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## FISCAL IMPACT REPORT

**LAST UPDATED** \_\_\_\_\_

**SPONSOR** Padilla/Sariñana **ORIGINAL DATE** 02/16/23

**BILL**

**SHORT TITLE** Dept. of Info Technology Changes **NUMBER** Senate Bill 269

**ANALYST** Hitzman

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\*

(dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>DoIT Hearing Fees</b>	No Fiscal Impact	\$0 - \$20.0	\$0 - \$20.0	\$0 - \$40.0	Recurring	General Fund
<b>AHO Hearing Officer FTE</b>	No Fiscal Impact	\$0 -146.1	\$0 -146.1	\$0 -\$292.2	Recurring	General Fund
<b>DoIT Admin &amp; Operations</b>	N/A	\$589.0	\$589.0	\$1,178.0	Recurring	Enterprise Fund
<b>Agency Operating Impacts</b>	Unknown	Indeterminate but substantial	Indeterminate but substantial	Indeterminate but substantial	Recurring	State Land Maintenance Fund & General Fund
<b>Total</b>		<b>\$0 - \$609.2</b>	<b>\$0 - \$609.2</b>	<b>\$0 - \$1,218.3</b>		

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 280

### Sources of Information

LFC Files

#### Responses Received From

Department of Information Technology (DoIT)  
 Corrections Department (NMCD)  
 Department of Public Safety (DPS)  
 Economic Development Department (EDD)  
 State Land Office (SLO)  
 Children, Youth and Families Department (CYFD)  
 Attorney General (NMAG)  
 Department of Finance and Administration (DFA)  
 Administrative Hearings Office (AHO)

## SUMMARY

### Synopsis of Senate Bill 269

Senate Bill 269 (SB269) amends the Department of Information Technology (DoIT) Act,

providing new or updated definitions for “agency,” “customer,” “cybersecurity,” “information architecture,” “information security,” “information technology,” “information technology project,” and “infrastructure security,” and removing duplicative or conflicting definitions in subsequent sections. The updated definition of “information technology” includes hardware, storage media, networking equipment, physical devices, processes, infrastructure, software, firmware, code, and ancillary services. The bill also adds cloud-based systems to this definition. Clarifications for “information technology project” provide that “normal operation and maintenance of information technology” is not included. Multiple subsections substitute newly defined terms in place of existing terms, such as substituting the term “customer” in place of “state agencies,” and “information technology” generally in place of limited specific descriptors.

The bill establishes DoIT as “created in the executive branch” and includes the following divisions: (1) compliance and project management, (2) enterprise services, (3) program support, (4) project management, and (5) public safety radio. The bill clarifies the secretary may establish divisions.

The bill provides that the secretary has every power expressly enumerated in the laws, not just to perform the secretary’s duties, unless authority of a department, division, or person is exempted in statute. The bill changes references from “orders and instructions” to “guidance orders” and allows the department to seek a court order to enforce those guidance orders. The bill clarifies the department shall provide courses and training for employees in the administration or use of information technology.

The bill notes the department shall work with customers to determine the extent of services to be provided, removing the reference to specific activities, such as “recordkeeping” or “clerical assistance to administratively attached agencies.”

The bill adds that the secretary shall contract with consultants or establish advisory committees to conduct assessments or evaluations, shall establish additional bureaus as necessary to implement the act, and shall acquire, hold, and maintain real or personal property to meet customer or department obligations.

The bill provides that the secretary shall review all agency plans regarding IT resources, not just those of the executive branch agencies, as well as monitor all agency compliance with that agency’s plan, the state information technology strategic plan, and state information architecture. Under SB269, the secretary shall review appropriation requests for all agencies, not just executive agencies.

The secretary shall verify compliance with not just state strategic plans but also with technical standards and industry best practices before approving contracts and other procurement documents.

The bill requires the secretary to establish cost recovery rates for all offered services and publish the available services and rates.

The bill specifies the chief information officer’s discretionary authorities and transfers authorities to the secretary that were previously exercised by the Information Technology Commission. Newly added authorities include (1) conducting risk assessments on IT systems within the department’s jurisdiction; (2) offering cybersecurity solutions to all users of agency

owned IT; (3) offering enterprise IT solutions to agencies, and to other customers as practical; (4) establishing an administrative hearings process in coordination with the Administrative Hearings Office; (5) conducting IT system audits; and (6) making recommendations to the personnel board for appropriate IT positions and pay bands.

The bill provides that the state information technology strategic plan should include information regarding the interchange of information among all agencies, not just executive ones, as well as coordinating with all agencies in the development and maintenance of their IT systems. The bill removes the requirement for the state information technology strategic plan to include the development of a statewide broadband network plan, which are functions now performed by the administratively attached Office of Broadband Access and Expansion (OBAE).

The bill allows DoIT to receive and apply for funds on behalf of those administratively attached office or public bodies, which would include the OBAE. Further, the bill extends the department's rulemaking authority to include rules for administratively attached offices and bodies and removes rulemaking process mandates that were superseded by the State Rules Act.

The secretary shall direct the consolidation of agency IT functions wherever functions overlap.

The bill removes provisions requiring public hearings for rule making or other actions by the department. The bill expands the ability of the secretary to adopt rules regarding governance of the department, identification and protection of IT data, and compliance with state and federal IT laws. The secretary or department shall not be considered the public record custodian for persons entrusting data to the department for storage.

Regarding rates, the bill requires the committee to review rate and fee schedules proposed for a specified agency for cybersecurity services and requires the committee to ensure compliance with federal directives in regard to expenditure of federal grant awards. The bill moves the due date of the proposed rate schedule from June to July 1.

The bill also clarifies final decision-making authority of the department rests with the secretary, and further clarifies the department's access to IT information and data extends to entities that receive services from the department, unless confidential by law.

Regarding telecommunications, the bill removes a section limiting the department's ability to provide services to other entities not provided for in the bill and a requirement the department submit an impact assessment of how expanding or upgrading state-owned or state-funded telecommunications networks would impact local telecommunications service providers and ratepayers. The bill eliminates telecommunication service limitations linked to the repealed provisions of Section 15-5-1 NMSA 1978.

Relating to the provision of radio communications, the bill allows the department to lease excess capacity to both public and private entities and does not require the lease to conform to competitive procurement requirements of the Procurement Code. The bill adds "services" as an allowable exchange of equivalent value in addition to money or property.

The bill clarifies references to approved rates in subsequent sections to align with definition changes. The bill also allows the secretary discretion to provide services to additional federal, state, or tribal entities, including political subdivisions, if the department has excess capacity.

The bill states, whenever feasible, the department shall be the purchaser and vendor of information technology goods and services for agencies. On July 1, 2023, and on July 1 of each subsequent year, the department shall provide a list of the information technology goods and services it has available to offer to each agency. Excepting goods and services not offered by the department, agencies shall acquire the information technology that they require from the department. The bill removes sections requiring the Public Education Department to coordinate and apply for reimbursements from the federal universal service fund.

The bill provides that all income to the central telecommunication network fund is appropriated to the department for purposes of the DoIT Act. The bill clarifies the department's rates for telecommunication services include compensation for the department's overhead and expenses.

The bill clarifies references to an agency-owned or -operated broadband networks, rather than a statewide network, when it comes to exchange of mutually agreed upon right of way and service agreements.

The bill adds new material to the DoIT Act, requiring the department to offer each agency to opportunity to outsource some or all of that agency's IT service requirements to the department and the department shall not be required to offer any service that does not have an established rate. Any outsourced service shall be specified in intergovernmental agreements to identify specified rates for those services, essentially authorizing the department to serve as the IT department for state agencies that lack an internal IT department.

Finally, the bill repeals sections of the DoIT Act related to the information technology commission, a dissolved commission, and sections related to transfer of radio communication property to the department.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

## **FISCAL IMPLICATIONS**

The bill states, whenever feasible, the department shall be the purchaser and vendor of information technology goods and services for agencies. In addition, other sections provide for the department to offer each agency the opportunity to outsource some or all of that agency's IT service requirements to DoIT. DoIT notes:

With this new language, there is implications of additional resource needs for purchasing goods and services to be the provider of such. The current average cost of an FTE is \$117.7 thousand annually. DoIT may potentially need an additional five FTE, which equates to \$589 thousand. In addition, costs associated with the number of potential new service offerings and the amount of goods purchased, need to be baselined before a rate can be established. Once rates can be established the department will realize additional revenue, but the amount cannot be determined.

The Corrections Department (NMCD) and other agencies note the costs to agencies could be moderate to substantial if required to purchase any and all information technology from DoIT. NMCD notes it "would not have the option to seek the best value for goods and services in the open market" under SB269. NMCD further notes definition changes regarding what is

considered “information technology” vastly expand the services and goods that DoIT would have authority over, which will affect the costs associated with both providing and receiving services. The Economic Development Department, for example, reports it “uses vendor purchasing agreements to get the best pricing for IT equipment and software needs of our department and customers,” noting that it would not be cost-effective for smaller agencies to be required to procure services through DoIT. Further, the bill does not stipulate DoIT should charge competitive pricing compared with the open market, so agencies may no longer be able to tailor their purchase decisions to their unique technology needs.

While DoIT has had success for negotiating bulk pricing and achieving economies of scale for some services provided to state agencies in the past, there are other services with very few customers that are very specific technology solutions that, under SB269, DoIT would be required to procure for agencies. For example, Victim Identification and Notification Everyday (VINE) services are provided by DoIT to only a few agency customers, and rates for those services have increased in the past year in part because the increased cost of the contract is split among those very few number of customers, resulting in a higher price per customer. While it is unknown if these agencies could receive VINE services cheaper on their own or if procuring them through DoIT is indeed cheaper, it is an example of a specialty product that has experienced cost increases over time that have impacted state agency budgets. Until DoIT knows more about what services would be moved from agencies to DoIT, the costs are difficult to determine.

The Department of Finance and Administration (DFA) echo this concern: “General fund budgets for agencies will need to increase to cover overhead costs and markup associated with mandated products.” The State Land Office (SLO) similarly notes the “amount of the future budget impact is undetermined and would depend on the amount of IT expenditures in each year.” That amount could be substantial for SLO, given agency IT expenditures made up more than 20 percent of SLO’s FY23 recurring operating budget. SLO is not supported from the general fund and pays all operating expenses, including IT related projects, from the state land maintenance fund. The impact on that fund is included in the above fiscal impact table to show the impact on SLO’s operating budget as separate from other agencies. However, in either case, the fiscal impact on state agency operating budgets is indeterminate but likely substantial and recurring.

There will also be costs associated with implementing an administrative hearings process. If DoIT does work with the Administrative Hearings Office (AHO), there would be a fiscal impact to both agencies. AHO notes:

AHO has had agreements (memorandums of understanding) with five other agencies in the past years to conduct those agencies administrative hearings. Under those agreements, AHO charges a \$100 case referral time for initial staff time in creating a new hearing file/case assignment/scheduling and \$50 per hour for any required travel time for conducting the hearing. Additionally, under those agreements, AHO charges \$100 per hour for hearing officer time in preparation for the hearing, in conducting the hearing, and in writing a hearing officer report or orders on the case.

As noted by AHO, it is unknown what the potential volume of hearings would be under SB269, but AHO assumed a caseload of five-10 cases per year, which would generate \$10 thousand to \$20 thousand, paid by DoIT to AHO. However, DoIT may implement its own hearing processes and may choose to not go with AHO services, so the fiscal impact for hearing fees could be zero. If DoIT does go with AHO services but has more than the expected 10 cases annually, the office may not have enough hearing officer capacity to meet demand, and therefore, there may be a

need for additional hearing officer FTE. Therefore, the fiscal impact related to administrative hearings could range from nothing to \$20 thousand annually if AHO is chosen and is able to meet demand, plus up to an additional \$146 thousand for additional FTE if exceeding that expected demand. Both costs would be a recurring cost to the general fund.

## SIGNIFICANT ISSUES

DoIT provides the following history:

The regulatory roles and responsibilities of OBAE and the Connect New Mexico Council (CNMC) materially altered and expanded the administrative responsibilities of the department. Prior to the creation of OBAE and the CNMC in 2021, the department's mission was limited to providing enterprise services for public sector customers. OBAE and the council are charged with significant grant making and award oversight in both the public and private sector. As regulators in the private sector, OBAE and the CNMC owe duties of transparency and due process that are under the administrative responsibility of the department. To fulfill those responsibilities, the department must promulgate public facing rules, organize and manage open meeting processes, and establish administrative hearing procedures. Because the existing DoIT Act does not expressly authorize the department to administer processes that regulate in the private sector, changes to the Act are necessary to ensure appropriate authority.

This bill requires DoIT to begin consolidating the state's IT resources and grants these additional authorities to some extent. The bill also allows DoIT to provide service to additional customers if it has excess capacity, including political subdivisions. Giving express authority to the department to provide those services where they were previously unable or limited is essential if the department is to become the technology oversight and administration entity for the state.

To examine the need for consolidation, a subgroup of LFC met during the 2022 interim to review the state's cybersecurity priorities and determine the need for additional funding and coordination; that group reviewed best practices for state cybersecurity activities and functions, finding a consolidated approach to be a recommended best practice. However, while consolidation of IT functions across a state IT ecosystem is considered a best practice, it generally requires a high level of oversight and compliance, with needed governance structures, roles, and responsibilities defined for all stakeholders. While granting the department express authority to consolidate IT functions where possible, it is unclear if the provisions in SB269 provide for adequate governance and management of such services at the state level, and it is unclear if DoIT will have the capacity needed to undergo a widespread consolidation of state IT functions as intended in the bill. It would likely take time for the department to identify those areas of overlap and additional time and capacity would be needed to determine the most appropriate way to implement consolidated IT functions for all agencies, branches of government, and local governments.

Further, under this consolidation, DoIT as a service provider would continue to have to compete with market rates for services, and it sometimes cannot offer services at comparable rates. In other cases, the department has been able to achieve economies of scale by offering services to a number of agency customers under consolidated purchasing, which is a recommendation of prior LFC evaluations on the state's information technology and broadband investments. However, in addition to the higher cost, some agencies cite difficulty acquiring services or goods from the department in the past, reporting delays. These reported delays can contribute to interruptions in

service delivery, which have impacts on health and public safety for the constituents of some departmental customers.

Further, agencies have expressed concern that DoIT has not solicited input from agencies regarding the provisions of this bill, and in some cases those agencies may desire more time to review the proposed requirements.

Other agencies may have very unique technology needs that are not easily met by DoIT. In addition to the VINE example above, both the Corrections Department (NMCD) and Department of Public Safety (DPS) operate very complex and specific systems to meet the state's public safety needs, such as the "video surveillance system across prison facilities and probation and parole offices that consists of thousands of cameras, along with a back-end storage systems, live viewing stations to ensure inmate/staff safety." Both entities have very specific security and cybersecurity requirements dictated by the FBI under the Criminal Justice Information Services (CJIS) Security Policy, as well as the Bureau of Justice Prison Rape Elimination Act (PREA), and others. DPS provides the following:

DPS is charged with administering the CJIS Security Policy for all federal, state, local and tribal criminal and non-criminal agencies accessing Criminal Justice Information (CJI) in New Mexico. ... Although DPS often coordinates cybersecurity efforts with DoIT, ultimately DPS must follow and administer cybersecurity protocols, equipment, training and prevention according to the FBI's CJIS Security Policy. SB269 does not allow for CJIS agencies, including DPS, from deviating from DoIT cybersecurity policies and procedures when they come in conflict with the CJIS Security Policy.

Further, NMCD provides:

Ultimately NMCD must follow and administer cybersecurity protocols, equipment, training and prevention according to the FBI's CJIS Security Policy and under the review and leadership of DPS as the State CSA.

SLO notes it has some IT operations, such as its prior vulnerability management program, that have or would be impeded or eliminated in place of DoIT services and provides the following:

For example, the NMSLO initiated two-step verification process for user logins before DoIT implemented it for other agencies. The NMSLO has implemented a significantly more robust cybersecurity analysis than is provided by the RiskSense Vulnerability Management Program (VMP) recently rolled out by DoIT, which requires agencies to perform a monthly risk assessment scan. The NMSLO uses the same tool (Tenable's Tenable.io vulnerability scanner) that is used by RiskSense, Inc. to support its VMP but runs its vulnerability scans on a weekly basis. Moving to VMP would reduce the NMSLO's ability to protect its IT systems against cyberattacks.

Further, the expanded definitions of "customer" expands the range of organizations and activities regulated by DoIT, which could require agencies "to reduce security processes and follow DoIT rules that could be inconsistent with policies developed" by other independent entities or commissions, such as SLO, which notes "all of these initiatives would impede the NMSLO IT division's ability of the agency to quickly react to security or day-to-day needs of the agency."

This concern is echoed by the Children, Youth and Families Department (CYFD), which notes it "already administers cybersecurity services internally with a team of 4 FTE and cybersecurity software programs, which allows for immediate responses to emergent issues. Granting DoIT the authority to contract, conduct, or order risk assessments relating to any information technology

not only duplicates existing efforts, but will cause delays in response times.”

Because the bill removes the requirement for DoIT to implement public notice for hearings and other rulemaking activities, state agencies and other customers may be shut out of the process, and it could raise concerns over transparency. DFA notes this “limits agencies' ability to provide feedback on what DoIT wants to charge for services and goods. DoIT maintains control of all facets as the secretary serves on the committee. This creates a monopoly in which services, goods, and rates are controlled by a single entity.” Further, removing the requirement for the department to submit impact assessments of its telecommunications work could limit transparency and accountability for those projects.

Regarding guidance orders, DFA notes “guidance orders” issued by court order enforcement “effectively redefines DoIT from an administrative agency to a regulatory agency run by an individual not duly elected.” Further, “creation of Administrative Hearing Office within DoIT and elimination of the ability to engage in a public hearing presents conflict of interest as DoIT becomes both regulatory and enforcement thus consolidating power to a single entity and power at Secretary’s discretion and removes accountability from public scrutiny.”

AHO notes:

Typically, AHO issues final decisions and orders subject to appeal either to the District Court or the Court of Appeals. However, many agencies conduct hearings with recommended decisions for the cabinet secretary to adopt. This is usually determined by statute. This bill is silent on who makes the final decision and order in an administrative proceeding. This bill is also silent on the venue of an appeal. While these items can certainly be addressed by rulemaking, typical administrative hearing statutes in other areas of state statute specify these provisions.

## PERFORMANCE IMPLICATIONS

DoIT notes its role in overseeing state information technology systems and how HB269 would allow the agency to deliver services:

In addition to the 2021 changes driven by its new responsibilities as a public facing administrator, technology has evolved considerably since the adoption of the DoIT Act in 2007. The IT system needs and services of state entities have evolved with changes in technology and will continue to evolve. The DoIT Act updates specified in HB269 will ensure that the department maintains its clear mission and authority as the state’s enterprise IT service provider; will provide the department with mechanisms for cost saving, preservation and maximization of human resources; and will assist all department customers deliver services responsive to public needs and interest.

However, as noted by SLO above, it is unclear if these provisions would result in reduced performance at other agencies that already have established IT department or processes, and some existing efforts could be limited or disrupted due to the transition of services required by SB269 under the consolidation approach. It is unclear if DoIT could simply become the contract holder of existing agreements or if current contracts at agencies would need to be amended or voided before being able to procure those services again through DoIT, which would impact agencies’ abilities to perform their existing IT functions.

## ADMINISTRATIVE IMPLICATIONS

DoIT will likely need to implement administrative systems for private sector regulatory processes and administrative hearing processes and dedicate other staff to managing activities and ensuring compliance. DoIT provides estimates a need for 5 FTE.

Other agencies would likely experience administrative changes associated with the change from agency-led IT services to DoIT-provided services. This could result in a need to reorganize existing divisions or departments related to IT functions implement the provisions in this bill, where DoIT is the main service provider for the state’s IT needs “wherever possible.”

CYFD echoes this concern, noting:

The bill also creates an additional layer of pre-approvals and final approvals required for all state agency information technology contracts, requests and invitations that are subject to the Procurement Code; and creates an additional layer of bureaucracy in allowing the promulgation of new rules for oversight of information technology procurement.

The provisions in SB269, while in alignment with best practices related to the consolidation of IT service, would result in a great administrative burden on the agency because it is required to undergo review of projects and appropriations of many more agencies than is currently required. This would likely include any and all legislative projects and requests as well as for the courts and judicial branch agencies, and presumably other independent boards and commissions.

Further, requiring DoIT to manage and guide all agency IT projects and review all IT appropriation requests—not just for the executive agencies—will require DoIT to develop or contract with those with subject matter expertise to meet agency business needs. This may result in a loss of technical expertise at the state agency level. DFA notes, “DoIT already requires monthly reporting on all certified projects and projects they deem to be certified even if not funded by C2, Section 7 funds.”

## CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

As noted by DoIT, SB280 “would establish a cybersecurity advisory committee and a cybersecurity office, both of which would be attached to and supported by the department.” This office is specifically referenced in Section 4 of SB269, which empowers the Information Technology Rate Committee to review a rate and fee schedule proposed by DoIT for the Office of Cybersecurity’s services. Both bills would need to be reconciled to prevent duplication of authorities or responsibilities.

## TECHNICAL ISSUES

The bill removes the definition for “state information architecture” and replaces it with a definition for “information architecture,” but the bill continues to reference the state information architecture on page 9 related to compliance. It is unclear if the word “state” would still be acceptable in this instance as a qualifier to describe the “information architecture,” rather than being part of the definition.

## OTHER SUBSTANTIVE ISSUES

The Attorney General’s Office (NMAG) notes:

By repealing and repurposing Sections 9-27-13 and 9-27-20 of the Act, SB269 appears to remove the duty of the DOIT to construct and provide a telecommunications network to the State. That duty is not specifically mandated in other sections of the Act. It appears that removing this duty is unintentional because the bill retains Section 9-27-21, which provides a budget for “the central telecommunications network,” the bill amends but doesn’t repeal Sections 9-27-22 and -24, which govern charges to governmental entities for use of “the central telecommunications network” and the appropriation of income to the DOIT from such payments.

The new material added to Section 9 also conflicts with Section 13 of SB269. Section 9 requires the Department to be the purchaser and vendor of IT goods and services for agencies “whenever feasible,” and requires agencies to acquire IT goods and services from the DOIT so long as the goods and services are available from the DOIT. However, Section 13 contains permissive language, suggesting that agencies shall be “offer[ed] . . . the opportunity to outsource some or all of that agency’s information technology service requirements to the department.”

DFA notes:

Section 10 replacement for [Section 9-27-22 NMSA 1978] charges for telecommunications services should reference the approved published rates as defined in 9-27-16, not total monthly costs of the service.

Further, the Department of Health (DOH) notes, “There are a number of issues related to the broad overreach by this bill which could result in delays or inability to procure IT equipment that best meets the needs of the agencies,” including

- Page 11 lines 16 - 21 the provisioning of specific solutions in line with the cyber applications needs to have boundaries related to Agency level services and federal performance requirements.
- Page 12 line 10 - DoIT should not have to provide a recommendation on specific Agency level positions that are within the existing job classifications and pay bands.
- Page 14 Line 9 - 13 feasibility of the aggregation of services and coordination needs to be better defined and include cost structures that are competitive and do not increase the cost in the operations of the Agency level services.
- Page 14 line 22 -24 The power to direct Agency level functions and consolidations is overly broad and does not include appropriate collaboration, evaluation and impact assessment.
- Page 15 Line 9 rules for procurement of IT should not be part of DoIT authority without proper controls and consultation with DFA / GSD - approval processes are already in place.

CYFD also has the following specific concerns with elements of the bill:

- 1) The bill grants DoIT the ability to “direct... agencies to redirect or consolidate functions” without requiring DoIT to first assess and evaluate the impact of such direction in collaboration with the affected agency, or ensuring that such redirection or consolidation of functions remains cost-neutral to the affected agencies.
- 2) The bill’s requirement that agencies purchase goods and services from DoIT restricts an agency’s ability to consider a competitive analysis and ensure responsiveness to emergent needs.
- 3) Requiring agencies to be charged for the total monthly costs of services received from the central telecommunication network *plus* a share of DoIT’s costs of providing these central telecommunication services is an unfunded mandate which will drive the cost of telecommunications up statewide.

## AMENDMENTS

DoIT notes “the changes to 9-27-4 proposed in Section 2 do not align with the department’s current organizational structure or needs. The department proposes amending 9-27-4 to provide:

- The "department of information technology" is created in the executive branch. The department is a cabinet level department.
- The secretary may establish divisions and may assign functions to the divisions in the interest of efficiency and economy.
- This language would extend to the secretary the authority to create divisions contemplated by the Executive Reorganization Act.
- Section 11 should be amended to substitute “enterprises services fund” for the reference to the “central telecommunication network fund.” All department revenue and expenses are currently process through the “enterprises services fund”.
- Section 9 should be amended to restore the first sentence of 9-27-20(A). The department is the telecommunication network provider for all branches of state government, and the department should continue to so serve.”

SLO provides the following:

Although the rules process allows for feedback and input, the final decision on rules is made by DoIT and a committee that has no NMSLO representation. The NMSLO should be exempted from the mandatory portions of the bill and participation should be voluntary, which it has been up to this point in time.

JH/rl/hg