected from charges on vehicle owners for other unrelated purposes.



### *End the Colorado Startup Loan Program*

The CO Startup Loan Fund (CSLF) in the **Office of Economic Development and International Trade** has fully encumbered all funds and there are no available funds to revert.

*Transfer Recovery and Infrastructure Administrative Support funding to General Fund*  
Executive Order D 2025 014 (also submitted as a supplemental request on January 2, 2026) includes a request to transfer \$5.4 million out of the refinance discretionary account to the general fund and the Governor's January 2, 2026 budget also reflects a request to transfer an additional \$11.147M transfer out of the refinance discretionary account to the general fund. The two requested transfers out of the refinance discretionary account to the general fund total \$16.547M.

#### *Various CEO Fund Transfers*

**Industrial & Manufacturing:** This funding is intended to support emission reductions in the industrial sector through 2028. CEO has found that investments in industrial decarbonization can yield significant greenhouse gas emission reductions per dollar spent. In addition, these investments often also improve air quality in disproportionately impacted areas, and support the use of new technologies and local Colorado startups. State grants play a critical role in accelerating carbon emission reductions by enabling industrial facilities to overcome upfront cost barriers. By funding energy-efficiency upgrades, studies, fuel switching, and clean energy projects, these grants reduce operational emissions while strengthening the competitiveness and resilience of Colorado's industrial sector. The value of this support extends to job creation, local economic growth, and the leveraging of additional private investment in clean energy infrastructure. The remaining funds, save the necessary amount for staff costs to monitor compliance through the lifetime of the grant awards, are intended to be expended in Fiscal Year 2025-26 through a final grant round.

**Geothermal Energy Grant:** Colorado's investments in geothermal technologies, including heat and cooling and electricity generation, are critical for Colorado's long term ability to meet its greenhouse gas reduction goals by lowering the financial barriers that often impede early-stage drilling, resource assessment, and infrastructure deployment. Geothermal energy also offers the potential for economic development and jobs that build on the existing oil and gas sector within our state. The funds from the geothermal grant program are nearly fully awarded, with a small amount to be awarded in a final round in early 2026, save the necessary amount for staff costs to monitor compliance through the lifetime of the grant awards. With Colorado's ambitious climate goals and vast geothermal potential, targeted state grant support is critical to catalyzing scalable geothermal solutions that deliver long-term environmental and economic benefits.

**Clean Air Buildings Investment:** This funding supported electrification of public buildings and housing. It has been fully awarded save the necessary amount for staff costs to monitor compliance through the lifetime of the grant awards.

**Sustainable Rebuilding Program:** This funding supports sustainable rebuilding assistance for past qualifying disasters, including the Marshall Fire, as well future qualifying events. The

funds are fully encumbered to allow for the quick deployment necessary to support disaster relief.

*GOV, CEO, OEDIT 5.0% reduction*

The **Offices of the Governor, Lieutenant Governor, and State Planning and Budgeting** have prioritized reducing operating budgets in order to prevent layoff of critical staff. While increases to common policy needs across the state have resulted in net growth of General Fund appropriations, the Offices have identified operational cuts of \$263,942, or 2.5% of program administration appropriations.

Over 87% of the Offices' General Fund budget covers salary and benefits for FTE. Reductions past the 2.5% proposed amount would require elimination of positions in the office, resulting in reduced availability to constituents, longer timeframes for producing essential reports and information, and reduced capacity to participate in community and stakeholder events.

A 5% reduction in the **Colorado Energy Office's** small General Fund allocation, coupled with the loss of its largest federal grant (the \$156M Solar For All grant), would make it even harder to withstand any future federal cuts without staff layoffs. CEO also anticipates a reduction in its General Fund allocation will reduce its ability to provide the same cost of living adjustments for CEO staff that other state employees receive. Nevertheless, to support the committee's work to produce a balanced budget, CEO has already submitted a request for 2.5% reduction in our General Fund appropriation on Nov 1, and will work to absorb that reduction while maintaining the Office's capacity to carry out its statutory obligations.

It is worth noting that in the 2025 session CEO was provided a General Fund increase starting in Fiscal Year 2025-26 following an approved request to the JBC to ensure adequate funding to support CEO's mission.

The **Office of Economic Development and International Trade** has seen drastic reductions in cash funds in Fiscal Year 2025-26 and has proposed further cuts to cash funds in Fiscal Year 2026-27 and beyond. The Office was able to identify \$528,964 in ongoing General Fund cuts beginning in Fiscal Year 2026-27, but is unable to sustain further reductions in General Funds given the reduced availability of cash funds to carry out its mission.

*[Sen. Kirkmeyer] How many FTE are associated with the funds/programs identified in the “Additional Options for General Fund Relief” table on page 17 and 18 of JBC staff’s budget briefing document?*

Option	Proposed Reduction Amount	FTE Associated
Transfer from Pay for Success Contracts Fund	\$ 1,561,746	0.0
Transfer Funds from the Electric Vehicle Grant Fund	\$ 2,000,000	3.1
End the Colorado Startup Loan Program	\$ 4,000,000	0.5
Transfer Recovery and Infrastructure Administrative Support funding to General Fund	\$ 15,000,000	27.1
Various CEO Fund Transfers	unknown	5.4
CEO, GOV, OEDIT 5.0% reduction	\$ 2,350,758	159.7

*[Sen. Bridges] How well are the CLIMBER and Colorado Startup Loan Program working? Please provide data on the following:*

- *How much has been granted from each of these funds?*
- *What is the average grant amount?*
- *What kind of businesses can receive these grants and for what purposes?*
- *How many jobs have been created that would not have otherwise?*
- *Please estimate how many businesses would have either closed down or never have been started without the loans from these programs.*

Where CLIMBER is built for established businesses with positive cash flow, Startup Loan Fund finances businesses in the first two years of operations which are not eligible for CLIMBER. Early stage businesses are particularly risky; the lending organizations making and administering these loans couple business advising with the loan capital to support the businesses and de-risk the loans. The program funds provide loan capital and administrative funding for lenders along with technical assistance funding. These two programs serve different purposes and have both been effective in their distinct missions.

- *How much has been granted from each of these funds?*
  - CLIMBER As of 9/30/25, the CLIMBER program has closed on 284 loans providing just under \$34M to Colorado small businesses throughout the state by

leveraging state dollars to attract contributor bank capital. The CLIMBER fund has provided \$11.4M in state capital and unlocked \$33M from private contributors. The CLIMBER fund was originally funded with about \$50M from the sale insurance premium tax credits. Since the legislature renewed the CLIMBER program in 2024, OEDIT has operated the fund with the goal of creating a revolving long-term source of capital to leverage private funds and provide loan capital to mission-based lenders who serve existing small businesses that have difficulty accessing traditional bank financing.

- CO Startup Loan Fund (CSLF): Deployed \$39.4M in total loans over two rounds (3 years), with \$25.1M funded directly by CSLF. This total reflects the strategic capacity to stack funding from diverse resources alongside the CSLF core capital.
- CO Startup Loan Fund (CSLF) - CSLF has deployed \$39.4M in loan capital over two rounds in 3 years, with \$25.1M alone from the fund.
- *What is the average grant amount?*
  - CLIMBER loans made to small businesses over the last four years have averaged approximately \$120,000; the loan life ranges from 1 to 10 years with an average term of 46 months. CLIMBER capital is committed to a loan pool alongside private capital. These were concessionary, below market rate loans but not grants.
  - Startup Loan Fund average loan size is \$49K. The initial deployment round of CSLF funds by mission-based lenders, was focused on COVID recovery. Lenders often provided a combination of both loans and grants to small businesses although some businesses only received loans. In all 622 businesses received grants. The grant amount was capped at \$15K, but the average grant size was \$4.4K.
- *What kind of businesses can receive these grants and for what purposes?*
  - The current CSLF and CLIMBER program do not offer grants to businesses, they provide lending capital to mission-based lenders to provide concessionary loans to small businesses.
    - CLIMBER's legislation is very specific in certain areas: Businesses must have one year of positive cash flow in the last 5 years, must be Colorado based with over 50% of employees in the state, between 1-99 employees, and a debt service coverage of at least 1:1. The loans must be for operating capital which includes purchasing inventory and equipment; per statute CLIMBER loans cannot finance real estate or purchasing a business. The loan amount can be between \$10,000 and \$500,000. CLIMBER funds are designed to finance small businesses statewide; businesses in 32 counties have been financed; 26% of loan capital has been lent to rural businesses.



- Under the initial deployment of CSLF, 1,241 businesses received loan capital (note that loan principal that is repaid will be re-lent and continue to support new business loans with each borrower through 2032). CSLF loans were made available to startup businesses (those within their first 24 months of operations) and re-starts (those that were shifting their operations in response to COVID).
  - These were very small, startup businesses. 71% of the businesses had annual revenue of \$100K or less, and 60% of these were startups (those in their first 24 months of operations).
  - Businesses funded were in the following industry sectors: 31% operated in Retail Trade, Accommodation and Food Service; 15% were Professional Business Services (marketing, legal, etc.); 11% were Manufacturing.
  - 60% of the business borrowers identified as low-income
  - Businesses in 20 rural counties received funding (22% of all borrowers)
  - Loan capital was primarily (72%) used for working capital (inventory, staffing, equipment)
- For CSLF 2.0, loan capital is targeted at early-stage startups (operating for 24 months or less). To strengthen these entrepreneurs and mitigate lender risk, every applicant is required to undergo TA before capital can be deployed.
- *How many jobs have been created that would not have otherwise?*
  - The CLIMBER program has supported over 2,150 existing positions and helped create 283 new ones.
  - Under CSLF 1.0 through June 2025 over 2,400 jobs were retained and over 4,600 jobs were created.
- *Please estimate how many businesses would have either closed down or never have been started without the loans from these programs.*
  - The CLIMBER fund finances existing businesses so that they can continue and/or expand their operations; 284 businesses have received loan capital. A significant number of the borrowers were unable to access capital from traditional banks, leaving them with very little opportunity to fund their businesses outside of credit cards or other high cost sources of capital. As more loans are paid off over the next 10 years, we will have more detailed updates on survival rates (repayment). Preliminary results show that CLIMBER loans have been able to spur investment and job creation that would otherwise not have been possible.
  - Colorado Startup Loan Fund Round 1 funded 1,128 startup/early stage businesses (those within their first 24 months of operations). These businesses were not able to obtain traditional bank financing and would not have been funded but for this program. Most of the businesses are current on payments

and are continuing to operate thanks to the Colorado Startup Loan Fund program.

- According to 2024 data from the U.S. Bureau of Labor Statistics, 20.4% of businesses fail in their first year after opening and 49.4% fail in their first 5 years. CSLF program stats show an improved success rate. In Colorado Startup Loan Fund Round 2, all businesses must receive technical assistance along with loan capital, so we expect even better business survival rates.

*[Sen. Amabile] Please provide the most up to date fund balance available for the Recovery and Infrastructure Administrative Support Fund.*

There are three funds that support the Governor's Office Recovery and Infrastructure administration, but are not exclusively designated to support the administrative functions of this work: 1) Infrastructure Investment and Jobs Act (IIJA) Cash Fund, 2) Discretionary Account located within the ARPA Cash Fund, and 3) Discretionary Account located within the ARPA Refinance State Money Cash Fund. IIJA Cash Fund is addressed as part of OSPB R1. The Discretionary Account within the ARPA Cash Fund is 100% expended. The unallocated fund balance available from the Discretionary Account of the ARPA Refinance State Money Cash Fund (ARPA dollars that were exchanged for General Fund dollars) as of December 15, 2025 is \$11,147,317.10, \$11,147,000 of which is included in January 2, 2026 budget savings items as a proposed transfer to the general fund. This fund balance reflects:

- \$11,077,022.79 in FEMA eligible expenses from CDPHE's COVID response efforts
- \$19,718.97 Colorado Healthcare Corps
- \$50,575.34 Interagency and Local Support Services Coordination

*[Rep. Taggart] How many different departments/offices/FTE are tracking the federal stimulus funds. To the extent that there are other agencies doing the same tracking, why? Why isn't this task centralized in the Governor's Office?*

While this work is centralized and coordinated through the Governor's Office of Federal Funds and Strategic Initiative (formerly known as Recovery Office), as in all funding streams, each agency is responsible for keeping records of any expenditure made with federal stimulus funds that they receive, no matter the source. For stimulus funds that were awarded directly to a state agency (i.e. block grant supplements), the recipient state agency's controller retains this federal reporting and compliance responsibility. In some cases (i.e. State and Local Fiscal Recovery Funds, Capital Projects Funds, CARES Act funding) where the State as a whole (the Governor) receives the funds to be distributed to agencies as needed, the State Controller is responsible for ensuring reporting and compliance to the federal government on the expenditures of these funds. In both cases, the significant additional funds (in some cases, nearly 50% of an agency's annual expenditures) increased the reporting and compliance work to ensure funding was spent in accordance with Federal law, evolving federal regulations, and State law and regulation. The Recovery Office was created within the Governor's Office in

2022 to interpret uniform guidance in a consistent manner, ensure compliant implementation, collect data and outcomes, and report on these funding streams to the legislature, federal awarding agencies, and the public in a holistic fashion. In total, \$8.2 billion in stimulus funding from ARPA was received and spending and implementation progress continues to be compiled and reported to the public by the Governor's Office of Federal Funds and Strategic Initiatives (OFFSI). For statewide functions, OFFSI currently has 14 FTE completing this work, along with 12 FTE at the State Controllers office. There are seven fewer FTE since 2023 within these two programs as the Offices and federal stimulus funds wind down.

As the federal funding landscape has evolved over the last several years, the Recovery Office has also evolved into the Office of Federal Funds and Strategic Initiatives (OFFSI). OFFSI works to maximize federal funding opportunities, effectively preserve and implement federal and stimulus funding, and execute strategic initiatives that build from cross-agency lessons through a coordinated response.

*[Sen. Amabile/Rep. Sirota] In reference to the programs in CEO discussed at the bottom of page 19 of JBC staff's budget briefing document, please provide the following information:*

- *Describe when each program is expected to end and what the remaining fund balance is in each of them.*
- *Do the programs have repeal dates in statute?*
- *What happens to the money in the funds at the end of the program?*
- *If there are fund balances, what does CEO plan to do with those dollars?*

#### *Industrial & Manufacturing Operations*

- a. FTE dedicated: 1.4
- b. \$ Currently encumbered: \$16,595,627
- c. \$ Awarded but not encumbered: \$5,073,243
- d. \$ to be encumbered in future RFA: \$2,918,134

Per legislation, the Clean Air Program will sunset June 30, 2028, with any unspent funds being returned to the General Fund at that time. Given the success of the most recent Request for Applications (RFA) round, CEO intends to open an additional round in late winter 2026 at which time all remaining funding is expected to be encumbered. To ensure adequate administrative oversight of grant funding encumbered, CEO will be allocating the remaining CAP funding to internal administrative support services via grant management and closeout through June 30, 2028.

#### *Clean Air Grant Programs Clean Air Buildings Investment Fund* *Public Building Electrification Grant*

- a. FTE dedicated: 1.6
- b. \$ Currently encumbered: \$7,355,028
- c. \$ Awarded but not encumbered: \$500,000

- d. \$ to be encumbered in future RFA: \$0

#### High Efficiency Electric Heating and Appliances (HEEHA) Grant Program

- a. FTE dedicated: 1.6
- b. \$ Currently encumbered: \$6,509,849
- c. \$ Awarded but not encumbered: \$1,750,000
- d. \$ to be encumbered in future RFA: \$0

The programs have awarded a combined total of \$19,332,070 with \$5,037,484 in combined expenditures to date. Funds awarded contribute to major construction and retrofit projects that often take 12-18 months to complete. Reimbursement for awarded funds is allowable once the equipment is fully installed and operational and this is reflected in the expenditure amount. The Public Building Electrification Grant and the High Efficiency Electric Heating and Appliances Grant do not have a sunset date defined in legislation however the awardees through these programs have a five year contract to capture their five years of annual reporting requirements. This annual reporting requirement will require administrative costs for the monitoring and analysis of this contract requirement. CEO will be allocating the remaining funding to internal administrative support services via grant program management and closeout through the contracts' five year term.

#### *Geothermal Energy Grant Program (GEGP)*

- a. FTE dedicated: 1.55
- b. \$ Currently encumbered: \$5,658,422.
- c. \$ Awarded but not encumbered: \$375,000
- d. \$ to be encumbered in future RFA: \$700,000

Of the \$12 million allocated to the Geothermal Energy Grant Program, \$4,503,561 have been expended and an additional \$1,075,000 is to be encumbered within Fiscal Year 2025-26 Quarter 3. To ensure adequate administrative oversight of grant funding encumbered, CEO will be allocating the remaining GEGP funding to internal administrative support services via program management and anticipated closeout through June 30, 2029. The GEGP does not have a funding sunset defined in legislation and this timeline will accommodate the final round of anticipated grantee project schedules.

#### *Sustainable Rebuilding Program*

- a. FTE dedicated: 0.15
- b. \$ Currently encumbered: \$5,364,623
- c. \$ Awarded but not encumbered: \$0
- d. \$ to be encumbered in future RFA: N/A

There are a number of contracts that fall under the Sustainable Rebuilding Program. There is an interagency agreement with the Department of Local Affairs to process Marshall Fire rebates and has a remaining balance of \$23,794, which can be unencumbered. There is also an interagency agreement with the Department of Local Affairs to provide assistance through the Housing Recovery Program (HRP) of the Disaster Resilience Rebuilding Program and has a

remaining balance of \$1,305,000.00, which can also be unencumbered. In total, \$1,328,794 from this fund can be unencumbered, reducing the encumbered amount to \$4,035,830.

The fund also supports remaining Marshall Fire Rebates (through 4/30/2026), and future disaster recovery response. \$3,402,300 is currently encumbered to support these efforts. There is no repeal of this program, only the full expenditure of funds in disaster relief.

## Colorado Energy Office

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*[Rep. Brown] Please give a brief history of the Energy Office, and include the following information:*

- *Why is the Energy Office housed in the Governor's Office?*
- *To what extent is the Energy Office independent of the rest of the Governor's Office?*
- *Would it make sense to separate the Energy Office out into its own division?*

The Office of Energy Conservation was created as a subdivision of the Governor's Office in 1977 to promote energy conservation in Colorado. Around this time, a large number of state energy offices were created around the nation, as part of a response to the oil embargo and energy crisis of the late 1970s. Federal funding for state energy conservation efforts had been authorized in the 1976 Energy Conservation and Production Act. During the 1980s, settlements of oil overcharge suits led to additional funding to support state energy conservation programs across the nation. The office was renamed the Governor's Office of Energy Management and Conservation in 1999 to incorporate energy management. Under Governor Ritter it was renamed the Governor's Energy Office in 2007 to recognize the role the office plays in charting Colorado's leading role in the provision of clean and renewable forms of energy. HB 12-1315 renamed the office to the Colorado Energy Office under Governor Hickenlooper. The Colorado Energy Office's mission, duties and authority is set in statute (24-38.5-101, C.R.S.).

Like the Office of Economic Development and International Trade (OEDIT), CEO remains an Office of the Governor. Its Executive Director is a member of the Governor's Cabinet. The CEO maintains its own website, offices, programs, funding, and staff. CEO does share some backend operations with the Governor's Office including shared resources for human resources, IT, and procurement and finance. Like all executive branch agencies, CEO takes policy direction from the Governor's Office.

In relation to Long Bill divisions and subdivisions, the Office is not aware of a specific reason why CEO is subdivision "(C)" within division "(1) OFFICE OF THE GOVERNOR" rather than its own Long Bill division. This Long Bill arrangement does not affect or change the way the Office operates or have any material impact on the Office's finances, and we believe it's most likely simply a continued legacy of Long Bill organization and format rather than an intentional choice.



## Additional Committee Questions

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*[Sen. Kirkmeyer]*

### **Governor's Office**

*An accounting of all private dollars, including grants, that fund staff or programs in the Governor's Office.*

The **Office of the Governor** had five active non-governmental grants in Fiscal Year 2024-25 supporting 3.4 full-time employees.

### *Governor's Senior Advisor on Early Education*

The Temple Buell Foundation supports half of the Senior Policy Advisor on Early Education, who advises the Governor on a wide range of early childhood policy, legislative, budget, regulatory, and federal spending decisions. In particular, this position has assisted with calculating universal preschool costs; developing and drafting legislation and amendments on child care and preschool quality, funding and regulations; developing and writing early childhood budget proposals; writing and negotiating state child care regulations and guidance; preparing the Governor for presentations, meetings, and calls, and staffing him at those events; updating the Governor on key early childhood issues; informing the Governor's office's public comments; publicly presenting to early childhood stakeholders; representing the Governor's priorities in advising state agencies' development of federal early childhood spend plans; meeting and communicating with early childhood stakeholders, including agency staff, advocates, providers, foundations, business groups, and researchers; and drafting, developing and editing early childhood report recommendations and related policy descriptions.

Total Grant Amount:	\$610,000.00
Total FY25 Balance:	\$ 87,944.61
Ending FY25 Balance:	\$ 5,148.59

### *Governor's Senior Advisor on Workforce Development*

The Denver Foundation supports the entire Senior Policy Advisor on Workforce Development, who advises the Governor on a wide range of workforce development policy, legislative, budget, regulatory, and federal spending decisions. In particular, this position is responsible for coordinating and implementing a bold workforce policy development strategy across agencies and stakeholders to align resources and streamline programs to address the state's workforce challenges.

Total Grant Amount: \$340,000.00  
Total FY25 Balance: \$198,999.90  
Ending FY25 Balance: \$ 59,049.43

*Governor's Special Advisor on Climate and Energy*

The United States Climate Alliance supports the entire Special Advisor on Climate and Energy, who supports strategies to accomplish the Governor's goal of 100% statewide renewable energy by 2040, ensure implementation of the groundbreaking 2019 legislation to reduce greenhouse gas emissions, and coordinate the administration's state-holding and communications work around its climate agenda. This role, in particular, provides policy analysis, project management, press guidance, and general support for the State's climate and energy agenda, supports the interagency Climate Cabinet, interacts with outside groups and other key stakeholders, supports implementation of the state's GHG Emissions Reduction Roadmap and HB 19-1314.

Total Grant Amount: \$694,372.30  
Total FY25 Balance: \$169,556.77  
Ending FY25 Balance: \$ 17,871.29

*Governor's Climate and Energy Strategy Officer*

The United State Climate Alliance supports the entire Climate and Energy Strategy Officer, within the Governor's Office of Federal Funds and Strategic Initiatives, who leads efforts to support State departments, local governments, Tribes, school districts, non-profits, and special districts, and their partners in maximizing potential awards from the Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA).

Total Grant Amount: \$202,672.00  
Total FY25 Balance: \$202,672.00  
Ending FY25 Balance: \$ 16,136.38

*Energy Assistance Stakeholder Grant*

The United States Climate Alliances supports stakeholdering activity to build a scalable approach to providing customers not only with information and education about programs but explore the development of a statewide technology platform that automates eligibility checks and simplifies submission of applications to different service providers. Unfortunately on average less than 20% of eligible customers in Colorado actually apply and receive the funding they are due across state and utility energy assistance programs.

Total Grant Amount: \$100,000.00  
Total FY25 Balance: \$ 50,000.00  
Ending FY25 Balance: \$ 17,872.73

*Amount of money expended on the Polis bridge project, source of funds, and balance.*

The **Office of the Governor** has not directly expended any funds on the proposed America 250 / Colorado 150 Pedestrian Walkway project. In 2022 the Governor signed the bipartisan SB 22-011, establishing the “America 250-Colorado 150 Commission”, and in 2024 issued Executive Order D 2024 001, directing all Agencies to develop and implement plans celebrating America’s 250th and Colorado’s 150th anniversaries. As part of the plans, the Office proposed a pedestrian walkway connecting the State Capitol to Lincoln Veterans park, improving accessibility and safety while showcasing the state’s history through art. The Department of Personnel and Administration’s Public-Private Partnership Office (DPA P3) invested in the initial design and planning phase.

Upon feedback from the community and the General Assembly, the Governor’s Office is working with the America 250-Colorado 150 Commission to grant dollars directly to communities across the State through its aligned and community giving program. As the head of the Executive branch, the Office has dedicated staff time and effort to supporting the America 250-Colorado 150 Commission and commemorations around the state.

#### **Office of Saving People Money on Health Care**

*List how much money has been saved and in what program areas. What is the return on investment for the program cost?*

The Office of Saving People Money on Health Care convenes the Core 5 Health Cabinet which is composed of the Division of Insurance, the Department of Health Care Policy and Financing, the Department of Human Services, the Behavioral Health Administration, and the Department of Public Health and Environment to ensure coordination across agencies. The Core 5 Health Cabinet publicly lists and tracks their Wildly Important Goals (WIGs).

The first of these WIGs is ‘Saving People Money on Health Care’. This WIG combines legislative strategies spearheaded by OSPMHC and executed by the Core 5 Health Agencies, including Reinsurance, the Health Insurance Affordability Enterprise, the Colorado Option, public health prevention initiatives, Medicaid value based payment models, prescription drug affordability tools, and broader Colorado-wide pricing transparency efforts. As of June 2025, these efforts have led to \$2,689,876,129 in health savings for Colorado throughout the Polis-Primavera administration. This includes over \$800 million of savings in Fiscal Year 2024-25. The Office’s published goal is to reach a total of \$3.5 billion in health care savings by June 2027.

June 2025 marked the completion of the two-year Medical-Financial Partnership (MFP) pilot between the Colorado Consumer Health Initiative and Axis Health System funded by the OSPMHC. A Medical-Financial Partnership (MFP) is a collaborative arrangement made between health care providers, health systems, and/or community-based organizations that provide a variety of financial services aimed at improving financial security for patients and families. The final results of this pilot program show that it achieved an average savings per active case of \$5,823.86, for a total savings of \$139,773.

OSPMHC also provided technical assistance on 78 legislative bills in 2025. Many of these bills have led directly to hundreds of thousands of dollars in health care savings for individuals and providers. For example, HB 25-1288 opens up new opportunities for federally qualified health centers to bring in needed funding without costing the state money. This helps to preserve access to care, particularly in rural areas of the state. HB 25B-1006 provides a one-time funding increase for the Health Insurance Affordability Enterprise to use for reinsurance for the individual market, wrap-around coverage for premiums for those on health exchange, and the Omni Salud program. This additional funding will help to offset some of the increased health insurance costs associated with the passage of H.R. 1 and the expiration of enhanced premium tax credits. HB 25B-1006 is predicted to save Colorado consumers \$220 million on health insurance this year.

#### **All Divisions, including CEO**

*List of all grants, total grant funds awarded, awarding agency, grants disbursed, balance, and administrative costs.*

The below table is the Offices' Exhibit K1 of the Annual Comprehensive Financial Report (ACFR) on all active federal grants in State Fiscal Year 2024-25.

Assistance Listings Number	Federal Program Name	Expenditures Direct and Indirect	Expenditures Passed Through to Subrecipient
21.019	Coronavirus Relief Fund (CVRF)	\$ (1.42)	\$ -
20.942	Thriving Communities Program - Regional	\$ 258.00	\$ -
84.425V	(ARP) Emergency Assistance for Non-Public Schools	\$ 9,340,201.27	\$ 3,629,104.68
84.425C	Governors Emergency Education Relief Fund (GEER I)	\$ (938.00)	\$ -
94.006	AmeriCorps Healthcare Corps	\$ -	\$ 440,423.08
94.006	AmeriCorps Competitive Reimbursement Funds	\$ -	\$ 1,693,257.38
94.006	AmeriCorps Competitive Fixed	\$ -	\$ 6,197,971.57
94.006	AmeriCorps Formula Reimbursement	\$ 183,495.06	\$ 977,622.63
94.003	AmeriCorps Commission Support Grant	\$ 309,617.48	\$ -

94.006	AmeriCorps Formula Fixed	\$ -	\$ 904,507.14
94.008	AmeriCorps Commission Investment Fund	\$ 466,927.86	\$ -
94.021	AmeriCorps Volunteer Generation Fund	\$ 9,111.90	\$ 180,736.22
84.425D	Elementary and Secondary School Emergency Relief Fund	\$ -	\$ 162,757.82
94.006	Federal - ARPA	\$ -	\$ 3,218,229.60
94.006	Federal - ARPA	\$ 207,546.80	\$ 3,209,231.19
20.942	Thriving Communities Program - Regional	\$ 131,262.95	\$ 10,990.81
21.031	State Small Business Credit Initiative Program 1.0	\$ -	\$ 1,684,506.92
11.307	Department of Commerce's Economic Development Administration (EDA) Restart and Reimagine Tourism	\$ -	\$ 576,520.32
11.307	Economic Adjustment Assistance ARPA Statewide Planning Awards	\$ 19,446.74	\$ 123,742.55
11.307	State of Colorado's American Rescue Plan Act State Travel, Tourism, and Outdoor Recreation Grant (State Tourism Grant).	\$ 1,051,538.59	\$ 1,680,109.92
59.058	Federal and State Technology (FAST) Partnership	\$ -	\$ 61,864.05
21.031	State Small Business Credit Initiative Program 2.0	\$ 250,605.53	\$ (3,647,310.00)
21.031	SSBCI TA Grant Program	\$ 4,053.17	\$ -
59.061	State Trade Expansion Program	\$ 376,860.06	\$ 228,182.44
59.037	Small Business Development Center Core Grant	\$ 1,137,973.24	\$ 758,521.31
59.037	Small Business Development Center Portable Assistance Grant	\$ 1,500.00	\$ 47,187.65
45.025	Promotion of the Arts Partnership Agreement	\$ 231,003.61	\$ 257,363.00
21.027	SLFRF	\$ 260,265.53	\$ 7,445,404.11
81.254	GRID (BIL) - Preventing Outages and Enhancing the Resilience of the Electric Grid Formula Grants to States and Indian Tribes	\$ 222,191.11	\$ 331,583.28
81.041	IRA Section 50121 - Home Efficiency Rebates Program	\$ 1,329,668.31	\$ -
81.041	SEP Formula	\$ 1,300,134.00	\$ -
66.959	Solar for All - Zero Emissions Technology Grant Program	\$ 426,504.20	\$ -
81.041	SEP BIL	\$ 895,650.18	\$ 80,000.00
81.041	IRA Section 50122 - High Efficiency Electric Home Rebate Program	\$ 1,277,021.22	\$ -
81.128	BIL EECBG Program	\$ 45,587.88	\$ 101,126.01



81.041	Efficiency Revolving Loan Fund Capitalization Grant Program	\$ 14,911.19	\$ -
81.041	IRA - State Based Home Energy Efficiency Contractor Training Grant Program	\$ 27,486.11	\$ -
81.117	IIJA Advancing Building Performance Standards	\$ 460,508.50	\$ -
81.117	IIJA Advanced Energy Code Adoption and Enforcement Program	\$ 226,549.93	\$ 17,232.15
66.046	Climate Pollution Reduction Grant	\$ 444,876.21	\$ -
66.046	Climate Pollution Reduction Planning Grant	\$ 880,659.18	\$ -
81.042	WAP Formula	\$ 537,755.71	\$ 6,755,740.71
81.042	WAP BIL	\$ 722,861.13	\$ 7,267,481.45

### Colorado Energy Office

*How much money was spent on AG for litigation? List all related litigation.*

Thus far in Fiscal Year 2025-26, \$60,000 has been spent on litigation related to federal funds that CEO administers and other federal actions that impact CEO and its ability to carry out its mission. This includes two separate lawsuits filed against the Environmental Protection Agency related to the termination of \$156 million in Solar For All funding. Both lawsuits against the EPA are pending. This also includes litigation against the Department of Energy regarding a change to its indirect policy. This suit was decided in Colorado's favor in November and has reinstated CEO's access to approximately \$8 million in annual formula funds for the State Energy Program and Weatherization Assistance Program. Another pending case is against the US Department of Transportation, related to the rescission of program guidance which prevented further obligation of \$57 million in funding to Colorado for the National Electric Vehicle Infrastructure (NEVI) program to fund strategic deployment of EV charging infrastructure. Funding has been made available through a preliminary injunction, although the litigation is ongoing. Litigation by the Colorado Attorney General last fiscal year (in spring 2025) helped make over \$500 million in federal funds available to CEO after it had been illegally frozen by the Trump Administration.

The Energy Office was also a defendant in a lawsuit led by the Colorado Apartment Association regarding Air Regulation 28 and the Building Performance Colorado (BPC) program. Litigation costs this fiscal year related to this lawsuit have totaled \$41,000.

*How much money was spent on PUC regulatory proceedings? List all filings for the last 10 years. Did this representation result in savings to the state and taxpayers?*

Since 2016, the General Assembly has adopted over 100 bills to advance the state's climate and clean energy goals. This, in part, is focusing on a rapid and deep decarbonization in the electric power sector and leveraging those emissions reductions by shifting transportation and buildings away from fossil sources to cleaner electricity, in

addition to gas utility planning requirements to meet GHG goals. Many of these bills require cases at the PUC. As shown in Table 1, this has resulted in a growing amount of work for the CEO Policy Unit at the PUC.

Thus far in Fiscal Year 2025-26, \$488,861 has been spent on PUC regulatory proceedings by the Department of Law team that serves CEO. A list of proceedings, which includes hundreds of proceedings (and thousands of associated filings) is available online.<sup>3</sup>

	2016- 2017	2017- 2018	2018- 2019	2019- 2022	2020- 2021	2021- 2022	2022- 2023	2023- 2024	2024- 2025
PUC Cases	15	18	19	33	32	33	44	38	37

CEO has not comprehensively quantified savings to the state or taxpayers that have come from our engagement in PUC proceedings. However, there are a couple recent examples of turning engagement into consumer savings for ratepayers. First, the Colorado Energy Office worked closely with Xcel Energy to develop what is called the Near Term Procurement. The goal was to acquire new wind, solar battery projects that Xcel needs to meet customer energy demand on a timeline that would allow Xcel to tax credits that expire early due to the passage of H.R 1 last summer. While the PUC has not issued a final decision, filings by Xcel show that the NTP could save customers 39% compared to acquiring the same resources without the tax credits (approximately \$4.97 billion on a net present value basis compared to the total portfolio net present value of approximately \$7.75 billion.). Further, a PUC decision<sup>4</sup> in late November 2025 on the mountain gas system approved a settlement with Xcel Energy that avoided roughly \$170 million compared to possible gas system investments. As part of the settlement, which CEO was involved in developing,<sup>5</sup> Xcel will invest in alternatives to new gas pipelines, including providing rebates and incentives for customers to make energy efficiency upgrades or to switch from gas heating to electric heat pumps, which will become available immediately. Third, in a recent Renewable Energy Plan case, CEO successfully advocated for front loading renewable energy resources to secure expiring federal tax credits. The exact savings will not be known until Xcel acquires the resources. Also in that proceeding Xcel's modeling showed that the Plan that CEO supported will result in a forecasted bill reduction of roughly 2.05% for the residential class in 2026 and 2027 as compared to current rates.

<sup>3</sup><https://docs.google.com/spreadsheets/d/1jtpwLFYoHSoPLejOYS3chfsGDdISb0dytmEAZvF7Nxw/edit?gid=108000228#gid=108000228>

<sup>4</sup>[https://www.dora.state.co.us/pls/efi/efi\\_p2\\_v2\\_demo.show\\_document?p\\_dms\\_document\\_id=1053400&p\\_session\\_id=](https://www.dora.state.co.us/pls/efi/efi_p2_v2_demo.show_document?p_dms_document_id=1053400&p_session_id=)

<sup>5</sup><https://energyoffice.colorado.gov/press-releases/energy-office-applauds-pucs-eastern-mountain-communities-settlement-with-xcel-that>

*What federal grant funds have been rescinded? How has CEO replaced that funding? Have any programs been eliminated?*

No federal grant funds that CEO manages have been rescinded by Congress. Three programs, discussed below, have been terminated by the agencies that administer them. One, a \$156 million competitive grant awarded from the EPA under Solar For All, is under litigation. The other two, both \$2.5 million competitive grants under the Resilient and Efficient Codes Implementation (RECI) program, were terminated by the Department of Energy.

Separately, the Department of Law has used litigation to preliminarily resecure \$57 million in funding from the Department of Transportation for the National Electric Vehicle Infrastructure (NEVI) program, and permanently secure access to annual funding of approximately \$8 million of formula funds from the Department of Energy for the State Energy Program and Weatherization Assistance Program through successful litigation challenging DOE's indirect cost policy.

None of the funds have been replaced. The Solar For All Program is on hold pending litigation. The programs supported by the RECI funds, the Building Performance Colorado and Energy Code Adoption & Enforcement Grants, remain underway at a smaller scale with previously dedicated state funding.

*List all EV-funded charging stations, source of funds, and list all EV stations built versus operational and funded and are these private or public stations? What data does CEO have to show the return on investment for these funds?*

A comprehensive list of charging infrastructure projects can be found on the CEO's Electric Transportation Programming Database.<sup>6</sup> This dashboard includes information related to the source of funds provided to each entity and project as well as the program through which it was implemented.

A single, comprehensive dataset or dashboard monitoring the operational status for all chargers is not currently available. CEO is working with CDLE on a weights and measures initiative to ensure accuracy of EV charging sessions, similar to the monitoring and enforcement for dispensing gasoline, which may include an aspect of uptime reporting and monitoring.

Benefits (return on investment) derived from these projects are multifaceted. Colorado was number one in the country for new EV vehicle sales percentage in 2024. In Q3 2025, Colorado was also number one in the nation for EV sales percentage. Vehicle sales growth trends can be found on this dashboard from Atlas Policy.<sup>7</sup>

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<sup>6</sup><https://lookerstudio.google.com/reporting/42995e69-e648-485c-899a-a3a015bc52b7/page/KIKXD>.

<sup>7</sup> <https://atlaspolicy.com/evaluateco/>

Significant emissions benefits are derived from these investments as well. An EV in CO reduces emissions by between approximately 60 - 70%, and as electricity gets cleaner over time this will increase to nearly 100%. As indicated in the dashboard above, Colorado has observed dramatic increases in utilization of the charging infrastructure deployed.

Further research from MIT<sup>8</sup> has indicated that for each charging station installed local businesses see an increase in sales between 1.4% and 3.2%.

As indicated in the Economic Impact Assessment of the Advanced Clean Cars rulemaking and CEO's prehearing statement, "The EIA completed for the proposed changes to Regulation 20 estimated that the savings from this Rule through 2040 from new vehicle sales, fuel, vehicle maintenance, health benefits, and the avoided cost from carbon dioxide equivalent ("CO<sub>2</sub>e") emissions are approximately \$41 billion. The charging infrastructure, upfront capital, grid upgrade, and operational costs are estimated to be \$6.3 billion. Thus, for each dollar in cost, it is estimated there will be at least \$6.50 in benefits."

*At the November 21, 2025 Air Quality Control Commission, staff from the Regional Air Quality Council (RAQC) said that the state does not have a strategic plan to attain the ozone standards. Please explain how this aligns with the Colorado Greenhouse Gas Pollution Reduction Roadmap 2.0 and the CEO's mission and goals.*

CEO has no knowledge of the comments from RAQC staff or the context in which they were provided. Part of CEO's mission, as specified in 24-38,5-102(1)(a), C.R.S., is to reduce greenhouse gas emissions. The Greenhouse Gas Pollution Reduction Roadmap, which CEO leads every few years, focuses primarily on greenhouse gas reductions. While meeting ozone standards is not a primary focus of the Energy Office or the Roadmap process, many actions that reduce greenhouse gas emissions also reduce ozone precursors and help attain ozone standards. This includes EV adoption and multi-modal transportation (including transit, biking, walking, carpooling), electrification of industrial processes and building heating and cooling, and clean electricity generation.

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<sup>8</sup> <https://www.nature.com/articles/s41467-024-51554-9>

## Office of Information Technology

### Common question For Department Hearings

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*Please provide a breakdown of your department's total advertising budget for the current and prior fiscal year. Specifically:*

- a. *What is the total amount budgeted and expended on advertising and media placement type?*

FY25: myColorado had \$40,000 budgeted and \$0 expended

FY26: myColorado has \$50,000 budgeted and \$0 expended thus far; we have plans to do a campaign in spring 2026 for a major product launch, but planning has not commenced.

FY25: For OIT talent acquisition/recruitment, customer engagement and employee engagement purposes, we spent \$20,128 to film updated videos for websites, social media, newsletters, etc.

- b. *How are those advertising dollars allocated across different media types (e.g., television (national/local/cable), radio (terrestrial vs streaming), SEM, digital (display, YouTube), connected TV, social media, print, outdoor, etc.)?*

In FY25, no advertising dollars were spent. In FY26, no advertising dollars have been expended thus far.

Anticipated future media buys are expected to be largely through social media and SEM, based on prior success in these areas; however, planning has not yet commenced.

- c. *How much of that spending is directed to Colorado-based or local media outlets? How is the media currently purchased?*

In FY25, no advertising dollars were spent. In FY26, no advertising dollars have been expended thus far. Any future media buys would focus on Colorado-based/local media outlets. In prior years, we have purchased media through two Colorado-based vendors on a state pricing agreement: Amelie and Philosophy Communication.

- d. *What performance metrics or evaluation tools does the department use to measure the effectiveness of these advertising campaigns? What are the goals of the campaigns, and what key performance indicators are measured for success?*

In FY25, no advertising dollars were spent. In FY26, no advertising dollars have been expended thus far.

- e. *If any portion of advertising is managed through third-party vendors (or 'partners';) or media buying firms, please provide any available data or reporting from those*



*companies on campaign performance and spending. How often do the departments discuss media placements with these vendors?*

In FY25, no advertising dollars were spent. In FY26, no advertising dollars have been expended thus far. In prior years, we have purchased media through two Colorado-based vendors on a state pricing agreement: Amelie and Philosophy Communication.

*f. Monthly or quarterly reporting - how is reporting delivered?*

In prior years, we have purchased media through two Colorado-based vendors on a state pricing agreement: Amelie and Philosophy Communication. We typically review daily or weekly reports to iterate and adjust buys.

## Cash Fund Information

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*[Sen. Kirkmeyer] Please provide fund balances for all of the funds that appear in the Cash Funds Detail table on page 5 of staffs briefing document. Please also include fund balances for continuously appropriated funds.*

Please see the following net position end balances below through period 5 of FY2026:

- Statewide Longitudinal Data System (SLDS) net position end balance through FY 2026 period 5: \$4,158,190
- Technology Risk Prevention and Response (TRPR) net position end balance through FY 2026 period: \$20,448,134
- IT Revolving (6130) net position end balance through FY 2026 period 5: \$59,209,964

Data source: [GA-010 Trail Balance](#) CORE report through period 5 of FY2026

## Budget Reduction Options

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*[Committee] Please speak to each of the options presented in JBC staffs budget briefing document.*

Please review the associated [slides](#) that outline OIT's budget reduction options within R04-R06 from OIT's JBC Hearing presentation for January 6, 2026.

*[Sen. Kirkmeyer] How many FTE are associated with the funds/programs identified in the "Additional Options for General Fund Relief" table on page 17 and 18 of JBC staff's budget briefing document?*

Listed JBC Staff Option	GF Impact (\$)	FTE Impact
<b>Revenue Enhancement Options:</b>  Technology Risk Prevention and Response Fund transfer to GF	\$5,000,000	0
IT Revolving Fund transfer to GF	\$10,000,000	0
<b>Expenditure Reduction Option:</b>  Statewide 5.0 percent reduction in payments to OIT	-\$8,482,707	TBD - dependent upon which specific agency demand/project and which OIT services are impacted by this expense reduction
<b>Net GF Relief</b>	<b>\$23,482,707</b>	<b>TBD</b>

## Office of Information Technology

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### Annual Depreciation Lease Equivalent Payments

*[Sen. Kirkmeyer] Page 7 of Staff's briefing reports that no ADLE payments were made in FY 2024-25. Please explain the timeline that will require those payments. Why are there no new IT projects in FY 2025-26 that would require ADLE payments?*

*[Rep. Taggart] What about projects that were initiated in FY 2022-23 or FY 2023-24? Shouldn't those projects have ADLE payments now? Does statute not make those payments mandatory?*

OIT response for Sen. Kirkmeyer and Rep. Taggart's questions above:

As outlined in C.R.S. 24-37.5-127(2), ADLE payments are only applicable to information technology capital projects with initial appropriations in FY 2025-26 or later. C.R.S. 24-37.5-126 (f) of SB24-224 outlines, the amount is calculated from the date of acquisition or

the date of completion of the repair, improvement, replacement, renovation, or construction to June 30 of the fiscal year of acquisition or completion. The amount continues to be calculated on a fiscal year basis until the depreciation for the information technology asset is no longer recorded. There are currently no information technology assets that received initial appropriations in FY 2025-26 or later and there were no repair, improvement, replacement, renovation, or construction projects completed that required ADLE payments to be reserved or transferred to the Information Technology Capital Account.

*[Sen. Kirkmeyer] Please provide an executive summary of the development of the Tech Debt Reduction Plan and Replacement of Equipment.*

Please refer to this attached Request for Information (RFI) on the development of the Tech Debt Reduction Plan and Replacement of Equipment: [Response to RFI from JBC Hearing on December 17, 2025 - Executive Summary: Technical Debt Reduction and Replacement of Equipment](#)<sup>9</sup>

## Artificial Intelligence Adoption

OIT lead in response:

OIT's approach to date has been to assess risk for GenAI proposals brought forward for consideration by agencies (including OIT) through our comprehensive review process, approving proposals that satisfactorily meet the risk threshold. While this has prevented harm and enabled some successful implementations, as evidenced by the efficiency gains like CDLE's 50% reduction in call center wait times, we have not yet systematically measured return on investment across GenAI deployments.

We have submitted two decision items. The first is R01, which specifically enables compliance with SB24-205, and is by definition encompassing a broader definition of AI. SB24-205 is under legislative review and this definition could change in the coming months prior to implementation.

R02, which establishes a dedicated function within the Colorado Digital Service to drive strategic GenAI use across the state. More information about this is provided in Response to RFI from JBC Hearing on December 17, 2025 - Executive Summary: Artificial Intelligence and answered below.

*[Sen. Amabile] For OIT request R1, what is the original source of reappropriated funds to the Office? For each Department, please identify how much of the reappropriated funds originate as General Fund, cash funds and federal funds.*

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<sup>9</sup>

[https://docs.google.com/document/d/1\\_2xsvNiCCAz9S6b-6nxs4Iowa95OgXhgnAJshH58tZ7U/edit?tab=t.0](https://docs.google.com/document/d/1_2xsvNiCCAz9S6b-6nxs4Iowa95OgXhgnAJshH58tZ7U/edit?tab=t.0)

For OIT's RF line item, approximately 43% originates from GF, 32% from CF, 17% from RF and 8% from FF. (Agencies would have to provide and determine how much of their RF originates from GF, CF, FF).

*[Rep. Taggart] Why does implementation of S.B. 24-205 (Consumer Protections for Artificial Intelligence) bill require so many FTE? What is required within each Department that makes this investment necessary?*

The significant FTE requirements stem from the ambiguous and broad definitions of “high-risk” systems and “consequential decisions”, forcing agencies to adopt new compliance processes using a broad interpretation. In addition, the continuous auditing and manual appeal oversight will require additional resources at each agency and OIT to oversee the compliance model.

The proposed centralized model requires a coordinated effort and would be led by the Office of Information Technology (OIT). Under a centralized model, OIT would serve as the primary authority for technical oversight, taking responsibility for executing impact assessments, providing the risk management framework, establishing guidance and education on overall responsibilities and mechanics and performing the initial audit of systems. Agencies would be responsible for their own disclosures, appeals and data adjustment processes and supporting OIT's activities in the impact assessment space.

#### OIT Centralized Responsibilities

This list outlines the core responsibilities centralized under OIT. Many of these responsibilities require collaboration with stakeholders, including the Attorney General (AG), DPA and individual agencies.

- Perform Initial Risk Assessment: (OIT & Agency)
  - Collaborate with the agency to complete an initial impact assessment identifying high-risk AI systems and specific risks around algorithmic discrimination.
- Create a Method for Understanding if an AI System is High-Risk: (OIT & AG)
  - Create a checklist simplifying the legislation to help teams understand what represents a high-risk system
- Establish a Risk Management Process:
  - Amend the existing risk assessment process and policy to include additional considerations of this legislation. The risk assessment must identify, document and mitigate risks (specifically algorithmic discrimination) with high-risk AI systems.
- Explanation of the AI System:
  - Communicate any AI system's purpose, nature, contact info, description and opt-out options.

- If considered a developer of a high-risk system, the explanation must also include: how the AI was evaluated, data governance measures used, possible biases and appropriate mitigation, intended outputs, measures taken to mitigate and how the AI should/should not be used and monitored.
- Establish Standard Disclosure Formats And Content: (OIT & AG)
  - Establish standard formats for disclosure that can be quickly leveraged for required public disclosures.
- Contracting Language Updates: (OIT & DPA)
  - Update contracting language to ensure vendors and developers of high-risk AI systems are contractually obligated to comply with the obligations.
- Compliance Literacy:
  - Provide enablement for agencies to understand the impact of the legislation and what activities need to be completed.
- Perform Year Over Year / Changes Impact Assessment: (OIT & Agency)
  - Collaborate with the agency to repeat the impact assessment annually and any time substantial changes are made to a deployed system.
- Third Party Impact Assessment Every 3 Years:
  - Coordinate a third-party audit every 3 years to perform the year-over-year impact assessments and improve learnings.
- Audit For Current High-Risk Machine Learning (ML) Performing Decision-Making (Untracked): (OIT & Agency)
  - Review existing high-risk GenAI systems to determine if they meet the criteria of SB24-205 and should be subject to the other compliance steps (one-time activity).
  - Collaborate with the agency to audit new and existing systems and determine if machine learning is affecting any consequential decisions.

## Agency Responsibilities

This list details the primary responsibilities for agencies. OIT and vendors will hold these same duties when they act as distinct entities that develop or deploy high-risk AI systems.

- Identification of an AI System
  - Identify high-risk AI systems in use, how they relate to or affect a decision and what data they will use to make their decision.
- Support an Appeals Process:
  - Ensure that anyone adversely affected by a decision made by/contributed to by a High Risk AI system can appeal the decision.
- Support Data Correction:
  - Ensure that anyone for whom incorrect personal data exists (used by a High Risk AI system in a consequential decision) can correct that data.
- Blanket / Website Disclosure:
  - List all deployed and developed high-risk AI systems on websites.

- Provide high-level summaries including the type of data used for training, known or reasonably foreseeable limitations/risks, purpose, intended benefits/uses and contact information.
- 

*[Rep. Sirota] Given the ongoing discussions around S.B. 24-205, it seems likely that this framework will move again. Why should the Committee and the General Assembly devote significant time and resources to this request if it is probable that the system is likely to change?*

This statewide funding request was meant to serve as providing a current cost estimate to implement SB24-205 at a statewide level based on what is currently known. If the framework will move again based on new legislation, OIT could provide an updated cost estimate if requested.

*[Sen. Kirkmeyer] Answer the following regarding state efforts to adopt generative AI (GenAI).*

- *Is there an impact analysis showing cost savings from the adoption of GenAI?*
- *What are we expecting in terms of efficiency gains?*
- *How are savings and efficiency estimates generated?*
- *How will adoption of GenAI influence the state's tech debt?*

OIT has begun to see efficiency gains, in pockets, in associated with GenAI use:

- The statewide rollout of Google Gemini Advanced across 18 agencies has yielded a high value-on-investment, with 74% of users reporting increased productivity and 73% indicating that using Gemini enables them to redirect their focus toward higher-priority state work. Beyond efficiency, the initiative fostered increased accessibility and inclusion for staff with disabilities.
- Contact center enhancements through AI-powered virtual agents and agent training platforms, with CDLE reducing unemployment call center wait times by 50% and the percentage of callers requesting live agents dropping from 80% to 55%.
- Workforce training tools that cut HCPF's new hire training time by 40%, from 5 weeks to 3 weeks, while maintaining quality scores above 97%.

*[Rep. Taggart] Provide an executive summary of the use case for Generative AI, the likely demand for licenses, costs, and any other relevant budgetary information on statewide usage of generative AI.*



Please refer to our executive summary document here: [Response to RFI from JBC Hearing on December 17, 2025 - Executive Summary: Artificial Intelligence](#)<sup>10</sup>

## IT Accessibility

*[Rep. Brown] Why will IT accessibility efforts take 15.4 FTE, which equates to roughly 30,000 hours, to implement IT accessibility legislation? How are these staff going to be utilized?*

The primary funding needs are for 15.4 FTE to serve as dedicated IT Accessibility Program Managers across 17 agencies, on an ongoing basis. These are staff currently funded by the one-time funding from the FY24 statewide IT accessibility budget amendment which ends June 30, 2026. The FTEs are being requested by agencies that were not able to find alternative ways to fund these positions ongoing.

Agencies need staff dedicated to technology accessibility to ensure compliance with the Technology Accessibility Rules and federal/state laws and regulations. The program managers will manage accommodations, continue ongoing application testing/remediation, support staff with training, provide technical assistance, use and coordinate accessibility software use, create and maintain agency accessibility plans, and document and show progress and good faith efforts on IT accessibility work. Similar to security work, program managers will need to stay up to speed on changes/upgrades to products/applications as technology advances and changes over time.

*[Sen. Kirkmeyer] Describe the resources that have already been devoted to IT accessibility efforts through previous legislation and budgetary action by the General Assembly across all state agencies. Is this 15.4 FTE in the request in addition to the existing FTE. If so, how many existing FTE are devoted to IT accessibility?*

The following list highlights the funding history for IT accessibility efforts since FY17 to this current request that OIT has been a part of. This list does not include agency specific accessibility requests:

- FY17 - JBC Initiated request (Staff-initiated Technology Accessibility for People with Disabilities). This included \$100,000 and 1.0 FTE for OIT.
- FY 2019-20 Decision Item was stopped due to COVID-19 (for 2 FTE + contractors, \$500k). The Technology Advancement and Emergency Fund was used to fund a pilot for one year of a website scanning tool to provide feedback on state websites.

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<sup>10</sup>

<https://docs.google.com/document/d/1JKccoOGzXvDOMLkfKuE3eEgHYIHwt3YeToQa3VbH3x0/edit?tab=t.0>

- July 2021 - HB21-1110 passed and included \$312,922 and 1.0 FTE for OIT. The funding was used to get a statewide license for the website assessment tool (as the pilot in 2020 proved to be successful).
- FY23 - Decision Item for OIT approved for \$1.8M and 5.0 FTE to build the Technology Accessibility Program, provide accessibility software and training for agencies.
- FY24 - FY26 - Budget amendment for 17 agencies for \$46M and 43.3 FTE. Funding used across the agencies for FTE, software, training, testing and remediation of websites, applications, documents, and systems to identify those that are not compliant with the state standards and correct the accessibility issues.
  - Please note: the original funding request which showed an initial request for 59.5 FTE resources but final figure setting resulting in 43.3 FTE.

Current request (FY27) - Requesting ongoing funding for 22 agencies, \$3.1M and 15.4 FTE. FTE are program managers, currently funded by the budget amendment cited above, that agencies need to comply with federal/state laws and Colorado's Technology Accessibility Rules.

*[Sen. Bridges] The Office is requesting \$0.5 million in request R2 (Statewide Innovation Enablement). Could the Office utilize AI to make accessibility more cost effective and reduce this need for additional staff?*

Yes, OIT is always looking for ways to make accessibility more cost effective and would welcome the opportunity to work with the Office on these efforts. AI is currently used in various ways to assist people with disabilities and has promising applications for the future. Some examples of where AI is currently used in accessibility related work include:

- CommonLook uses AI to scan and identify and fix many issues for PDF and Word documents. Grackle does the same for Google documents, sheets and slides and Adobe Acrobat DC Pro also uses AI to identify and recommend accessibility fixes.
- Google is using AI to fix documents, captions for meetings, and improve transcripts.
- Zoom uses AI to create and fix captions and transcripts making them far more accurate.
- Siteimprove uses AI to identify and provide information on how to fix issues on websites.
- Axe DevTools uses robust AI tools to identify and recommend code fixes for developers.

- Blind and low vision folks using screen readers have the ability to read charts and maps and ask specific questions of the information using AI. For example, using the AI provided in JAWS (screen reader software), a user can look at a fire map on a website and ask specific questions about the location of the fire. JAWS can also describe pictures.
- Google NotebookLM will answer questions about detailed charts, graphs and maps using AI. It also helps our blind and low vision employees draft notes, documents and emails.

While tools offer valuable assistance in addressing inaccessible products and providing accommodations for users to access state services and information, agencies still have work that AI cannot currently handle to fully comply with accessibility rules. This essential work includes:

- **Providing User Accommodations:** This involves tasks such as scheduling sign language interpreters for meetings, quickly remediating documents upon user request, and assisting users in navigating inaccessible forms or webpages.
- **Proactive Accessibility Integration:** Agencies must embed accessibility into their processes from the start, which includes assessing new technologies for accessibility before purchase, building accessibility requirements into projects at their initiation, and ensuring teams have the necessary software to test and fix issues prior to deployment.
- **Maintenance and Documentation:** Agencies are responsible for maintaining and regularly updating the required IT Accessibility Plans to accurately document their progress.
- **Staff Training and Support:** Providing ongoing training and technical support to both new and existing staff is critical.
- **Compliance Monitoring:** Agencies must stay current with application, website and other product updates to ensure continued compliance with technical standards.

*[Rep. Brown] Is this particular request tied to the previous accessibility legislation?*

Yes, this request is tied to previous legislation, HB21-1110, Colorado Laws For Persons With Disabilities.

*[Rep. Brown] Please clarify whether these FTE and programs are already in place - or whether it is a novel program that we are trying to stand up.*

The technology accessibility FTE and programs are already in place within agencies and being funded by the one-time funding from the FY24 statewide IT accessibility budget amendment which ends June 30, 2026. The FTEs are being requested by agencies that were not able to find alternative ways to fund these positions ongoing and are driven by the expiration of existing funding.

*[Rep. Brown] Is the request driven by the expiration of existing funding? How much of the request is covering the expiration of existing funding?*

Yes, the funding in this request is covering the expiration of existing funding. The request is for \$3.1M ongoing as compared to the \$46M requested in FY24.

*[Rep. Brown] Are the accessibility requirements for the ADA or state statute?*

The accessibility requirements are for both the ADA (federal) and state statute. Additionally, requirements are specified in the Colorado Technology Accessibility Rules.

*[Rep. Brown] What new issues and costs are driving the request that tie to old requirements?*

The primary new issue we are addressing is that we have identified and understand the ongoing accessibility work needed in agencies, including the tools and staff required, and the one-time funding expires June 30, 2026.

Compared to when the initial one-time funding was issued in FY24, agencies have improved clarity and more options to comply based on the Colorado Technology Accessibility Rules adopted in February 2024 and revised in May 2025. Previously when HB21-1110 was passed, the primary way to comply was for all technologies to meet the technical standards. Agencies used the FY24 one-time funding to improve processes and address current technologies in use that had not been tested previously against the technology accessibility standards.

While significant strides in IT accessibility have been made statewide with the current funding, most agencies lack ongoing and sustainable resources to continue this effort. The work accomplished in recent years successfully established improved infrastructure, systems, and processes. However, substantial work remains within agencies to solidify these gains, close identified gaps, and guarantee continuous improvements are implemented to maintain compliance.

## OIT Operations

*[Sen. Amabile] For request R6 (Operating Efficiencies), provide the rationale for this decrease, as compared to the areas where the Office is asking for increased funding? How will these decreases impact operations and services to departments?*

OIT's plan for an organizational restructure impacting the Customer Office, Operations Office, and Technology Office reflected in this budget request are based on a statewide customer survey feedback and in support of OIT's WIG #2 "Strengthen Agency Partnerships & Satisfaction. The plans will deliver operational efficiencies and with a net elimination of 17 FTE.

Historically, the customer satisfaction score has shown a correlation between focusing on delivery and improving customer satisfaction. The strategies and activities of the plan are focused on strengthening partnerships and the delivery of services that specifically target areas the directors interact with frequently. With a focus on continual improvement and a feedback loop showing OIT's responsiveness, we are striving to make progress in completing this goal in the near future.

*[Sen. Kirkmeyer] What happens if the Committee denies the requested increases in funding? How would denying these impact OIT services? Would customer departments be able to fund the increases from other line items?*

If the Statewide Payments to OIT base request for FY 2027 was denied and agencies were expected to manage their IT service consumption within their current FY 2026 appropriations, OIT would adjust our cost pools for each consumption based service and the associated FTE to reflect the expected agency demand. OIT would continue to deliver our services as requested by agencies. Agencies would continue to determine which sources of available and allowable funding (both payments to OIT and non-payments to OIT allocations) to use towards IT services, based on their individual agency needs.

The Statewide SB24-205 AI compliance funding request provides agencies the required additional resources to support an AI compliance program that includes activities such as appeals, data corrections and risk and impact assessments. If this funding request were denied, the state could run the risk of not being able to meet the legislation's compliance requirements and agencies more than likely would not be able to fund any implementation efforts within their existing resources/ existing operating lines and would need to seek alternative funding.

The Statewide Innovation Enablement request will establish a dedicated GenAI innovation team within the Colorado Digital Service to move from ad-hoc agency pilots to strategic, value-driven adoption. The team will provide three critical capabilities: strategic opportunity identification, working proactively with agencies to find high-value use cases and identify where one solution can benefit multiple departments rather than reacting to vendor pitches; implementation support with rigorous ROI measurement, providing product management and human-centered design expertise while establishing metrics to assess solutions before deployment, track operational performance, and quantify monetized returns to state government and Coloradans; and capacity building, creating reusable frameworks and best practices that agencies can leverage to avoid duplicative procurement and build internal

expertise. By combining strategic oversight with modern digital practices and systematic ROI measurement, this approach positions Colorado to replicate and accelerate meaningful GenAI deployments statewide.

The Statewide IT Accessibility request directly promotes adherence to both Colorado and federal accessibility laws and rules which not only improves services the state provides, but reduces the risks of litigation and loss of trust in state systems by ensuring the improvements made do not backslide. If this request were denied, the state could risk losing the gains made by each agency over the past years while being out of compliance. Agencies would most likely not be able to fund the accessibility efforts with other operating lines since the only resource they had was from the FY24 one-time appropriation funding that expires at the end of this year.

*[Rep. Sirota] How are the billing rates set by OIT? What types of services does OIT bill for and how does the Office work with customer agencies to determine the needed appropriations for the budget year?*

Senate Bill 08-155 (updated in 2021 through House Bill 21-1236) centralized the majority of state IT resources under the Office of Information Technology and required the development of billing methodologies to allocate costs for IT services provided to state agencies. There are two components to the creation of the base budget each fiscal year: service utilization and recoverable costs. These are forecasted annually as part of the rate development process for each OIT Common Policy service offering, and agency budgets include an appropriation for their estimated base service utilization.

OIT's forecasted recoverable costs for each service include forecasted costs for salaries, benefits, hardware, software, depreciation, and other expenses related to the direct cost of delivering that service. Shared division management costs are incorporated into the rate for each billable service offering within that OIT organizational division, based on the relative percentage each service comprises of the total services in the allocation pool (i.e., weighted average). Common Policy base service cost estimates are generated using recent service expenditure plans as the starting point. Adjustments are made to the forecast to account for any one-time costs in the request year, as well as to reflect service structure changes approved by the Rates and Services Board.

Each service offering has a unique code for tracking purposes and each service has a single utilization metric to bill agencies using that service. For example, Data Center Housing is tracked in all reports as service code 2263, and usage of this service is determined based on the number of racks used by an agency in the OIT data center each month. The billable unit of service for code 2263 is "per rack per month". In order to formulate utilization estimates for the upcoming fiscal year, agencies and OIT staff review recent usage reports as a starting



point, and then make adjustments for any known or anticipated changes, upcoming projects, or other factors.

Each service's estimated total recoverable costs are divided by total anticipated statewide utilization to establish a statewide rate for the service offering. Agency base budget planning is accomplished by multiplying their requested use by the service rate. This is done for each service code. Then the total approved budget for the Payments to OIT request factors in any other operating budget support or statewide budget constraints as needed. OIT is a net consumer of OIT Services and in some cases the services themselves utilize other services. In addition, as an Office of the Governor, some statewide initiatives are supported that provide overall benefit to all agencies but that cannot be billed back to a specific agency. When the state transitioned to Real-time Billing in FY 2021-22, OIT accounted for internal service usage within the specific service rate for those services. This simplified the process for initial rate review and analysis.

A current list of services that OIT currently bill for can be found [here](#).

*[Rep. Taggart/ Rep. Sirota] Please provide an Executive Summary of how real-time billing works. How is it projected? How are departments charged? How do the overcollections happen? Additionally, please provide a graphic image (e.g., a flow chart) of how real-time billing works?*

Please refer to this attached RFI on RtB for IT services: [Response to RFI from JBC Hearing on December 17, 2025 - Executive Summary: Real-Time Billing \(RtB\) for IT Services](#)<sup>11</sup>

*[Rep. Taggart] Is the requested increase in payments to OIT largely driven by the employee compensation changes identified on page 11 of staff's briefing document?*

Yes, the employee compensation (HLD, salary survey, step pay, PERA DD, and shift differential) cost increases from the previous year's employee compensation costs was a large contributor. Roughly 60% or \$6.5M of the total \$10.8M total increase in payments to OIT from FY 2026 to the requested FY 2027, was attributed to employee compensation common policies costs. If we were to exclude these statewide employee compensation cost increases, OIT's cost increase for pure IT services for our payments to OIT base submission FY 2026 to FY 2027 is roughly a \$4.3M or 1.4% total increase year over year, which is below the current rate of inflation.

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<sup>11</sup>

<https://docs.google.com/document/d/1Pgs4iQDia3xbK99E8AOcd9JActXtn8AikNDFJh3nQUQ/edit?tab=t.0>

Within our rate setting development process, OIT forecasted costs for these year over year salary and benefit changes as well as hardware, software, depreciation, and other expenses related to the direct cost of delivering that service aligned with agency consumer forecasted consumption of OIT services can lead to year over year increases in the payments to OIT statewide request. Under the Real-time Billing framework and rate setting development process, OIT is able to achieve a much more efficient use of state resources and reinforces a value-based approach to IT services.

*[Sen. Kirkmeyer] How is OIT paying for the additional FTE beyond what is allocated in FY 2025-26? Is it coming from their operating funds? Please explain how the Office is supporting more FTE than the budget is assuming?*

OIT operates within the spending authority granted to us by the Legislature and delivers IT services to state agencies based on their requested demand.

*[Sen. Bridges] Please provide a detailed explanation of how the transition to real-time billing has improved both transparency and services to client agencies.*

Real-time Billing enhances fiscal discipline, transparency, and accountability by aligning IT costs with actual consumption, stabilizing rates, and enabling earlier corrective action. It supports more efficient use of state resources and reinforces a value-based approach to IT services. The RtB framework has allowed OIT to respond to changing agency demands, improving cost controls through collaborative governance with agency partners.

Under Real-time Billing, OIT collaborates with agencies to review and improve service reporting in order to drive more consistent understanding of service usage across all stakeholders. Detailed service reporting has also helped agencies understand what they consume, how they consume it, and why they consume it, so they can make informed planning decisions for current and future IT needs. These enhanced reporting resources have allowed OIT and departments the ability to proactively prevent material swings year to year with cost and consumption alignment and has allowed for departments to see what resources they are consuming in real-time and make adjustments instead of a 2 year true-up cycle.

Should the Common Policy ever be reconsidered, the experience gained under RtB provides a stronger foundation to ensure future billing practices remain focused on transparency, stability, and value for agencies and the State as a whole.

## Budget Reduction Options

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### Department Requests

*[Rep. Sirota] For each of the last five fiscal years, identify the major fund source (General Fund, Cash Funds, and Federal Funds) from which all reappropriated funds to OIT originate. Please provide this information by Department.*

Please refer to this attachment: [here](#) or PDF version [here](#)

*[Sen. Amabile] Of the \$4.97M “other funds” in the table on page 14 of staff’s briefing document, how much of that amount originates as General Fund?*

The majority of these other funds are CF and FF. While around \$2M is RF which may have some GF as the originating funding source. Without more information from each department on their RF sources OIT feels it is appropriate to estimate 42% of this RF may be GF. This would mean potentially \$0.8M of the \$4.97M other funds may originate as GF.

### IT Revolving Fund

*[Rep. Taggart/Sen. Kirkmeyer/Rep. Sirota] It seems that the move to real-time billing should have minimized the ability for the IT Revolving Fund to accumulate a fund balance. Given this, answer the following:*

- How do we end up with excess funds in the IT Revolving Fund under the real time billing framework?
- Why is the Office setting rates that lead to a projected overcollection of \$20.3 million in the coming fiscal year?
- Why is the fund carrying over a balance of \$25.0 million from FY 25-26 to FY 26-27.
- Why is the real-time billing structure in place?
- How could the State could address this overcollection?

Please reference OIT’s executive summary document for the IT revolving fund here:  
[Executive Summary: Information Technology Revolving Fund](#)

## Other Reduction Options

*[Committee]* Please speak to each of the options presented in JBC staff's budget briefing document.

Please review the associated slides that outline OIT's budget reduction options within R04-R06 from OIT's JBC Hearing presentation for January 6, 2026.

*[Sen. Amabile]* Where does money in the Technology Risk Prevention and Response Fund come from?

Senate Bill 21-287 created the Technology Risk Prevention and Response (TRPR) Fund within the Governor's Office of Information Technology (OIT) and was codified in C.R.S. § 24-37.5-120. For the 2021-22 state fiscal year, \$2,000,000 was appropriated to the technology risk prevention and response fund created in section 24-37.5-118, C.R.S. This appropriation is from the general fund.

Senate Bill 22-191 made changes to the TRPR Fund, including placing a \$50 million cap on the TRPR Fund balance and supplementing existing General Assembly contributions by allowing OIT to contribute money to the TRPR Fund from the operations and maintenance fees associated with OIT's billing practices. Beginning July 2023, the bill required any unexpended or unencumbered money resulting from procurement savings that had been appropriated from the General Fund to OIT or state agencies for the procurement of information technology resources or projects be transferred to the TRPR Fund at the end of each fiscal year instead of reverting to the General Fund.

Senate Bill 24-224 made additional changes to the TRPR Fund funding mechanism. As a result, C.R.S. § 24-37.5-127(2)(b) requires that information technology capital projects funded by the General Fund or the Information Technology Capital Account in the Capital Construction Fund, with initial appropriations in FY 2025-26 or later, include a transfer equal to 1% of the project cost to the TRPR Fund, which is to be credited to the fund on July 1 of the applicable fiscal year.

Please also note that Senate Bill 25-264 required a one-time FY24-25 transfer of \$7 million from the TRPR Fund balance to the state's General Fund as part of the statewide reduction analysis efforts to reduce the state's overall budget shortfall.

## Information Technology Capital

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### Colorado Benefits Management System

*[Sen. Amabile] What is a re-procurement? Why does the state need to re-procure the Colorado Benefits Management System (CBMS)?*

A re-procurement is a competitive bidding process for a contract that currently exists and has reached its maximum allowable terms for the existing contract. The current CBMS contract is for the maintenance and enhancement of CBMS and PEAK, which is performed by Deloitte. The State is required to re-procure or replace the CBMS contract because it has already been extended to the maximum allowable length by federal and State procurement rules, which is 10 years. A re-procurement would theoretically allow the opportunity for different vendors to put forward proposals for taking over CBMS from Deloitte.

*[Rep. Brown] Please provide the out-year costs for CBMS re-procurement.*

To re-procure CBMS, the Departments have estimated that they would need the following funds:

Draft and issue the solicitation, evaluate vendors, and award the contract: Approximately \$7M

Takeover / transition period (if a new vendor is selected): Approximately \$40M-\$50M (\$20M-\$25M per year for two years).

It is difficult to estimate these costs. They are rough estimates based on prior system takeovers. The costs could vary if federal approvals take longer than expected, or if vendors estimate the work and risk involved in the takeover differently. If no vendors other than the incumbent bid, which is what happened with the last CBMS procurement, then the takeover period would not be needed.

The ongoing maintenance and enhancement costs for the new contract are unknown. The current CBMS contract costs \$33M-\$45M per year, based on historical costs that fluctuate due to temporary funding increases for enhancements from budget requests, special bills, grants, etc. The system is getting older and increasingly more complex with compounding technology debt, which is expected to result in increased annual costs. If a new vendor is selected, they would likely have a harder time working on a system they did not implement, which would drive costs further up. After the contract is awarded, major modifications can be made to improve system maintainability, which would help lower costs; however, the State is not expected to realize these improvements until after 2030.

*[Rep. Taggart] The Department of Health Care Policy and Financing has described an attempt to replace the three decades-old CBMS system with a new platform. What is the status of*

*these efforts? Why is the Department looking to reprocure this legacy system, rather than replace it?*

CDHS and HCPF are currently in a planning sprint to decide the best path forward to modernize the CBMS ecosystem. On December 1, 2025, the Departments presented to the JTC an approach to replacing CBMS rather than reprocuring it. This approach outlined:

- A. A vision centered on measurable impact to people - including improved efficiency and accuracy, reduced cost and time to implement policy changes, and improved county worker and customer experience, improved public access to benefits and services, and reduced costs of ongoing systems operations - to guide technology decisions.
- B. A new platform that delivers not just the functionality needed to replace CBMS (eligibility determination and case management) and PEAK (public portal to apply for and manage benefits), but also the functionality of a statewide document management and workflow management solution, so that county workers could have all the capabilities they need to administer benefits in one system rather than spread out across multiple, disparate systems.
- C. A funding approach, as outlined in the Departments' supplemental budget request Reimagining Colorado's Benefits Eligibility Systems: IT-CC-S/BA-01, that can leverage or repurpose existing appropriations and budget requests so that capital construction has a net neutral budget impact (with respect to November 1 submissions to OSPB) for the first phase of the initiative, through June 30, 2027.
- D. Initial estimates for the full multi-year, multi-phase implementation with capital construction costs of approximately \$139M-\$187M total funds (including funds for the first phase as outlined in the supplemental Reimagining Colorado's Benefits Eligibility Systems: IT-CC-S/BA-01). These estimates are likely to shift as additional work is completed through the planning sprint.
- E. A first phase of work that aligns with other State eligibility initiatives to ensure that counties and the State have the technology needed to successfully enable the operational changes planned over the next few years.

The planning sprint is scheduled to wrap up by the end of January 2026 and will focus on:

- A. Refining user-validated mockups or prototypes of key system workflows or capabilities to inform our future state.
- B. Ongoing collaboration with programs, counties, and other stakeholders to ensure alignment on the path forward.
- C. Refining estimates and timelines for capital construction and ensuring efforts are coordinated with other eligibility initiatives.
- D. Outlining a plan for operationalization and ongoing maintenance, including estimated costs and staff resourcing needed to support the new platform.
- E. Defining the procurement strategy and coordinating with federal partners on approvals.



## Other Capital Construction-Funded Projects

*[Rep. Brown] Please explain the factors that have caused the School Finance Modernization project to cost \$9.0 million. How has the \$3.0 million already appropriated been utilized?*

Both OIT and CDE confirmed the RFP for the School Finance system was just awarded and is for substantially less than the original estimate. A vendor was just awarded for a development/initial support cost of \$2,750,000 over the first three years of development and implementation and an additional \$240,000 in operating costs over the next 12 years of system operations. The system will automate payment calculations, various aspects of audit work, and transportation categorical reimbursement calculations. It will also facilitate communication between the department and school districts as well as create better information for policy discussions with General Assembly for potential future changes to the School Finance Act. Overall, it will serve as an insurance policy for the \$10 billion+ in School Finance expenditures moving forward. CDE is currently working to update the current year request based on the awarding of the contract and will result in a sharp reduction in that request.

*[Rep. Brown] Describe the following aspects of the Social Health Information Exchange project:*

- *What problem does the*

The Colorado Social Health Information Exchange (CoSHIE) is a network to securely share physical, behavioral, and social health information between providers involved in whole-person care. CoSHIE communicates across data silos, which will make seeking and receiving care easier. Individuals will not need to recount complex medical and social histories over and over again or take the same screenings multiple times when visiting a provider. This will save time and improve the experience of seeking care.

Providers already have many separate systems to navigate- this also requires focus and takes concentration away from the patient in front of them as they navigate between technology systems. This is not only frustrating, but increases the cost of health care by requiring time from providers and support staff to navigate unnecessary administrative tasks and invest funds in multiple separate solutions. The CoSHIE system builds on existing infrastructure, including the state health information exchange (Contexture). It is intentionally built to integrate into existing workflows, so providers benefit from better information without investing more time and effort to find it.

While we have organizations fully dedicated to care coordination, our technology systems do not support person-centered care. The current structure places the burden of coordinating work on a central individual, who is responsible for communication with each group. Interoperability is not required for these systems, so clients end up repeating their stories at each interaction, including any relevant history. Implementation of the CoSHIE will allow information to flow directly between all groups and the central coordinator, shifting the process toward true collaboration and reducing time, costs, and trauma.

- *Who is utilizing this system?*

Care providers like Case Managers and Care Coordinators are the primary users of the system. Currently, for example, Local Contact Agency In-Reach Counselors utilize the system to receive In-Reach referrals for individuals who are currently in Skilled Nursing Facilities who wish to transition to living in the community.

- *What is the status of the project?*

Project is underway, on time and within budget

- *Is this project supporting Regional Accountable Entities (RAEs), providers, etc.?*

Yes, the team is now working to onboard the RAEs to the system. For the first social domain, we will be sharing member's housing status and housing voucher status with their attributed RAE to reduce the need for members to retell their story and to empower RAE care coordinates with housing care coordination information so they can better support members with accessing housing supports.

- *How much money has the State spent on it so far?*

- \$740,375.92 State Funds
- \$5,701,066.61 Federal Funds
- \$13,275,000 ARPA funds

*[Rep. Taggart] Why is \$1.0 million needed for the Human Resources Information System evaluation? Is it not possible to identify other entities, including other state governments, utilizing an integrated human resources system? Why is an "off-the-shelf" product not usable for human resources needs?*

OIT and DPA have confirmed the \$1M investment towards an evaluation/study is a prerequisite to the design and implementation of a statewide Human Resources Information System. Funds will support the hiring of a term-limited product owner, requirements gathering, fit-gap analysis, and drafting a roadmap in pursuance of the appropriate procurement for the State of

Colorado. Additionally, an evaluation will ensure the path forward meets the State of Colorado's requirements - so that the correct "off the shelf" product is pursued.

## **Additional Questions Sent to the Office of Information Technology**

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JBC Staff Analyst (Andrew McLeer) Question:

*Q: Footnote in the LB talking about \$5M in CBMS money that is available through FY26-27. What is the status of the CBMS footnote from the 2025-26 footnote. The Department (OIT) was given rollforward authority for \$5.0 million through FY 2026-27. I wanted to clarify how much of this had been spent on CBMS and, if funds are still available, how much the Department expects to spend by the end of FY 2026-27*

The most current FY26 estimate for the OIT-CBMS line is \$11M. Please note, this estimate includes a significant majority of the roughly two dozen annual licensing renewals for CBMS (many of which renew annually at the beginning of the year or by the end of the first quarter each FY). It also includes the initial CBMS Mulesoft allocation for FY26, Q3 & Q4 renewals for ongoing annual licensing renewals with most current estimates (UI Path/Log Rocket/Hyperscience/Oracle/Talend). This does not include enterprise renewals for Salesforce and ECS.

### **Additional Common Questions for All Departments**

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*Q: Is the Department aware of any additional opportunities to refinance FTE that are currently funded with General Fund into Cash Fund or Federal Fund sources? What assistance can the General Assembly offer to shift the cost away from General Fund and into Cash Fund or Federal Fund sources?*

OIT has already maximized the use of any available cash and federal funds for all expenses, not just FTE. OIT, in concert with OSPB, is constantly reviewing the appropriate fund source for all of its operating expenses, not just FTE, and maximizing the use of non-General Fund sources, where available. Any/all staff that can legitimately be directly billed to a non-GF fund source are billed to that non-GF source, where available. Administrative or other support staff that cannot be directly billed to a non-GF source are likely caught in the indirect cost plan managed by the statewide level through the Statewide Cost Allocation Plans (SWCAP). In many cases, this is the only allowable way to collect administrative and support staff-related expenses from non-GF sources.

*Q: Questions from the JBC staff with respect to ideas, estimated impacts (financial and otherwise), or other information regarding across the board cuts to budgets.*

The Executive Branch's plan for reducing operating expenditures is reflected in the October 31, 2025 budget request. Specific to OIT, we have proposed the following reductions to save money in our appropriations:

- **OIT - FY27 R-04 OIT TAP Operating Reduction** - reduces operating spending authority of the Technology Accessibility Program general fund by \$136k in FY 2026-27 and ongoing
- **OIT - FY27 R-05 OIT Operating Realignment** - reduces operating spending authority of the Information Security Program reappropriated fund by \$5.5M in FY 2026-27
- **OIT - FY27 R-06 OIT Operating Efficiencies** - reduces operating spending authority of Executive Director Office/Central Administration Long Bill line by \$2.6M and a 17.0 FTE reduction starting in FY 2026-27 and ongoing

The Department is willing to provide analysis of information around proposed program cuts and the associated FTE impact of those reductions. Reductions to personal services may result in potential system failures, an increase in enterprise compliance and cybersecurity risks, difficulties scaling IT infrastructure, slower response to IT issues and emergencies, and an increase to long term costs.

Based on 1,126 active FTE at OIT at the end of FY 2024-25, the scenarios below show total FTE impact:

- 1% reduction would mean the reduction of 11.26 FTE
- 3% reduction would mean the reduction of 33.78 FTE
- 5% reduction would mean the reduction of 56.3 FTE

Reductions to personal services without corresponding reductions in statutory requirements would result in longer wait times, reduced abilities, or decrease in operational effectiveness.

*Q: Can you please outline a detailed plan for shifting 5.0 percent of General Fund salaries to cash and/or federal fund sources. Please include the following information:*

*a. A list of positions and associated funding that can be shifted to cash/federal fund sources without any action from the General Assembly.*

Total FY26 GF annual salaries are estimated to be \$3,373,581 and 5% of that amount is \$168,679. OIT does not have sufficient funding within our CF or FF to propose a shift of 5.0 percent of GF salaries.

*b. A list of positions and associated funding that can be shifted to cash/federal fund sources but would require legislation to do so.*

*What other changes could be made - programmatic or otherwise - that would allow your department greater flexibility to use cash/federal fund sources in place of General Fund for employee salaries?*

Alternatively, OIT would propose the following plan to shift GF salaries to our RF: 1 Solutions Architect, from GF SB18-086 Cyber Coding Cryptology: \$157,500 that would move to RF myColorado (4102) budget ERAORB100. However, this would ultimately shift the cost burden over to agencies within their RtB invoices.

Please see our responses above, below each letter a through b.

*Q: How many hires happened across the Department after the hiring freeze was implemented and why? (e.g., because the position was posted beforehand; an exemption, etc.) Please provide job classification, division, and fund source (General Fund vs. other funds) for each position hired.*

OIT hired a total of 96 positions during the hiring freeze, all of which were posted prior to the start of the hiring freeze. 0 were positions that qualified under broad exemptions, and 0 were positions that were approved through the exception process. OIT remained in alignment and in compliance with EO D 2025 009 Call for the First Extraordinary Session of the Seventy-Fifth General Assembly and Directing a Statewide Hiring Freeze.

Job classifications/titles have been included here: Hire/Starts during Hiring Freeze - Final Data. All 96 positions were non-GF/funded via other sources.