



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

**Joint Technology Committee**  
**March 5, 2026**



# Agenda

- R-01 Statewide SB24-205 AI Compliance
- Real-time Billing
- R-07 Payments to OIT Adjustment
- Re-aligning OIT to Deliver Value



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# Statewide SB24-205 AI Compliance R01



# R 01 Statewide SB24-205 AI Compliance - Request

- Ongoing and sustainable funding on behalf of 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) |
| <b>Total</b>                             | <b>33.8</b>  |





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# Real-time Billing



# 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. 



# IT Revolving Fund Balances (6130)

| Schedule 9             | FY 2023-24<br>Actual | FY 2024-25<br>Actual | FY 2025-26<br>Forecast | FY 2026-27<br>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.



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# Payments to OIT Adjustments R07



# R 07 Payments to OIT Adjustments

- Statewide IT common policy annual funding request
- OIT requests an increase of **+\$10.8M** in reappropriated funds (or 3.4% YoY), reflecting statewide rate adjustments made by OIT and projected utilization of services by agencies.
- R-07 creates an estimated **+\$1.2M** General Fund increase in payments to OIT.
- **Agencies requested** their largest increases in the following IT services in FY27:
  - Direct pass-through vendor costs = **+\$6.8M**
    - Salesforce and Microsoft licenses
    - Agency specific pass-through of vendor costs
  - Data Management and Governance services = **+\$3.6M**
    - Data hourly roles (analyst, architecture, engineering and visualization)
    - Data warehousing (Snowflake)
- Statewide total compensation common policies impacts for FY27 compared to FY26:
  - 3% Salary, Benefits, and POTs increase = **+\$6.5M**



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# Re-aligning OIT to Deliver Value



# The honest truth

## Delivery Gap

Despite hard work, we're not delivering at the level Coloradans and agency partners need. JTC, JBC, OSA, LAC, and agency feedback made clear our pace of change is unacceptable.

## Alignment Problem

The issue isn't effort — it's alignment. We've organized around internal structures rather than outcomes. This misalignment has made excellent work harder.

## Lost Sight of Purpose

We've lost sight of our statutory purpose. It's time to realign every function with why OIT exists.





# Our job

*What Colorado law says we're here to do (CRS 24-37.5-105):*

## Oversight & Standards

Establish, maintain, and enforce information technology oversight and standards statewide.

## Strategy & Security

Oversee statewide IT strategy, security, data, architecture, and standards.

## Advice & Expertise

Provide assistance, advice, and expertise to state agencies regarding IT decisions.

## Coordinate with Agencies

Coordinate with state agencies regarding business relationships with private sector IT providers.

**In plain language:**

**We exist to deliver valuable, modern technology guidance, support, and partnership to Colorado agencies.**



# What this means in practice

## ✓ WE ARE HERE TO:

- ✓ Guide agencies toward smart, modern, secure technology solutions
- ✓ Set guardrails that keep technology secure and accessible
- ✓ Provide expert advice that helps agencies make great decisions
- ✓ Enable excellent service delivery to Coloradans



# Immediate changes

## Digital & Delivery

*led by Sarah Tuneberg as Interim Deputy Executive Director*

**Enable excellent service delivery through user-centered design and modern delivery practices**

- Artificial Intelligence
- Colorado Digital Service
- Customer Office
- Data Programs & Strategy
- Enterprise Project Management Office
- Service Management Office
- Solutions Delivery & Support
- Strategy, Performance & Administration

## Security & Infrastructure

*led by Jill Fraser as Interim Deputy Executive Director*

**Ensure Colorado has a strong, secure foundation based on engineering and architectural excellence**

- Data Operations
- GIS
- Information Security Office
- Infrastructure Operations
- Innovation & Enterprise Solutions
- Integrations
- Platform Services



# Our goals for this transformation:

01

## **Align on Enterprise Governance**

- Everyone understands how their work connects to our statutory purpose
- Measure outcomes for users – not just process completion

02

## **Break Down Silos**

- Organize around services and outcomes, not internal structures
- Create cross-functional teams that own end-to-end delivery

03

## **Increase Velocity & Quality**

- Invest in tools and automation that eliminate manual work
- Embed testing, QA, and product ownership in delivery teams

04

## **Decrease Friction**

- Make it easy to do the right thing
- Replace unclear processes with clear standards and documentation
- Build systems, not dependencies on individual heroics

05

## **Prioritize Meaningful Outcomes**

- Continuous improvement by investing in training and technology so we can better deliver value
- Real accountability tied to meaningful outcomes



# A Hypothesis

## Business Operations

The engine that runs the OIT organization itself. It covers internal functions like Communications, Finance and Human Resources, allowing the technical service lines to stay focused on delivery.

## Delivery to Coloradans

Accessible, seamless and user-friendly digital interactions and high-speed internet for all. *Examples: myColorado, Colorado.gov, digital design system, broadband*

## Delivery to Agency Partners

Bridging the gap between business requirements and technical solutions with a focus on delivery to end users. *Examples: technology consulting, custom applications development and project delivery*

## Delivery to State Employees

Dedicated to the state workforce, ensuring that employees have the modern tools they need to perform their jobs. *Examples: hardware, standard software and direct support*

## Infrastructure

These are the mission-critical services that must remain consistently operational for anything else to function. *Examples: network, security, cloud hosting and observability/logging*

## Enterprise Standards, Policy & Governance

The foundation of OIT's work: policies, architecture and standards ensure technology is interoperable, sustainable and secure. By establishing universal standards, this layer enables speed, clarity and excellence in service delivery.

# Questions?

# Appendix



# Real-time Billing Background

[HB17-1361](#) commissioned the [BerryDunn report](#). The report evaluated State agency information technology (IT) resources and made [recommendations](#) in several operational areas including IT billing practices. The report made the following recommendations in the area of IT billing practices.

## Summary of Recommendations:

- A. Purchase all capital IT assets and bill
  - a. Bill those assets to agencies on a depreciation basis.
  - b. Develop a method to clearly identify and control refresh dollars.
  
- B. Simplifying OIT billing process
  - a. Evaluate and reduce the number of units of measure used to compute bills
  - b. Improve reports by minimizing changes to billing codes
  - c. Create new reports that are consistent and comparable from year to year
  - d. Provide agencies with a clear lists of their IT assets



# RtB Process: Billing

## Billing: Pre-RtB

- Payment to OIT lines establishes agency spend.
- Agency billed at 1/12th of Payment to OIT line each month.
- Changes in consumption did not affect current fiscal year invoices.
- Residual billing AKA “True-up” factored into service rates 2 fiscal years later.

## Billing: RtB

- Agency decide what funding source to use, increasing IT accountability and ownership
- Invoices based on actual consumption supporting transparency into OIT’s service offerings
- Consumption variances are typically managed by the agency. Creating a more nimble and process-oriented IT organization
- Ensure collaborative IT governance and oversight through the Rates and Services Board



# Rates and Service Board Charter

## Membership guidelines

### Standing members:

- CIO's designee from OIT technology service delivery
- CIO's designee for OIT financial services office (Chair)
- CIO's designee for OIT Customer Office
- Member of the Governor's Office, or their designee (OSPB)
- Five representatives from executive agencies who deal with billing and business side tech operations
- **Standing members serve for 2 year term**

### Invited as required (examples):

- Service owners
- Agency representatives
- Representative from SIPA
- Potential future members (during transition)

## Meeting structure and cadence

- Voting requires two-thirds approval for decisions to be made
- Meetings follow Robert's Rules of Order for procedure and structure
- Meetings are bi-weekly the first few months of start up, then shift to monthly or ad hoc

## Decision inputs

- Usage and service monitoring reports
- Agency requirements forecast
- Chargeback rate calculations
- Service level compliance reports
- Agency satisfaction reports/surveys
- Escalated services issues/risks/change
- Best practices and lessons learned from other agencies or states

## Outputs

- Approved rates
- Service level agreement compliance
- Approved IT services
- Service remediation recommendations



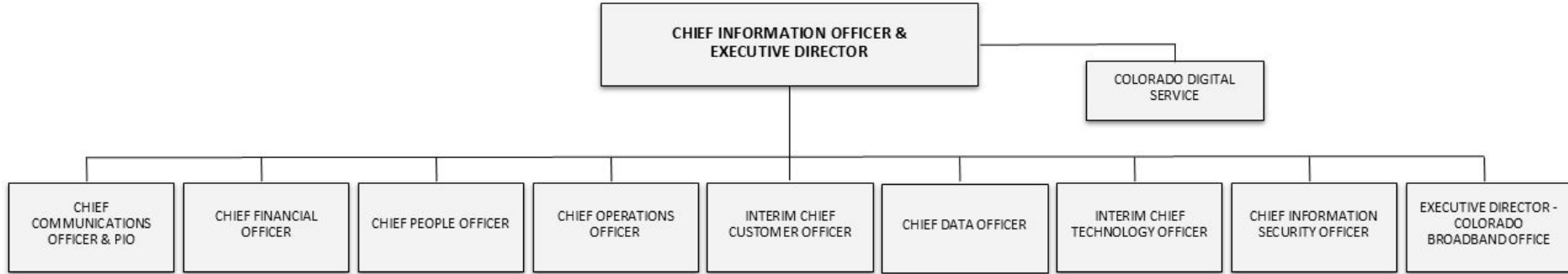
# Money Appropriated FY2023-25

|                | Appropriated Budget | Expenditures        | Committed Funds     | Remaining Funds |
|----------------|---------------------|---------------------|---------------------|-----------------|
| Phase 1 (FY23) | \$56,864,415        | \$49,183,381        | \$7,681,034         | \$0.00          |
| Phase 2 (FY24) | \$11,524,141        | \$9,073,629         | \$2,450,512         | \$0.00          |
| Phase 3 (FY25) | \$15,000,000        | \$11,844,302        | \$3,155,698         | \$0.00          |
| <b>Totals</b>  | <b>\$83,388,556</b> | <b>\$70,101,311</b> | <b>\$13,287,244</b> | <b>\$0.00</b>   |

\*\$8,479,829 of the Enterprise Identity Services budget was appropriated in FY24.



# Former Org Structure - CIO Direct Reports





# New Org Structure - CIO Direct Reports

