

SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE



REPORT to the FIFTY-FIRST LEGISLATURE

January 2015
Legislative Council Service

SCIENCE, TECHNOLOGY & TELECOMMUNICATIONS COMMITTEE

2014 Interim

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SUMMARY

SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE 2014 SUMMARY

The 2014 interim Science, Technology and Telecommunications Committee devoted a preponderance of its time to hearing testimony and status reports from the secretary of information technology. The secretary provided the committee a spreadsheet of all projects in the portfolio of the Department of Information Technology's (DoIT's) Enterprise Project Management Office (EPMO), including the:

- Automated System Program and Eligibility Network (ASPEN);
- Statewide Integrated Radio Communication Internet Transport System (SIRCITS);
- Motor Vehicle Division Application Systems (Tapestry);
- Human Services Department's State-Based Marketplace (SBM);
- Human Services Department's Medicaid Management Information System (MMIS, or "Omnicaid");
- Children, Youth and Families Department's Enterprise Provider Information Constituent Services (EPICS) system;
- State Land Office's Land Information Management Systems (LIMS);
- Taxation and Revenue Department's GenTax Upgrade Proposal;
- Human Services Department's Medicaid Management Information System Replacement (MMISR);
- Human Services Department's Child Support Enforcement System Replacement (CSESR);
- Taxation and Revenue Department's Oil and Natural Gas Administration and Revenue Database (ONGARD) system;
- Public Education Department's Partnership for Assessment of Readiness for College and Careers (PARCC) and Student Teacher Accountability Reporting System (STARS);
- higher education institutions' accounting system (BANNER);
- secretary of state's information system; and
- Statewide Human Resources Accounting Reporting (SHARE) system.

The committee decided at its organizational meeting in June 2014 to revive the role of a preceding committee to exercise oversight of state agency information systems development and management. This decision was in response to Representative Luciano "Lucky" Varela's urging in light of the hundreds of millions of dollars appropriated and spent for computer systems and database software over the years. As chair of the Legislative Finance Committee, Representative Varela had been in a key position to witness state taxpayers' money going into systems, many of which had failed to serve the purpose for which the legislature had made the appropriations. He urged the committee, which agreed, to review the ongoing implementation of the state's information systems strategies. Consequently, each meeting during the 2014 interim devoted several hours of agenda time to testimony from the secretary of information technology and the respective agencies most reliant on the above systems.

Other topics that the committee gave some attention to included:

- technology commercialization;
- New Mexico Telecommunications Act reform;
- E-911 system funding;
- electric utilities;
- renewable-energy options in Taos;
- post-secondary institutions research and development initiatives;
- public broadcasting funding;
- the directed energy industry;
- telehealth systems;
- broadband deployment;
- water resources research and development;
- Spaceport America status;
- science, technology, engineering and mathematics (STEM) education;
- gas pipeline issues;
- the science championship;
- rural telecommunications access;
- centers of excellence;
- electric vehicle tax incentives;
- New Mexico Health Insurance Exchange status;
- computer coding education; and
- cybersecurity.

The committee endorsed two pieces of legislation: (1) a tax credit for hydrogen fuel; and (2) amendment of the Enhanced 911 Act to provide for surcharges on voice over internet protocol subscriptions and electronic data networks.

**WORK PLAN AND
MEETING SCHEDULE**

**2014 APPROVED
WORK PLAN AND MEETING SCHEDULE
for the
SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE**

Members

Sen. Michael Padilla, Chair
Rep. Carl Trujillo, Vice Chair
Sen. William F. Burt
Rep. Kelly K. Fajardo
Rep. Roberto "Bobby" J. Gonzales
Rep. Jason C. Harper
Sen. Linda M. Lopez

Sen. Bill B. O'Neill
Rep. Debbie A. Rodella
Sen. John C. Ryan
Rep. James E. Smith
Rep. Luciano "Lucky" Varela
Rep. Monica Youngblood

Advisory Members

Sen. Carlos R. Cisneros
Sen. Phil A. Griego
Sen. Ron Griggs
Sen. Timothy M. Keller
Sen. Richard C. Martinez
Rep. Bill McCamley

Sen. Steven P. Neville
Sen. William H. Payne
Rep. Jane E. Powdrell-Culbert
Rep. Nick L. Salazar
Rep. Don L. Tripp
Sen. Peter Wirth

Work Plan

The Science, Technology and Telecommunications Committee was created by the New Mexico Legislative Council on May 5, 2014. The committee's main focus during the 2014 interim process is to act as an oversight committee of the Department of Information Technology. It will also continue to look for solutions that lead to legislative action in emerging technologies, communication infrastructure, information technology (IT) and technology transfer. The committee will study opportunities, through the use of innovative technologies, to find opportunities that enhance New Mexico universities, take advantage of the strengths of the national laboratories and foster an environment for technology transfer and job creation.

During the 2014 interim, topics for meeting agendas will include:

1. Department of Information Technology program responsibilities and related IT issues, including:

- SHARE upgrades;
- the unemployment insurance system;
- the State Land Office's ONGARD system;
- the system status of the Motor Vehicle Division of the Taxation and Revenue Department;
- the Human Services Department's ASPEN system;
- the Information Technology Commission;
- New Mexico Health Insurance Exchange IT status;

- telemedicine systems;
 - the secretary of state's IT system;
 - the Children, Youth and Families Department IT system;
 - the status of the overhaul of the Land Information Management System (LIMS) at the State Land Office; and
 - cybersecurity and data breach;
2. broadband and telecommunications availability and deployment across the state, including assessment of the Partnership for Assessment of Readiness for College and Careers;
 3. advanced water treatment systems for domestic, municipal and agricultural uses;
 4. New Mexico Telecommunications Act issues;
 5. centers of excellence and innovation (creating top programs at New Mexico universities that match the direction of the national laboratories and governor's chairs);
 6. energy technology policies, including geothermal, solar and wind infrastructure opportunities;
 7. science, technology, engineering and mathematics (STEM) education;
 8. technology commercialization and transfer;
 9. the status of Spaceport America;
 10. computer coding education and work force training;
 11. E-911 Fund status;
 12. the intellectual property investment fund;
 13. the science championship competition;
 14. University of New Mexico programs, including "brain safe", education television and degree plans;
 15. the higher education endowment process;
 16. hydrogen tax credit legislation; and
 17. electric cooperative access fees.

**Science, Technology and Telecommunications Committee
2014 Approved Meeting Schedule**

<u>Date</u>	<u>Location</u>
June 9	Santa Fe
July 29	Santa Fe
August 7-8	Santa Fe
September 4-5	Las Cruces
October 27-28	Albuquerque
November 18-19	Santa Fe

AGENDAS

Revised: June 2, 2014

**TENTATIVE AGENDA
for the
FIRST MEETING
of the
SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE
June 9, 2014
Room 311, State Capitol**

Monday, June 9

- 10:00 a.m. **Call to Order and Introductions**
—Senator Michael Padilla, Chair
- 10:10 a.m. (1) **[Department of Information Technology \(DOIT\) Update](#)**
—Darryl Ackley, Secretary, DOIT
- 11:30 a.m. (2) **[2014 Interim Work Plan and Meeting Schedule](#)**
- 12:00 noon **Adjourn**

**TENTATIVE AGENDA
for the
SECOND MEETING
of the
SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE**

**July 29, 2014
Room 311, State Capitol**

Tuesday, July 29

- 10:00 a.m. **Call to Order and Introductions**
—Senator Michael Padilla, Chair
- 10:10 a.m. (1) **E-911 Fund Status and Next Gen**
—Wayne Sowell, Director, Local Government Division, Department of
Finance and Administration
—Jacqueline Miller, Deputy Secretary, Department of Information
Technology (DOIT)
- 11:00 a.m. (2) **Computer Coding Education**
—Samantha Sengel, Central New Mexico Community College
- 12:00 noon **Lunch**
- 1:30 p.m. (3) **DOIT Project Spreadsheet Summary Update**
—Darryl Ackley, Secretary, DOIT
- 2:00 p.m. (4) **2014 SHARE Status**
—Darryl Ackley, Secretary, DOIT
- 3:00 p.m. (5) **Cybersecurity and Data Breach**
—Darryl Ackley, Secretary, DOIT
- 4:00 p.m. (6) **Broadband Telecommunications and PARCC Status**
—Darryl Ackley, Secretary, DOIT
—Gar Clarke, DOIT
- 5:00 p.m. **Adjourn**

Revised: August 4, 2014

**TENTATIVE AGENDA
for the
THIRD MEETING
of the
SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE**

**August 7-8, 2014
Room 311, State Capitol**

Thursday, August 7

- 9:30 a.m. **Call to Order and Introductions**
—Senator Michael Padilla, Chair
- 9:40 a.m. (1) **Department of Information Technology (DOIT) Project Spreadsheet Summary Update**
—Darryl Ackley, Secretary, DOIT
- 10:00 a.m. (2) **Secretary of State Information Technology System Status**
—Darryl Ackley, Secretary, DOIT
—Kari Fresquez, Information Technology Manager, Office of the Secretary of State
—Brenda Fresquez, Program Evaluator, Legislative Finance Committee
- 11:00 a.m. (3) **Information Technology Commission**
—Darryl Ackley, Secretary, DOIT
—Jim Hall, Chair, Information Technology Commission
- 12:00 noon **Lunch**
- 1:30 p.m. (4) **Energy Technology; Gas Pipeline Issues**
—Tom Domme, New Mexico Gas Company
- 2:30 p.m. (5) **Science Championship**
—Representative Bill McCamley
- 3:30 p.m. (6) **Rural Telecommunications Access**
—Leo Baca, CenturyLink
—C. R. Tucker, La Tierra Nueva Home Owners Association

Recess

Friday, August 8

- 9:00 a.m. (7) **Centers of Excellence Update**
—Fred Mondragon
—Kevin Malloy, Associate Dean for Research, University of New Mexico
—Dr. Daniel H. Lopez, President, New Mexico Institute of Mining and
Technology
- 10:00 a.m. (8) **Shared Renewable Energy Facilities**
—John Gusdorf, Renewable Taos
- 11:00 a.m. (9) **Electric Vehicle Tax Incentive**
—Representative Jim R. Trujillo
—Dan Lorimier, Rio Grande Chapter of the Sierra Club
—Tammy Fiebelkorn, Southwest Energy Efficiency Project
- 12:00 noon (10) **New Mexico Health Insurance Exchange Status Report**
—Mike Nunez, Acting Chief Executive Officer, New Mexico Health
Insurance Exchange
- 1:00 p.m. **Adjourn**

Revised: August 19, 2014

**TENTATIVE AGENDA
for the
FOURTH MEETING
of the
SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE**

**September 4-5, 2014
Wooton Hall
2995 Knox Street
New Mexico State University
Las Cruces**

Thursday, September 4

- 9:00 a.m. **Call to Order and Introductions**
—Senator Michael Padilla, Chair
- 9:10 a.m. (1) [Welcome and Update on Issues of Interest to New Mexico State University \(NMSU\)](#)
—Dr. Garrey Carruthers, Ph.D., President, NMSU
- 9:30 a.m. (2) [Department of Information Technology \(DOIT\) Project Spreadsheet Summary Update](#)
—Darryl Ackley, Secretary, DOIT
- 9:45 a.m. (3) [Public Safety Broadband](#)
—Darryl Ackley, Secretary, DOIT
—Jacque Miller, DOIT
- 10:30 a.m. (4) [Children, Youth and Families Department \(CYFD\) IT Systems](#)
—Darryl Ackley, Secretary, DOIT
—Damien Aragon, CYFD
—Vicki Gallegos, EPICS Program, CYFD
- 11:30 a.m. (5) [Workforce Solutions Department \(WSD\) Information Systems](#)
—Darryl Ackley, Secretary, DOIT
—Sue Anne Athens, WSD
—Gerrie Becker, WSD
- 12:30 p.m. **Lunch**

- 1:30 p.m. (6) [State Private Equity Investing for Technology Commercialization](#)
—Steven K. Moise, State Investment Officer, State Investment Council
—Dr. Garrey Carruthers, Ph.D., President, NMSU
—Brian Birk, Sun Mountain Capital
- 3:00 p.m. (7) [Smart Grid Epicenter at NMSU](#)
—Enrico Pontelli, Associate Dean, College of Arts and Sciences, NMSU
—Satish Ranade, Electrical and Computer Engineering Department, NMSU
- 4:00 p.m. (8) [New Mexico Water Resources Research Institute \(NMWRRI\) Update](#)
—Sam Fernald, Director, NMWRRI
- 5:00 p.m. **Recess**

Friday, September 5

- 9:00 a.m. (9) [Spaceport America Status Report](#)
—Christine Anderson, Executive Director, Spaceport Authority
- 10:00 a.m. (10) [Science, Technology, Engineering and Mathematics \(STEM\) Education
Entrepreneurship and STEM Diversity](#)
—Enrico Pontelli, Associate Dean, College of Arts and Sciences, NMSU
—Marie Bochert, Education Specialist, Arrowhead Center, NMSU
—Susan Brown, Associate Professor, College of Education, NMSU
- 11:00 a.m. (11) [Appropriate Technology Water Treatment Systems](#)
—Antonio Lara, Chemistry Professor, NMSU
- 12:00 noon **Adjourn**

Revised: October 22, 2014

**TENTATIVE AGENDA
for the
FIFTH MEETING
of the
SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE**

**October 27-28, 2014
Rotunda Room, University of New Mexico Science Technology Park
801 University Boulevard
Albuquerque**

**October 29, 2014
Fidel Center, New Mexico Institute of Mining and Technology
Socorro**

Monday, October 27 — Rotunda Room, University of New Mexico (UNM), Albuquerque

- 9:00 a.m. **Call to Order and Introductions**
—Senator Michael Padilla, Chair
- 9:10 a.m. **Welcome to the UNM**
—Joseph Cecchi, Dean, School of Engineering, UNM
- 9:30 a.m. (1) **Clinical Translational Science Program**
—Richard Larson, Executive Vice Chancellor for the Health Sciences
Center and Vice Chancellor for Research, UNM
- 10:30 a.m. (2) **Brain Safe**
—Kent A. Kiehl, Ph.D., Executive Science Office, Director of Mobile Brain
Imaging and Professor of Psychology, Neuroscience and Law, UNM
- 11:30 a.m. (3) **Public Television**
—Franz Joachim, General Manager and Chief Executive Officer, KNME-
TV
—Glen T. Cerny, Executive Director, University Broadcasting, New Mexico
State University
—Duane W. Ryan, Director of Broadcasting, KENW-TV, DT and FM and
KMTH-FM
- 12:30 p.m. **Lunch**
- 1:30 p.m. (4) **House Memorial 17, Electric Co-op Rights of Way**
—Vince Martinez, Public Regulation Commission (PRC)

2:30 p.m. (5) [Electric Grid Stability](#)
—Bruno Carrara, PRC
—Luis Reyes, Kit Carson Electric Cooperative
—Tom Domme, New Mexico Gas Company

3:30 p.m. **Recess**

Tuesday, October 28 — Rotunda Room, UNM, Albuquerque

9:00 a.m. (6) [Project Spreadsheet Update](#)
—Darryl Ackley, Secretary, Department of Information Technology (DoIT)

9:30 a.m. (7) [Human Services Department \(HSD\) ASPEN Project Status](#)
—Darryl Ackley, Secretary, DoIT
—Marilyn Martinez, Acting Income Support Division Director, HSD
—Kathy Martinez, ASPEN Bureau Chief, HSD

10:30 a.m. (8) [ONGARD Project Status](#)
—Darryl Ackley, Secretary, DoIT
—John Monforte, Deputy Secretary, Taxation and Revenue Department

11:30 a.m. (9) [State Land Office LIMS Project Status](#)
—Darryl Ackley, Secretary, DoIT
—Martin Davis, Chief Information Officer, State Land Office

12:30 p.m. **Working Lunch**

(10) [Telecommunications Competition](#)
—Leo Baca, CenturyLink

1:30 p.m. (11) [Directed Energy](#)
—Mark Niece, Executive Director, Directed Energy Professional Society

2:30 p.m. (12) [Higher Education Endowment](#)
—Chaouki Abdallah, Provost and Executive Vice President for Academic Affairs, UNM

3:30 p.m. (13) [Telehealth Update](#)
—Dr. Dale Alverson, Medical Director, Center for Telehealth and Cybermedicine Research, UNM (invited)

5:00 p.m. **Recess**

Wednesday, October 29 — Fidel Center, New Mexico Institute of Mining and Technology (NMIMT), Socorro

- 9:00 a.m. (14) [NMIMT Overview](#)
—Dr. Dan Lopez, President, NMIMT
- 12:00 noon (15) [San Juan Generating Station Update](#)
—Michael D'Antonio, Public Service Company of New Mexico (PNM)
—Maureen Gannon, PNM
- (16) [Elio Motors Issues](#)
—Joel Sheltroun, Vice President of Governmental Affairs, Elio Motors
- 1:00 p.m. **Adjourn**

Revised: November 18, 2014

**TENTATIVE AGENDA
for the
SIXTH MEETING
of the
SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE**

**November 18-19, 2014
Room 311, State Capitol
Santa Fe**

Tuesday, November 18

- 9:30 a.m. **Call to Order and Introductions**
—Senator Michael Padilla, Chair
- 9:40 a.m. (1) **[Department of Information Technology \(DoIT\) Spreadsheet](#)**
—Darryl Ackley, Secretary, DoIT
- 10:00 a.m. (2) **[Partnership for Assessment of Readiness for College and Careers and Student Teacher Accountability Reporting System](#)**
—Darryl Ackley, Secretary, DoIT
—Michael Archibeque, Chief Information Officer, Public Education Department (PED)
—Ferdie Serim, IT Business Analyst, PED
- 12:00 noon **Working Lunch**
- (3) **[Power for Progress](#)**
—Ron Darnell, PNM Resources
- 1:30 p.m. (4) **[Higher Education Institutions' Accounting System Status \("BANNER"\)](#)**
—Max Baca, Vice President, New Mexico Highlands University
- 2:30 p.m. (5) **[Motor Vehicle Division System Modernization Project to Implement an Integrated Driver and Vehicle System](#)**
—John Monforte, Deputy Secretary, Taxation and Revenue Department
- 3:30 p.m. (6) **[Renewable Taos](#)**
—John Gusdorf, Board of Directors, Renewable Taos
—Jay Levine, Board of Directors, Renewable Taos

4:30 p.m. (7) [E-911 and Funding Public Safety Answering Points](#)

- Ken Martinez, E911 Director, Santa Fe County
- Shirley Whatley, 911 Director, Valencia County
- David Ripley, E911 Director, San Juan County

5:30 p.m. **Recess**

Wednesday, November 19

9:00 a.m. (8) [Proposed Legislation for Endorsement](#)

- Angel Investment Tax Credit
- Hydrogen Tax Credit
- State Investment Council Investments in Technology Commercialization
- Broadband Fund
- Mobile Device Kill Switch
- Data Breach
- E-911 Funding

11:00 a.m. (9) [Right to Deploy Transmission by Distribution Utility](#)

- Varney Brandt, Xcel Energy
- Duane Ripperger, Xcel Energy
- Bill Grant, Xcel Energy
- Sharon Segner, Vice President, LS Power
- Suede Kelly, Partner, Akin Gump Strauss Hauer & Feld LLP
- David Getts, General Manager, SouthWestern Power Group
- Simon Whitelocke, Vice President of Regulatory and External Affairs,
ITC Great Plains
- Lynn Greene, Lucky Corridor, LLC
- Paul Suskie, Southwest Power Pool

1:00 p.m. **Adjourn**

MINUTES

**MINUTES
of the
FIRST MEETING
of the
SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE**

**June 9, 2014
State Capitol, Room 311
Santa Fe**

The first meeting of the Science, Technology and Telecommunications Committee for the 2014 interim was called to order by Senator Michael Padilla, chair, on June 9, 2014 at 10:05 a.m. in Room 311 of the State Capitol.

Present

Sen. Michael Padilla, Chair
Rep. Carl Trujillo, Vice Chair
Rep. Kelly K. Fajardo
Rep. Roberto "Bobby" J. Gonzales
Rep. Jason C. Harper
Sen. Linda M. Lopez
Sen. Bill B. O'Neill
Rep. Debbie A. Rodella
Sen. John C. Ryan
Rep. James E. Smith
Rep. Luciano "Lucky" Varela
Rep. Monica Youngblood

Absent

Sen. William F. Burt

Advisory Members

Sen. Carlos R. Cisneros
Rep. Stephanie Garcia Richard
Sen. Phil A. Griego
Sen. Ron Griggs
Sen. Richard C. Martinez
Rep. Bill McCamley
Sen. William H. Payne
Rep. Jane E. Powdrell-Culbert
Rep. Nick L. Salazar

Sen. Timothy M. Keller
Sen. Steven P. Neville
Rep. Don L. Tripp
Sen. Peter Wirth

Staff

Gordon Meeks, Legislative Council Service (LCS)
Ralph Vincent, LCS
Randy Taylor, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file.

Monday, June 9

Members of the committee introduced themselves, and the chair invited members of the public to introduce themselves.

Department of Information Technology (DOIT) Update

Darryl Ackley, secretary of information technology, provided the committee with an overview of the DOIT and a status report on its current activities. The DOIT provides email, mainframe, radio, telephone, wireless, security and hosting services, as well as a number of other services, to state agencies for a fee to those agencies. The department also provides oversight, compliance and strategic information technology (IT) planning guidance to executive agencies and is 99% revenue-funded. He emphasized that federal funding requires equal charges to client agencies regardless of actual costs to the DOIT.

The DOIT operates a primary data center and more than 100 radio tower sites throughout the state. Secretary Ackley provided charts on enterprise project management office costs and the March 31, 2014 portfolio quarterly performance report and discussed recent accomplishments of the DOIT.

Secretary Ackley told the committee that the Statewide Human Resources Accounting and Management Reporting System (SHARE) has been completely stabilized on new hardware and has experienced 100% improvement of some functions. He testified that the department has also:

- upgraded 97% of the state's radio towers dedicated to public safety, using a \$38 million grant from the federal government;
- stabilized the mainframe computer;
- completed a statewide broadband system, FirstNet, for first responders that is a model for the nation; and
- made tremendous improvements to cybersecurity.

Secretary Ackley said the governor's priorities for technology are:

- improvements to the Taxation and Revenue Department's Motor Vehicle Division's system and the Children, Youth and Families Department's (CYFD's) EPICS system;
- reforms of the classification and compensation for IT professionals as well as corrections, protective services, engineers and medical public employees;
- development and deployment of the one-stop business portal; and

- \$38 million of investments in IT initiatives, including public safety systems at the CYFD, Department of Public Safety and Corrections Department.

He gave a brief overview of capital funding for IT infrastructure in the 2014 session's capital appropriations bill, the status of the implementation of 2014's Senate Bill 9 (the One-Stop Business Portal Act) and the results of a survey of the Information Technology Commission members.

Question and discussion topics of the committee members included:

- the status of the ONGARD, tri-agency system for tracking the oil and gas revenue stream to the permanent funds;
- the Computer Systems Enhancement Fund;
- the DOIT's relationship with the Legislative Finance Committee;
- disposition of capital outlay money for different recipients;
- expectations of more in-depth information of each program during subsequent meetings;
- the status of the CYFD's EPICS system;
- life-cycle management of IT;
- outside vendor service quality compared to state employee services;
- closeout reviews;
- ownership of the one-stop business portal;
- a summary of all of the DOIT projects;
- the Workforce Solutions Department's unpaid bill to the DOIT;
- the original budget for ASPEN compared to the current cost, \$4.5 million compared to \$118 million;
- improvement of the planning and budgeting process;
- federal share of costs compared to state share;
- laptops sitting in boxes until they are outdated and the waste that this represents;
- modernization of the state's 100-year data management systems from paper-based to digital;
- differences in coding between systems and data migration;
- the number of taxes included in the GENTAX system;
- the state's role in facilitating broadband access and deployment;
- courts upholding Federal Communications Commission rules;
- status of Motor Vehicle Division programming; and
- a summary of efforts to amend the New Mexico Telecommunications Act.

Members requested that the DOIT be put on the agenda for a future meeting to address some concerns expressed by committee members. Committee members also requested that the DOIT provide them with a matrix of all current projects that includes pertinent information. Secretary Ackley referred the committee to a link on the DOIT web site with some project information, and he assured the committee members that he would provide them with more detailed information.

2014 Interim Work Plan and Meeting Schedule

Senator Padilla referred the committee to the 2013 approved work plan and additional items and asked for input regarding work plan topics and potential meeting dates. Additional items were added, and the committee approved the work plan and itinerary with the meeting schedule, which are in the archive/library file and attached to the committee web page.

There being no further business before the committee, the meeting adjourned at 12:10 p.m.

**MINUTES
of the
SECOND MEETING
of the
SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE**

**July 29, 2014
State Capitol, Room 311
Santa Fe**

The second meeting of the Science, Technology and Telecommunications Committee for the 2014, interim was called to order by Senator Michael Padilla, chair, on Tuesday, July 29, 2014, at 10:00 a.m. in Room 311 of the State Capitol.

Present

Sen. Michael Padilla, Chair
Rep. Carl Trujillo, Vice Chair
Rep. Kelly K. Fajardo
Rep. Roberto "Bobby" J. Gonzales
Rep. Jason C. Harper
Sen. Linda M. Lopez
Sen. Bill B. O'Neill
Rep. Debbie A. Rodella
Sen. John C. Ryan
Rep. James E. Smith
Rep. Luciano "Lucky" Varela
Rep. Monica Youngblood

Absent

Sen. William F. Burt

Advisory Members

Sen. Carlos R. Cisneros
Sen. Ron Griggs
Sen. Richard C. Martinez
Rep. Jane E. Powdrell-Culbert
Rep. Nick L. Salazar
Rep. Don L. Tripp

Rep. Stephanie Garcia Richard
Sen. Phil A. Griego
Sen. Timothy M. Keller
Rep. Bill McCamley
Sen. Steven P. Neville
Sen. William H. Payne
Sen. Peter Wirth

Guests Legislators

Sen. Jacob R. Candelaria
Rep. William "Bill" R. Rehm

Staff

Gordon Meeks, Legislative Council Service (LCS)
Ralph Vincent, LCS
Carolyn Ice, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and are located on the New Mexico Legislature web site.

Tuesday, July 29

Members of the committee introduced themselves, and the chair invited members of the public to introduce themselves.

E-911 Fund Status and Next Gen

Wayne Sowell, director of the Local Government Division, Department of Finance and Administration (DFA), and Jacqueline Miller, deputy secretary, Department of Information Technology (DOIT), provided the committee with an overview of the Enhanced 911 Program (E-911) and a status report of its current activities. The E-911 is considered a collaboration between the DFA and the DOIT. The E-911 is administratively attached to the Local Government Division of the DFA and pays on behalf of local governments for the costs of providing E-911 services.

The State Board of Finance is responsible for approving all E-911 expenditures, and the DOIT is responsible for approving projects over \$100,000. The DOIT provides support, guidance and oversight on projects and procurements, as well as reviewing appropriation requests and legislation related to information technology (IT) and making recommendations to the DFA and the Legislative Finance Committee (LFC) for formal approval by the legislature and the governor.

Mr. Sowell told the committee that there are four equipment upgrades planned for fiscal year (FY) 2015 for Santa Fe, Las Cruces, Los Lunas and Las Vegas based on the five-year equipment upgrade plan as stated in statute. The different amounts for each area depend on the needs of the population, age and status of current equipment and site readiness. Doña Ana County has also started construction on a new 911 facility.

Mr. Sowell described the IT project certification time line of E-911 upgrade projects to the committee. The time line is composed of three phases: initiation and planning, implementation and project closeout. A project must be approved by the State Board of Finance before the implementation phase.

New Mexico participated in a workshop provided by the federal Department of Homeland Security's Office of Emergency Communications early in 2012. The second workshop will be in 2015 and will continue with education, planning and funding. The "next generation" is working on the application and integration of public safety broadband and further developing

business policies as younger generations move away from the use of landlines.

Questions and discussion topics of the committee members included:

- the allocation of money to the DOIT;
- cost differences for equipment upgrades around the state;
- the function of the DOIT in the upgrade and approval process;
- dispatcher curriculum in the New Mexico Law Enforcement Academy;
- the DOIT's authority in the dispatcher curriculum;
- the partnership with CenturyLink;
- distribution of money and whether the distributed money is only used for equipment upgrades;
- funding issues in Alamogordo and Otero County;
- the starting date of upgrades;
- how fund amounts are determined;
- a national conference on E-911;
- interoperability between local government and federal agencies;
- a service level time line for serving new subdivisions; and
- local E-911 backup plans.

Computer Coding Education

Senate Bill (SB) 148, "Computer Programming As School Language", was introduced by Senator Candelaria during the 2014 legislative session. SB 148 proposes adding computer coding as a foreign language credit for K-12 education in response to the need for coding as a foundational skill in many areas of the current job market. Senator Candelaria told the committee that computer coding-related jobs, such as those for software engineers and software developers, are considered some of the "best" jobs within the current job market, with the demand for these positions increasing.

Samantha Sengel, chief community engagement officer, Central New Mexico Community College (CNM), presented the committee with information regarding an upcoming coding bootcamp provided by CNM as part of an initiative to prepare individuals of all ages for the work force. "Deep Dive Coding Bootcamp" begins August 11, 2014 at CNM's STEMulus Center. The classes are nine hours, five days a week for nine weeks and are equivalent to taking eight classes during conventional education hours. Students have access to the latest web tools and technologies and participate in team projects that mirror real-world software development shops.

Currently, the bootcamp does not offer a degree or certificate upon completion of the program; however, Senator Candelaria and Ms. Sengel assured the committee that there are many local companies and organizations, such as Lavu, University of New Mexico, Memorial Medical Center, boomtime, POD Network, Bandojo, SportXast and W3PR, looking to hire individuals with coding skills.

Questions and discussion topics of the committee members included:

- the status of SB 148;
- the economic benefit of enrolling in the bootcamp;
- the accreditation of computer coding curriculum;
- similar programs at other post-secondary institutions;
- the needs of proposed legislation;
- the cost of tuition for programs;
- the comparative cost of similar programs;
- expansion of bootcamps;
- computer training for veterans;
- dilution of the meaningfulness of college degrees;
- the context of "bootcamp" within the broader curriculum of computer science;
- implementation in elementary schools; and
- funding and other resources.

Cybersecurity and Data Breach

Representative Rehm presented a status update of House Bill (HB) 224 to the committee. Currently, 47 states have data breach laws; New Mexico, Arizona and Hawaii are the only states currently without data breach laws. The Neiman Marcus breach, which involved card data being stolen over an eight-month period in 2014, was the catalyst for an influx of cybersecurity legislation.

Representative Rehm told the committee that with the possibility or confirmation of a data breach, the state must notify individuals within 10 business days, and the attorney general must be notified within 10 business days if more than 50 New Mexico residents are affected. The bill allows for a shorter notification deadline and gives customers the ability to sue for recovery costs of the breach and statutory damages.

Individuals affected by a security breach will be provided notification of a breach by either: 1) United States mail; 2) electronic notification; or 3) substitute notification, if the entity demonstrates that the cost of providing notification would exceed \$100,000, the number of residents to be notified exceeds 50,000 or the entity does not have a record of the physical addresses for customers affected.

Representative Rehm is looking for an endorsement for the bill in November.

Questions and discussion topics of the committee members included:

- a House Consumer and Public Affairs Committee contact;
- the obligation to notify credit card companies, banks and other institutions;
- methods of notification;

- private label credit issuers' responsibilities;
- positions of the business community;
- the federal law;
- why Verizon opposes such legislation; and
- how small businesses will be affected.

DOIT Project Spreadsheet

Darryl Ackley, secretary of information technology, provided the committee with an overview of the DOIT and a status report on its current activities. Secretary Ackley provided a chart listing the Enterprise Project Management Office's (EPMO's) project portfolio for the fourth quarter of FY 2014. The chart includes the project name, agency, a brief description of the project and the estimated costs.

The EPMO performs the following functions:

- providing IT management life cycle policies, methodologies and templates for IT initiatives to promote quality and success and reporting regularly to the executive and legislative branches and the Information Technology Commission on the status of the state's IT project portfolio;
- providing support, guidance and oversight on IT projects and procurements to promote improved outcomes;
- reviewing executive agencies' IT plans for prudent allocation of IT resources and monitoring project compliance with the agencies' plans and the state IT strategic plan;
- reviewing appropriation requests and legislation related to IT and making recommendations to the DFA and LFC for formal approval by the legislature and the governor; and
- providing senior project management guidance for enterprise projects.

Secretary Ackley reviewed the project certification process and discussed FY 2014 fourth quarter closed projects. Eight projects closed with a combined budget of \$53,218,209. All of the projects successfully accomplished their business objectives, and all were completed on or within budget. One-half were completed on or within the baseline schedule. He also explained why there were delays. Reasons included loss of resources and reorganization. Secretary Ackley continued his presentation with an update on the Automated System Program and Eligibility Network (ASPEN) that will soon replace the current Income Support Division and Integrated Service Delivery systems of the Human Services Department.

Secretary Ackley told members that all major project milestones have been completed, with the ASPEN project currently transitioning into maintenance and operations as of July 1, 2014. The project is scheduled for closeout at the project certification process phase, with the EPMO meeting with the DOIT regularly to monitor its progress. He discussed several other projects and each project's progress on the EPMO time line.

Questions and discussion topics of the committee members included:

- the reason for a change order;
- why one project came in on budget;
- penalties or awards for vendor performance;
- maintenance and operation costs compared to design deployment contract costs;
- monitoring of operations;
- maintenance of a system; and
- contractual terms.

2014 SHARE Status

Secretary Ackley told the committee that the Statewide Human Resources Accounting and Management Reporting System (SHARE) has been upgraded to the latest Oracle update, Oracle II G, without any service disruption. He testified that the system is completely stabilized under its new platform.

SHARE is the most widely used enterprise database and serves as a portal for a large amount of information available to users. Secretary Ackley told the committee that the SHARE system is now stable, robust and reliable, with sustained, documented performance improvement. He testified that users expressed satisfaction with the new upgrade. A survey on customer satisfaction was requested by members of the committee.

Secretary Ackley said the next step for SHARE is to continue to provide technical training for staff members and refine its development processes, as well as implement improved reporting capabilities and technical upgrades to foundational tools.

Questions and discussion topics of the committee members included:

- the definition of "upgrade";
- customer feedback;
- training courses for users;
- a perpetual license for Oracle's PeopleSoft applications;
- a survey of users in state agencies;
- the lack of module use;
- accounting control;
- what percentage of vendors are New Mexico companies;
- who is responsible for cybersecurity; and
- organization.

Minutes

Minutes from the last meeting were approved by members of the committee.

Cybersecurity and Data Breach (Continued)

Secretary Ackley presented a brief overview of cybersecurity to the committee. He defined cybersecurity as ensuring that critical data and systems are protected against attackers, mishaps and misuse, and he used an airport security analogy to illustrate the technical aspects as well as policies and procedures involved in cybersecurity. He emphasized the importance of demystifying cybersecurity for policymakers.

Secretary Ackley also expressed concerns about data breaches, which are a primary risk of cybersecurity. Causes of data breaches are almost evenly divided among malicious activity; negligence and other human factors; and system misconfigurations. He provided examples, such as the 2013 Target data breach that affected about 70 million individuals. He testified that the DOIT is currently working to improve technical aspects and policies and procedures by implementing the following:

- enhancing intrusion detection system and intrusion prevention system capabilities for all internet traffic on the state's core;
- improving log aggregation, analysis capability and forensic capabilities for detected threats;
- providing security configuration assistance to agencies;
- establishing a single security point of contact with each agency to streamline coordination; and
- a multi-agency team evaluation of current cybersecurity programs.

Members of the committee requested more information on questions listed on slide five of Secretary Ackley's presentation.

Questions and discussion topics of the committee members included:

- the last breach of the state's system;
- who is in charge of the state's cybersecurity;
- a cybersecurity czar;
- an organizational chart;
- mobile device management policies;
- IT staff assigned to each agency; and
- external and internal threats.

Broadband Telecommunication and Partnership for Assessment of Readiness for College and Careers (PARCC) Status

Gar Clarke, DOIT, gave the committee an overview and the status of the New Mexico broadband program. The program is currently funded by both federal and state awards, and its two major objectives are to define broadband availability and enhance its adoption. The four major statewide projects are: 1) mapping; 2) planning; 3) capacity-building; and 4) technical

assistance.

Mapping involves acquiring customer and service area data twice yearly from each broadband telecommunication provider in New Mexico, and those data are used to create a map that is updated each data cycle. Mr. Clarke provided the committee with a map of New Mexico illustrating the current internet provider data in his presentation. He went on to discuss the other major statewide projects that are currently under way.

Planning is developed from the mapping data and is used to create opportunities for integration and collaboration in areas of construction, education, marketing and economic analysis. Capacity-building focuses on forming a statewide collaborative committee and a municipal/tribal broadband master planning guide to assist in efforts in the planning and implementation of broadband within different communities. Technical assistance involves training of and access to resources by individuals across the state.

Mr. Clarke told the committee that the "Community Broadband Master Plan Guidebook" is the only one of its kind in the country and contain requirements, collaborative structure, technology models, business cases, funding strategies, benefits, risks and community engagement.

Questions and discussion topics of the committee members included:

- radio frequency propagation;
- models;
- coverage;
- community anchor site assessments;
- a three-tiered approach;
- digital microwaves;
- mapping;
- the impact of the broadband program;
- awareness of the broadband program;
- an independent broadband committee;
- chapter houses;
- an executive committee;
- consolidated purchasing;
- standardized equipment requests; and
- geoservices.

Ferdi Serim, education technology coordinator, Public Education Department, gave the committee a briefing on PARCC technology readiness. Mr. Serim testified that 62% of schools in the state are online-testing-ready, while 34% are using proctor-caching only and 4% have insufficient bandwidth.

Thirty-three schools have less than five kilobytes per second per student and cannot support online assessments or digital learning, while 266 schools have less than 55 kilobytes per second per student and can only support online assessments with proctor-caching on local networks and limited digital learning. However, there are 492 schools with more than 55 kilobytes per second per student that can support online assessments over the internet and digital learning.

PARCC is currently working to create reliable networks at each school that are properly configured to deliver tests, as well as provide staff at district and school levels who are familiar with test administration and capable of "on the spot" troubleshooting.

Questions and discussion topics of the committee members included:

- a Colorado fund for expansion of broadband;
- which schools are receiving money; and
- linkage with the Public Regulation Commission and independent company providers.

The committee decided to place PARCC on the November agenda.

Adjournment

There being no further business before the committee, the meeting adjourned at 5:25 p.m.

**MINUTES
of the
THIRD MEETING
of the
SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE**

**August 7-8, 2014
Room 311, State Capitol
Santa Fe**

The third meeting of the Science, Technology and Telecommunications Committee for the 2014 interim was called to order by Senator Michael Padilla, chair, on Thursday, August 7, 2014, at 9:35 a.m. in Room 311 of the State Capitol.

Present

Sen. Michael Padilla, Chair
Rep. Carl Trujillo, Vice Chair
Sen. William F. Burt (8/7)
Rep. Kelly K. Fajardo (8/8)
Rep. Jason C. Harper
Sen. Linda M. Lopez (8/8)
Rep. Debbie A. Rodella
Sen. John C. Ryan
Rep. Luciano "Lucky" Varela
Rep. Monica Youngblood

Absent

Rep. Roberto "Bobby" J. Gonzales
Sen. Bill B. O'Neill
Rep. James E. Smith

Advisory Members

Sen. Carlos R. Cisneros
Rep. Stephanie Garcia Richard
Rep. Bill McCamley
Sen. Steven P. Neville
Rep. Jane E. Powdrell-Culbert
Rep. Nick L. Salazar

Sen. Phil A. Griego
Sen. Ron Griggs
Sen. Timothy M. Keller
Sen. Richard C. Martinez
Sen. William H. Payne
Rep. Don L. Tripp
Sen. Peter Wirth

(Attendance dates are noted for members not present during the entire meeting.)

Staff

Gordon Meeks, Legislative Council Service (LCS)
Ralph Vincent, LCS
Carolyn Ice, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's web site.

Thursday, August 7

The chair began the meeting with introductions from members of the committee and members of the LCS staff.

Department of Information Technology (DOIT) Project Spreadsheet Summary Update

Darryl Ackley, secretary of information technology, provided the committee with an overview of the DOIT and a status report on its current activities. Secretary Ackley provided the committee with spreadsheets of the current list of projects from the DOIT's Enterprise Project Management Office (EPMO) denoting the agency and total amounts involved. He reviewed the project certification process, which is characterized by four distinct phases: initiation, planning, implementation and closeout. He added that although the phases are distinct, there are some hybrid certifications within the overall process. Secretary Ackley also presented the committee with a list of the closed projects of fiscal year (FY) 2014.

Secretary Ackley told the committee that during FY 2014, 16 projects closed with a combined budget of \$63,538,856. Eighty-seven percent of projects successfully accomplished business objectives, and 94 percent of projects were completed on or within budget, with half completed on or within the baseline schedule. He also provided the committee with a list of links from the EPMO web site to access additional information on the EPMO's top 10 projects, project certificates and project portfolios.

Questions and discussion from committee members included:

- the DOIT vetting process for funding;
- comparison of the DOIT vetting process to other agencies' vetting;
- review of the ONGARD system and system upgrades;
- monitoring measures;
- safeguards within the ONGARD system;
- a dollar stipulation for certification;
- contractual spending; and
- a customized version compared to off-the-shelf implementations of ONGARD.

For the next meeting, members requested a comparison of the present budget to the previous budget in regards to closed projects. Secretary Ackley assured committee members that he would provide them with more detailed information.

Secretary of State Information Technology System Status

Brenda Fresquez, program evaluator, Legislative Finance Committee (LFC), began the presentation on the Office of the Secretary of State (SOS) information technology (IT) system's status with a brief overview of the core functions of the SOS, which include: 1) elections oversight; and 2) business and corporate services.

The SOS IT system is composed of a Voter Registration & Election Management System (VREMS), Campaign Finance Information System (CFIS), Integrated Reporting & Integrity System (IRIS), Corporations Information System (CIS) and NM Business Filing System (NMBFS). The VREMS holds the centralized voter registration database currently used by all 33 county clerks. The VREMS consists of voter data and history and produces rosters and materials required for all city, county and state elections. The CFIS functions as the financial reporting system used by all candidates, political action committees, lobbyists and lobbyist employers. The CIS is utilized by SOS corporations staff to capture data on more than 330,000 entities in New Mexico. The NMBFS is used to trademark registrations, Uniform Commercial Code filings, notary public registrations, service of process transactions and agricultural liens. The NMBFS will replace the CIS for the registration of corporations and partnerships by the end of FY 2015. The IRIS is the new election system that captures candidate filing data, generates ballot exports, reports public results and features result canvassing.

During the 2012 general election, voters passed a constitutional amendment transferring authority to administer corporate records from the Public Regulation Commission (PRC) to the SOS, and legislators passed enabling legislation to move PRC staff, functions and statutory authority to the SOS. During this transfer, the SOS inherited a backlog of 110 days for FY 2014.

The LFC provided several recommendations to the SOS:

- develop consistent project management practices for all projects;
- establish a standard process and acceptance criteria for all contract deliverables to ensure that contractual requirements are met;
- continue to maintain its asset management and perform an update, at a minimum, annually to prevent using outdated hardware and software, which increases the risk of deterioration and reduced effectiveness;
- build a replacement cycle into the SOS operating budget;
- review, update and distribute the disaster recovery and business continuity plan at least annually to reflect the current business and IT environment accurately and to highlight key personnel changes;
- develop and document procedures that include detailed recovery and response procedures for the network and for all applications, recovery time objectives, notification procedures and the workflow process;
- develop a formal disaster recovery testing plan and conduct training and periodic testing at least annually;
- update disaster recovery procedures based on test results; and

- continue to engage in annual security assessments by a third party and then address identified security vulnerabilities as quickly as possible.

In response to these recommendations, the SOS has implemented:

- consistent project management methodology for all IT projects that comply with guidelines established by the DOIT Compliance and Management Project Division;
- the hiring of a contracts and assets manager to oversee these efforts;
- continued improvements on disaster recovery, business continuity planning and response documentation;
- the inclusion of adequate IT costs in its annual budget request; and
- the inclusion of contract costs as part of its annual budget request.

Kari Fresquez, IT manager, SOS, provided the committee with more information on the SOS's IT status and the office's ongoing projects. The SOS relies heavily on IT to carry out its daily functions. The SOS currently does not have a fully documented and updated disaster recovery and business continuity plan. The SOS is aware of IT security requirements and of potential IT vulnerabilities and has initiated corrective action. According to Ms. Fresquez, in 2009, the SOS did not have the technical capability or capacity to manage IT projects, and it lacked a disaster recovery plan for all of its mission-critical systems. Ms. Fresquez told the committee that, prior to her arrival, official records were not cohesively filed for storage using a standardized method.

Ms. Fresquez then spoke about the upcoming plan to replace all voting equipment before the general election in November. She told the committee that she hopes that the IRIS project will expand to include voter registration, ballot data and race data. The IRIS is a new election system that captures candidate filing data and generates ballot exports, as well as public results reporting and result canvassing, that can be used by the public, county clerks and SOS elections staff.

The benefits of the IRIS are as follows:

- streamlined election reporting results;
- a statewide automated online candidate filing system;
- the capability to provide election services in a statewide uniform delivery method;
- a real-time audit trail for each county's data uploads;
- the capability for counties to import results from the tabulator machines directly into a centralized reporting application;
- accurate canvassing of results by precincts from voting convenience centers;
- the ability to access statewide candidate filings in real time on filing days;
- more effective delivery of election-night reporting;
- the ability to drill down into election reporting data for individual precincts;
- the ability to access a statewide candidate portal;
- the improvement of auditing and accountability of results by precinct and by type of

- vote;
- proper canvassing of voting convenience centers;
- the ability to conduct the canvass in a more efficient manner and eliminate canvass errors by using a single uniform canvass system for result verification and official reporting;
- streamlined and uniform delivery of data for ballot creation and tabulator programming;
- a standard precinct-level result format for statewide election reporting;
- real-time access to candidate filing information (multicounty and individual county offices); and
- an Associated Press feed available to enable the media to capture accurate results on election night.

Ms. Fresquez told the committee that phase 1 of the tabulator replacement project has been accomplished with the successful implementation of new voting tabulator machines and federal Americans with Disabilities Act of 1990 (ADA)-compliant ballot-marking devices in Bernalillo, Doña Ana, Sandoval, Valencia and San Juan counties. She went on to say that the NMBFS project is now moving into phase 2 and will, by June 30, 2015, replace all business service and corporations systems used by the SOS and its business and banking customers with a single software solution. The tabulator replacement project is currently in phase 2 with a statewide deployment of voting tabulator machines and ADA-compliant ballot-marking devices in polling locations. Equipment delivery and county training is ongoing throughout August. The IRIS is currently in phase 3, which involves replacing the VREMS.

The IRIS will be customized to comply with New Mexico's election laws and processes. The IRIS will ultimately create a uniform, statewide election management system that will integrate all processes and systems used by the SOS and county clerks during the election cycle.

Questions and discussion from committee members included:

- components of the IRIS that are already in place and components that are currently being implemented;
- examples of voting fraud within the state;
- examples of malicious voting fraud within the state;
- explanation of system flags;
- purge schedules; and
- rules concerning tabulators.

Information Technology Commission

Jim Hall, chair, Information Technology Commission (ITC), presented the committee with results of a survey conducted by ITC members and gave an overview of the ITC's function and purpose.

Mr. Hall reviewed the commission's duties and the major items of the last three meetings, which took place on December 16, 2013, March 31, 2014 and July 14, 2014. At the meeting in December, the ITC reviewed its responsibilities under the DOIT Act (Section 9-27-9 NMSA 1978). The commission also reviewed the current state IT Strategic Plan and the DOIT's report on IT initiatives and policy issues. During the March meeting, a list of major projects was updated, and members of the ITC were surveyed on their issues and concerns.

The survey showed that security was a top concern among members of the ITC, along with providing a skilled IT staff and broadband availability. Mr. Hall went on to discuss the value of ITC in state government and asked the committee for additional input on the role and charter of the organization. He also told the committee that he would have a preliminary report by the September 14 ITC meeting defining how performance of duties and responsibilities will be supported.

Questions and discussion from committee members included:

- the amount of money spent on IT;
- appointing members to the ITC;
- duplication of effort;
- the automated asset tool across agencies; and
- internal and external threats.

Members of the committee requested customer feedback and suggested expanding the survey sample because customers are vital to the success of any government agency. In addition to expanding feedback, members requested a breakdown of the survey into internal and external threats.

Energy Technology: Gas Pipeline Issues

Tom Domme, New Mexico Gas Company (NMGC), explained to the committee the causes of the "Arctic Storm" gas shortage of 2011. His presentation consisted of background information and a summary of the outage; what NMGC has done since the outage to prevent another gas shortage; and a summary of the investigation and conclusions by Los Alamos National Laboratory (LANL), the Federal Energy Regulatory Commission (FERC) and the PRC. Mr. Domme then gave an overview of the natural gas industry in New Mexico, emphasizing that NMGC is a distribution company.

The storm that occurred during January 30 through February 3, 2011 affected Arizona, New Mexico, Texas and Mexico. Albuquerque experienced 88 consecutive hours below freezing, with temperatures in northern New Mexico registering even colder. According to Mr. Domme, gas purchases in 2011 increased by 35 percent on February 1, 55 percent on February 2 and 62 percent on February 3 in preparation for the storm. In addition to above-forecast gas purchases, NMGC took the following precautions:

- an increased line pack;
- maximum storage draw-down;
- all key personnel put on call;
- compressor stations prepped for cold weather and staffed continuously; and
- constant communications with suppliers and pipeline operators.

Mr. Domme told the committee that the gas shortage was caused by undelivered gas supplies due to complications from the weather. He told the committee that 20 percent of the planned deliveries were missed, as well as wellhead freeze-offs and electrical outages affecting natural gas production and pumping operations. With the drop in temperatures, demand for gas soared and interstate pipeline pressures dropped, consequently causing local distribution system pressures to drop, thus requiring NMGC to curtail its deliveries to 28,000 customers to preserve the integrity of the entire system. He said that the system design dictated that NMGC reduce demand by taking the following steps:

- identify critical valves that were easily and quickly accessible by crews;
- close valves to those portions of the system already experiencing low pressure;
- terminate service to one of two Public Service Company of New Mexico (PNM) electric generation plants; and
- complete emergency measures within 20 to 30 minutes.

Areas such as parts of Albuquerque and Santa Fe were not chosen for shutdown because their systems and valve configurations were too complex to shut down in the time available. Ultimately, systems with single valves were chosen. During a system emergency, NMGC takes actions necessary to maintain system operations to as many customers as possible.

Mr. Domme told the committee that over 1,000 individuals participated in the recovery process and the system was re-lit by Tuesday, February 8. A relief fund was also established by NMGC to help alleviate the hardships to the hardest-hit customers and to supplement other sources of assistance. More than 2,200 claims were filed, and all but \$14,000 has been paid out to date.

Additional measures have been taken by NMGC since the February 2011 outage, which include:

- developing a comprehensive emergency communications plan;
- isolating additional valves throughout the distribution system to facilitate curtailment of customers in a supply shortage situation;
- acquiring one billion cubic feet of additional storage at the Keystone underground storage facility in Texas and negotiating for backup electric supply at that facility;
- studying and proposing a backup liquified natural gas storage facility located west of Rio Rancho that would be able to feed both the northern leg and southern leg of the distribution system;

- engaging in incident command training and exercises with the New Mexico Emergency Operations Center and the Homeland Security and Emergency Management Department;
- identifying global positioning system location points for all customers, resulting in more precise location descriptions for customer meters;
- renegotiating several gas supply contracts with gas suppliers to provide more favorable terms;
- negotiating higher pressure minimums on the El Paso Natural Gas Company, LLC, (EPNG) transmission line;
- working with PNM to create better pathways of communication to assure cooperation and assistance in future gas shortage situations;
- improving pipeline communications with Transwestern Pipeline Company, LLC, and EPNG and participating in tabletop mock exercise drills with EPNG;
- reconfiguring compressors on the southern segment of the company's distribution system;
- upgrading and reinforcing various parts of the north and south segments of the system;
- cooperating fully with investigations by the PRC, the FERC, utility staff and others;
- and
- investing \$94 million over the past three years.

LANL and the PRC reported that if the scheduled gas deliveries had been received, the system would have remained stable and no service interruptions would have occurred. The FERC reported that specific measures can and should be taken to improve the reliability of the natural gas supply to consumers during extreme cold, not all of which measures are subject to the FERC's jurisdiction. The PRC also suggested that NMGC find better methods to communicate with local officials and the public in the future.

Questions and discussion from committee members included:

- what constitutes a valid claim;
- which communities were affected by the curtailment;
- what has been done to transfer information to customers;
- what is being done to ensure that customer data are updated and current; and
- the creation of NMGC.

Members requested a report detailing the specificity of the new valve system and requested more information regarding the added communication measures that will be instituted between NMGC and customers in emergency situations.

Science Championship

Representative McCamley presented to the committee his plan to create a competitive science championship within the state. He emphasized the importance of science research and its benefit toward improving the quality of life for New Mexicans. He told the committee that there

are not enough science, technology, engineering and mathematics (STEM)-educated people in New Mexico. For every person with a STEM education, there is an average of 2.1 job openings, while for everyone else, there exists an average of 3.2 people per job opening.

Representative McCamley identified a contributing problem as a lack of interest in older students. Around the sixth grade, STEM education is devalued socially. Representative McCamley's proposed solution to this problem involves: 1) providing positive social feedback to students interested in STEM education; 2) giving students an environment supported by both teachers and peers and that is competitive to provide goals; and 3) allowing creative expression and growth.

By modeling science cultivation on structured athletic systems, Representative McCamley hopes to create a structured competition that provides positive social feedback and that is fun for students interested in STEM. Current problems for STEM extracurricular programs within the state are: 1) lack of centralized structure; and 2) lack of funding, which means that there is no guarantee of coaching or programs in some schools. To alleviate these issues, Representative McCamley proposes that the Public Education Department work with the New Mexico Activities Association to create a centralized STEM championship, as well as to provide funding at every school for a "STEM Coach".

Questions and discussion from committee members included:

- current science standards;
- common core revisions;
- information about schools with science programs that are currently in place;
- definition of "coach" in the STEM education context; and
- application of the STEM program to charter schools.

Rural Telecommunications Access

Leo Baca, CenturyLink, gave the committee an update on the federal Connect America Fund (CAF) Phase II. Mr. Baca told the committee that the CAF Phase II is the Federal Communications Commission's (FCC's) program to deploy broadband networks in selected unserved high-cost areas that are served by price cap carriers. Mr. Baca gave the committee an overview of the CAF Phase II process, which includes the following:

- price cap incumbent local exchange carriers (ILECs) will be offered CAF Phase II funding for qualified locations for a five-year period, along with the right of first refusal at a statewide level; and
- for price cap ILECs that do not exercise the right of first refusal, the CAF Phase II support and markets will be subdivided and auctioned in a to-be-determined manner, and support will be paid to the winning bidder for a period of 10 years.

Mr. Baca went on to tell the committee that the FCC is reconsidering several of the

established rules as stated in the Further Notice of Proposed Rulemaking (FNPRM) provided to members. The FNPRM statement acknowledges that the FCC is developing new rules and is allowing a window of time for input before the rules are finalized. Comments regarding the proposed changes in the FNPRM were due on August 8, 2014, with replies due on September 8, 2014.

The latest CAF Phase II FNPRM seeks input on key issues regarding:

- increasing the CAF Phase II broadband speed requirement to 10 megabytes per second (mbps) downstream, up from four mbps;
- the proposed increase that would make several more areas and households eligible for benefits under the CAF Phase II;
- whether it is acceptable to require less than 100 percent build-out; it is recognized that some areas may be cost-prohibitive to build; and
- increasing the length of the funding period of up to 10 years for price cap ILECs that accept the state-level commitment.

Mr. Baca ended his presentation by encouraging members to provide comments or letters to the FCC in support of these changes and by participating in the challenge process to improve telecommunications in rural parts of the state.

Committee members adopted a motion to accept the letter as written but requested that the document be checked for grammatical errors.

Recess

The meeting recessed at 4:37 p.m.

Friday, August 8

Centers of Excellence Update

Fred Mondragon, former secretary of economic development, gave the committee a brief history and update on the Centers of Research Excellence and Technology Commercialization. Mr. Mondragon told the committee that the program is composed of five centers at three research universities. He attributed the success of the centers to: 1) hiring a world-class chief scientist; 2) alliances formed with industries; and 3) frequent monitoring by independent oversight.

Mr. Mondragon and Kevin Malloy, associate dean for research, University of New Mexico (UNM), told the committee that the Center for High Technology Materials (CHTM) at UNM was created for applied research in optoelectronics, microelectronics and nanotechnology. The CHTM receives \$9.7 million in state funding but has procured \$190 million from grants and contracts. Annual contract revenue is approximately \$8 million from government and industry, with future growth possible by collaboration with the federal Center for Integrated Nanotechnologies and future collaboration with Sandia National Laboratories. Mr. Malloy also told the committee that

the federal Department of Defense (DOD) has issued a procurement challenge to university/industry consortiums for the creation of Institutes for Manufacturing Innovation. The CHTM currently has the opportunity to participate in and possibly lead an effort to base a Photonics Manufacturing Technology Institute at UNM with the DOD, providing grants of \$15 million per year to recipients.

Dr. Daniel H. Lopez, president, New Mexico Institute of Mining and Technology (NM Tech), discussed the Energetic Materials Research and Testing Center (EMRTC) at NM Tech, which promotes economic development through research in explosive materials. The EMRTC's current revenue is \$50 million annually, and it has approximately 200 to 300 contracts per year with the DOD, the federal Department of Energy, the federal Department of Homeland Security, the National Science Foundation and private industry for research and services.

The centers are looking to expand into space commercialization, astronomy and astrophysics, energy and water centers and cybersecurity/asset protection.

Committee members requested a tour of the center at NM Tech and discussed the possibility of incorporating the centers with the Jobs Council.

Questions and discussion from committee members included:

- locations of centers;
- compensation for training;
- income from training;
- requests for appropriations;
- Higher Education Department participation; and
- one-time money distribution among universities.

Shared Renewable Energy Facilities

John Gusdorf, Renewable Taos, presented the proposed legislation supporting shared renewable energy facilities to the committee. Mr. Gusdorf began with an overview explaining the definition of a shared renewable energy facility and explained the function of a subscription within the context of shared energy. A subscription entitles its owner to a percentage of the facility's monthly production, which is then subtracted from the owner's monthly electricity bill. The first shared renewable energy facility in New Mexico is located in Taos, behind Taos Charter School.

Mr. Gusdorf told the committee that the advantages of shared renewable energy facilities include:

- making renewable energy available to those who cannot or do not want to have equipment on their property;
- taking advantage of economies of scale; and

- making renewable energy available to those who cannot afford up-front costs.

Mr. Gusdorf expressed the need for legislation, based on the following reasons.

- Tri-State Generation & Transmission Association, Inc., limits the amount of electricity that any of its member cooperatives can generate to five percent of their total sales.
- Investor-owned utilities (IOUs) are not required to allow such facilities in their service area.
- Many families in New Mexico cannot afford the up-front costs of renewable energy and may not qualify for loans at low interest rates.

The proposed legislation would remove restrictions on renewable energy facilities located on the owner's property and would modify the Public Utility Act to make it legal for shared renewable energy facilities on the site of subscribers to be treated exactly as facilities on a host's site. The bill also requires IOUs to allow shared renewable energy facilities of up to two megawatts to be built in their service areas and allows cooperatives to permit shared renewable energy facilities on a voluntary basis. The second proposed bill requires the New Mexico Mortgage Finance Authority (MFA) to facilitate shared renewable energy facilities through special-access mortgage packages.

Questions and discussion from the committee members included:

- language in the bill that states limitation of use;
- effects on private property;
- the MFA allocation of funds; and
- permissible language for the MFA.

Electric Vehicle Tax Incentive

Representative Jim R. Trujillo, Dan Lorimier, Rio Grande Chapter of the Sierra Club, and Tammy Fiebelkorn, Southwest Energy Efficiency Project, gave a presentation on advancing electric vehicles (EVs) in New Mexico. The main points of the presentation included the economic benefits, reduced fuel costs and reduced environmental impact of EVs.

Ms. Fiebelkorn began the presentation by explaining the different types of EVs. Plug-in hybrid vehicles run on batteries charged from the plug and shift to gasoline power when batteries drain. Battery EVs, on the other hand, are solely powered by batteries and are distinct from conventional hybrids currently on the market. She also stated that statewide fuel cost savings would increase if more people bought these vehicles, and she assured the committee that EVs can adequately meet the needs of most New Mexicans in both urban and rural areas.

The proposed legislation, based on House Bill 136 of the 2014 legislative session, is sponsored by Representative Trujillo. The legislation involves an annual fee of \$30.00 that EV owners would pay into the State Road Fund, with a \$2,500 tax credit for buying an EV. The bill

also provides for a 30 percent tax credit for commercial charging stations, with a cap of \$3,000, and a 30 percent tax credit for commercial charging stations with solar capabilities, with a cap of \$5,000. The proposed annual EV fee is meant to contribute to road and bridge maintenance. The proposed tax credit is meant to encourage the purchase of EVs. Although most EV charging occurs at home, workplace and public charging infrastructure is also necessary to sustain EVs in New Mexico.

The estimated benefits and fiscal impact of the proposed legislation include:

- \$48 million in additional EV sales over the next three years;
- \$12 million in additional federal tax credits to New Mexico residents;
- fuel savings to consumers over four years of \$4 million;
- \$6 million investment in 600 new charging stations;
- at current sales levels, a vehicle credit of \$500,000 per year; and
- charging tax credits equaling \$500,000 per year at 125 stations per year.

Questions and discussion from committee members included:

- a set amount versus a percentage for State Road Fund contributions;
- how many and what size of charging stations are needed to charge multiple cars;
- charging duration at charging stations;
- charging duration with use of a manufacturer's charger;
- a registration fee for EVs;
- a state fee for EVs; and
- a charging fee.

New Mexico Health Insurance Exchange Status Report

Mike Nunez, acting chief executive officer, New Mexico Health Insurance Exchange (NMHIX), gave the committee an update on the NMHIX. Mr. Nunez told the committee that the NMHIX board was appointed in April 2013, and over the past 15 months, in addition to enrolling more than 34,800 New Mexicans in individual or Small Business Health Options Program plans, the NMHIX has accomplished several financial and enrollment goals.

Mr. Nunez told the committee that the NMHIX has executed Human Services Department agreements to transfer grant funds and has received over \$122 million in federal funds. With the available funds, the NMHIX obtained office space and implemented on-site enrollment at the office and established a 24/7 call center, which has handled more than 47,000 calls with an average 25-second wait time. He spoke about the NMHIX's emphasis on transparency and its efforts to increase enrollment and outreach throughout the state.

The NMHIX created a comprehensive enrollment system with more than 300 health care guides and more than 300 brokers throughout New Mexico, as well as implemented training and certification programs for its staff. The NMHIX's statewide outreach campaign has achieved

several partnerships, including chambers of commerce, counties and higher education and advocacy organizations. Mr. Nunez went on to say that outreach efforts have also included online resources and educational literature as well as robo-calling, canvassing and tele-town hall strategies to reach more than 241,000 New Mexicans.

As of July 2014, there were 34,262 individual enrollments, which Mr. Nunez told the committee is a reasonable number with respect to the number of people living in poverty in the state. He added that the NMHIX is taking measures to increase enrollment through increased outreach and marketing. The NMHIX anticipates greater use of brokers during the next open enrollment period starting November 15, 2014 and is currently reevaluating marketing strategies and developing new approaches. The NMHIX plans to issue an additional request for information to solicit outreach approaches and partners and gain additional feedback through regional debriefing and stakeholder meetings.

Questions and discussion from committee members included:

- the role of the navigator;
- the difference between a navigator and an in-person assister;
- the number of people enrolled;
- the projected number of total enrollment;
- variables affecting enrollment;
- change of the chief executive officer;
- the role of Dr. J.R. Damron, chair, NMHIX;
- the role of Jason Sandel, NMHIX board member;
- the vote on staying with the federal government;
- Mr. Sandel's dissent on staying with the federal government;
- migration to the state;
- the meaning of "stranded";
- web sites for information about the NMHIX;
- the total cost of implementing change;
- involvement of the DOIT;
- how Arkansas and Kentucky obtained 50 percent of their targeted population; and
- the condition of Idaho.

Adjournment

There being no further business before the committee, the meeting adjourned at 1:15 p.m.

**MINUTES
of the
FOURTH MEETING
of the
SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE**

**September 4-5, 2014
Wooton Hall
New Mexico State University
Las Cruces**

The fourth meeting of the Science, Technology and Telecommunications Committee for the 2014 interim was called to order by Senator Michael Padilla, chair, on Thursday, September 4, 2014, at 9:19 a.m. in Wooton Hall at New Mexico State University (NMSU) in Las Cruces.

Present

Sen. Michael Padilla, Chair
Rep. Carl Trujillo, Vice Chair
Sen. William F. Burt (9/4)
Rep. Kelly K. Fajardo (9/4)
Rep. Jason C. Harper
Sen. Linda M. Lopez
Rep. James E. Smith
Rep. Monica Youngblood

Advisory Members

Sen. Carlos R. Cisneros
Sen. Richard C. Martinez
Sen. Mary Kay Papen (9/5)
Rep. Jane E. Powdrell-Culbert

Absent

Rep. Roberto "Bobby" J. Gonzales
Sen. Bill B. O'Neill
Rep. Debbie A. Rodella
Sen. John C. Ryan
Rep. Luciano "Lucky" Varela

Rep. Stephanie Garcia Richard
Sen. Phil A. Griego
Sen. Ron Griggs
Sen. Timothy M. Keller
Rep. Bill McCamley
Sen. Steven P. Neville
Sen. William H. Payne
Rep. Nick L. Salazar
Rep. Don L. Tripp
Sen. Peter Wirth

(Attendance dates are noted for members not present during the entire meeting.)

Staff

Gordon Meeks, Legislative Council Service (LCS)
Renée Gregorio, LCS
Carolyn Ice, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's web site.

Thursday, September 4

Senator Padilla thanked NMSU for hosting the committee. The meeting began with introductions from members of the committee and members of the LCS staff. Approval of the minutes from July and August was postponed until the arrival of more voting members.

Welcome and Update on Issues of Interest to NMSU

Garrey Carruthers, Ph.D., president, NMSU, gave the committee an overview of the university's current research and ongoing projects. NMSU is currently engaged in a variety of projects to improve the university's involvement with the community and encourage both in-state and out-of-state students to enroll at the university.

Dr. Carruthers told the committee that NMSU was the recipient of a private donation that allowed the university to complete installation of artificial turf in Aggie Memorial Stadium. The university received some negative feedback on the new turf because of NMSU's reputation as an agricultural school; however, Dr. Carruthers said, artificial turf is a common feature of most athletic fields around the country.

He went on to speak about the new Burrell College of Osteopathic Medicine, which will make NMSU the third land grant university with a medical school. The medical school will not be funded by the university; instead, it will be funded by Santa Fe real estate and mining developer Dan Burrell and his family. Construction is expected to begin in February 2015, and the school is projected to be completed and ready to open by September 2016. Dr. Carruthers told the committee that there will be a site visit by the accrediting agency for provisional accreditation later this month.

In addition to the completion of the stadium improvements and the plans for the medical school, NMSU plans to construct a community park east of the football stadium and renovate its weight facility and baseball field. Ground was broken for the NMSU Spiritual Center in April 2014, which will serve as a place for all students, regardless of faith.

Dr. Carruthers also discussed the increase in the minimum grade point average (GPA) required for admission to the university. The required minimum GPA will be raised from 2.5 to 2.75 starting in the fall of 2016. Dr. Carruthers predicts that enrollment will decrease after the GPA increase, but he is confident that this change will help make NMSU a more competitive university nationally and that enrollment will eventually increase.

Questions and discussion topics of the committee members included:

- microbreweries and wineries and research in hops production;
- the Chile Pepper Institute;
- an extension office in Valencia County for master gardening;
- the "Aggie Pathway to the Baccalaureate" initiative;
- student demographics;
- admissions standards;
- graduation standards;
- enrollment statistics;
- the dual credit program;
- the National Merit Scholarship and national Hispanic scholarships;
- the higher education funding formula;
- energy efficiency initiatives;
- New Mexico universities' recruiting of New Mexico students;
- partnerships with large companies to develop hops research;
- an on-campus hotel;
- the retirement community on campus;
- enhanced vocational education at four-year institutions; and
- risk averseness.

Department of Information Technology (DOIT) Project Spreadsheet Summary Update

Darryl Ackley, secretary of information technology, provided the committee with an overview of the DOIT and a status report on its current activities. He reviewed the Enterprise Project Management Office's (EPMO's) top 10 project financials summary and the projects' respective estimated completion dates. Secretary Ackley told the committee that the DOIT is internally discussing the best way to present new information to the committee.

The EPMO is responsible for providing support, guidance and oversight on information technology (IT) projects and procurements to promote improved outcomes. The total cost of the EPMO focus portfolio top ten is \$284,731 and includes the following projects:

- the Oil and Natural Gas Administration and Revenue Database (ONGARD) modernization;
- the New Mexico Broadband Program;
- the GenTax upgrade;
- the State Land Office Land Information Management System;
- the Enterprise Provider Information Constituent Services (EPICS);
- the Medicaid Management Information System;
- the Automated System Program and Eligibility Network (ASPEN) state-based marketplace;
- the Motor Vehicles Division system modernization;
- the Statewide Interoperable Radio Communication Internet Transport System; and

- the Human Services Department ASPEN.

Secretary Ackley provided the committee with a breakdown of the cost of each of the 10 projects, in addition to each project's current status and milestones reached.

Questions and discussion topics of the committee members included:

- ONGARD expansion;
- centralization of state IT systems;
- the DOIT's involvement in database centralization; and
- ASPEN transition to maintenance operations.

Public Safety Broadband (PS Broadband)

Secretary Ackley and Jacqueline Miller, deputy secretary, DOIT, presented a report on PS broadband and emphasized its importance in emergency situations. The DOIT's vision is to provide emergency responders with the first nationwide, high-speed, wireless broadband network dedicated to public safety. Ms. Miller emphasized the importance of having a separate network for public safety responders who require the right information in real time in order to save lives and property.

The establishment of a national PS broadband network was included in the federal Middle Class Tax Relief and Jobs Creation Act of 2012. Seven billion dollars was allocated for deployment and operations, with \$135 million allocated for state implementation planning. PS broadband for New Mexico is projected to be completed by the end of August 2015.

Public safety long-term evolution (PS LTE) will provide public safety responders with real-time data and allow greater efficiency. The proposed PS LTE data center will be located in Santa Fe, with tower sites in various areas of the state. A greater concentration of tower sites will be located in the southern part of the state near the Mexico border. In regard to funding, Ms. Miller told the committee that PS broadband will be funded by FirstNet, which will fund the infrastructure and offer network access pricing that is comparable to commercial carrier networks.

Key learning conditions unique to New Mexico include the following:

- use of a network core located remotely;
- spectrum management and network use issues along the border of the United States and Mexico; and
- shared use of a state network with local, state, tribal and federal users.

Ms. Miller told the committee that discretion to strategically placed network assets will produce the greatest benefits for early PS LTE adopters. She went on to say that the PS LTE data network will be free from all consumer traffic, and cellular capability will have speeds up to 30 megabits per second. PS broadband allows "state, federal, tribal and local responders to

participate in a largely funded program with the intent of communicating more effectively at the grassroots level".

Questions and discussion topics of the committee members included:

- funding for PS broadband;
- comparison with the Mexican system;
- testing and implementation;
- federal requirements for cell service maintenance;
- a consortium of private and public organizations to coordinate broadband deployment;
- the possibility of expanding infrastructure more rapidly;
- the possibility of using existing infrastructure;
- tribal partnerships and outreach;
- Native American infrastructure deployment;
- applications in telemedicine and education; and
- the inability to connect.

Children, Youth and Families Department (CYFD) IT Systems

Secretary Ackley, Damien Aragon, chief information officer, CYFD, and Vicki Gallegos, deputy director of the EPICS program for the CYFD, presented an overview of the EPICS Master Project. EPICS is a multiyear, phased project and enterprise web-based system designed to meet the needs of all CYFD program areas and the needs of CYFD clients. The project's current budget is \$10.5 million.

Mr. Aragon and Ms. Gallegos informed the committee that the first two phases of the project are complete and focus on provider and client management. Phase three is currently on target, but phases four and five are unfunded.

The objectives of the EPICS program are as follows:

- improving program performance and efficiency;
- increasing safety, security and accountability;
- implementing an enterprise web-based system; and
- reducing agency costs.

Questions and discussion topics of the committee members included:

- funding for the last phases;
- use of iPads in the field;
- raw data accessibility;
- cooperation with the Public Education Department;
- data backups;
- assistance with funding; and

- earmarking money for support to specific families.

Approval of Minutes

The meeting minutes from July and August were approved.

Workforce Solutions Department (WSD) Information Systems

Sue Anne Athens, chief information officer, WSD, gave the committee a walk-through of the unemployment insurance (UI) claim process. Ms. Athens told the committee that the WSD is currently trying to expand its framework beyond UI tax and has spent money to create applications and infrastructure to support the process.

Ms. Athens told the committee that improper payments and UI fraud has decreased by 60% with the new system. New Mexico's UI program is also ranked number one in the United States by the United States Department of Labor (USDOL) for quality of claims determinations. Ms. Athens assured the committee that service levels have greatly improved with the new system with very few disruptions of service.

Ms. Athens then spoke about uDetect Predicative Analytics, a project meant to improve detection and achieve a reduction of overpayment fraud through the use of uDetect™, a customizable, analytical system used to identify UI claims with a higher propensity to involve fraudulent activity. The project is a proactive attempt to identify new types of fraud and outliers. uDetect Predicative Analytics is divided into four phases. Phases one through three focus on the technology involved in the project while phase four focuses on business workload prioritization.

In addition to the uDetect Predicative Analytics project, the Consortium Project is aimed at reducing the cost of new enhancement development through code sharing and collaboration, improved modernization efforts and the provision of means to conduct joint demonstration projects in an isolated environment to avoid jeopardizing customer data. The site has already been established. Ms. Athens told the committee that expansion to other states is highly likely, with potential for additional funding by the USDOL.

Questions and discussion topics of the committee members included:

- cross-training;
- cost savings through paper reduction;
- joint project management;
- work with the DOIT; and
- call center performance.

State Private Equity Investing for Technology Commercialization

Dr. Carruthers talked to the committee about the shortage of investment and of intellectual property. Dr. Carruthers expressed the need for early-stage capital to move university discoveries

and innovation to market; however, moving the outputs of these technology assets has proven difficult.

Dr. Carruthers then shared with the committee NMSU's attempt to mitigate these challenges through the Launch: Proof of Concept Center. The center's purpose is to help speed up the acceleration of technologies to market through seed grant funding, business assistance and entrepreneurial expertise.

The proposed legislation for the 2015 legislative session involves amending a section of the Severance Tax Bonding Act to require the State Investment Council (SIC) to invest 0.25% of the market value of the Severance Tax Permanent Fund. The money would then be used to invest in promising businesses, based on technologies from the three research universities in the state, and fund a technology vetting process for the Technology Research Collaborative.

Steven K. Moise, state investment officer, SIC, then gave the committee an overview of the current status of the SIC. The SIC is responsible for managing New Mexico's \$18 billion permanent endowment. Mr. Moise told the committee that the total assets under management reached a record high for fiscal year (FY) 2014 of \$19.8 billion, from \$14 billion in FY 2010. The FY 2014 investment returns totaled 15.9%. The projected FY 2016 total distributions are \$845 million. The SIC believes that fund growth will lead to greater benefits for the state.

Mr. Moise admitted that it is difficult to determine the market outlook for the next 10 years and discussed the inconsistent contributions to the Severance Tax Permanent Fund while there are strong contributions every month to the Land Grant Permanent Funds.

Brian Birk, Sun Mountain Capital, followed Mr. Moise's presentation with an overview of the New Mexico Private Equity Investment Program (NMPEIP). The program was "established in 1993 to make investments into private equity funds which in turn invest into NM-based companies". Since 2004, the NMPEIP has been managed with financial returns as a primary focus. Sun Mountain Capital is the program advisor.

Mr. Birk gave the committee an update on the NMPEIP, which includes the following points.

- The program is in compliance with the statute (Section 7-27-5.15 NMSA 1978).
- NMPEIP financial returns are steadily improving.
- Program funds and portfolio companies continue to progress.
- The NMPEIP is having a significant, positive impact on New Mexico's economy.
- The program is currently evaluating potential new commitments per the approved pacing plan.

Questions and discussion topics of the committee members included:

- the possibility of Tesla Motors, Inc., in New Mexico;
- the actual return on investment;
- the amount of money that goes to bonding;
- the benefit to New Mexico;
- ABQid, Inc., and Innovate ABQ;
- funding for ABQid, Inc., and Innovate ABQ;
- funding entrepreneurs;
- the use of private equity investments;
- different sources of available funding;
- return on investment;
- cause of reduced contributions to the Severance Tax Permanent Fund;
- legislative action;
- benchmarks used by Sun Mountain Capital;
- commercial and economic validation processes for investments; and
- the use of the Land Grant Permanent Funds instead of the Severance Tax Permanent Fund.

Smart Grid Epicenter at NMSU

Enrico Pontelli, associate dean, College of Arts and Sciences, NMSU, and Satish Ranade, Klipsch School of Electrical and Computer Engineering, NMSU, spoke about their plans to establish a Smart Grid Epicenter at NMSU. Both Dr. Pontelli and Dr. Ranade gave the committee a brief overview of the existing grid systems and the problems associated with the current systems. They emphasized problems with sustainability as well as the current system's inability to meet the increasing demands of consumers. They added that the current system is environmentally unfriendly and inefficient. They hope that their collaboration will serve as the conduit to develop a broad culture of smart grids at NMSU.

NMSU is currently conducting foundational research through electrical and computer engineering, computer science and economics. The National Science Foundation's Centers of Research Excellence in Science and Technology recently awarded the program a \$5 million, five-year grant. Dr. Pontelli and Dr. Ranade will also serve as co-directors for the Interdisciplinary Center of Research Excellence in Design of Intelligent Technologies for Smart Grids (iCREDITS). iCREDITS will bring together a coalition of experts from various fields and serve as an epicenter for research and training on smart grids.

Questions and discussion topics of the committee members included:

- electricity as open net;
- the energy storage role and demand response;
- the stability of the grid, as well as its reliability;
- the cost per kilowatt-hour for storage; and

- the Los Alamos National Laboratory/Japanese grid study.

New Mexico Water Resources Research Institute (NMWRRI) Update

Sam Fernald, director, NMWRRI, provided the committee with a brief history on the NMWRRI and its current status. Mr. Fernald told the committee that the NMWRRI was established in 1963 as a response to droughts in the 1950s in New Mexico. The NMWRRI is meant to provide research and training, transfer water information, provide expertise and specialized assistance and cooperate with local, state and federal water agencies. Water institutes have been established in every state based on the New Mexico model.

The gravity recovery and climate experiment measures short-term gravity fluctuation; water is the primary cause of changes in gravity. Ground water extractions in New Mexico currently exceed water recharge, and existing water budgets are static and imprecise. Mr. Fernald told the committee that more research must be conducted in order to complete a statewide water assessment and develop a statewide water budget.

The NMWRRI is currently funded by an additional \$101,000 to the recurring base of \$317,000, with a \$1 million, one-time water initiative. The NMWRRI approves funding projects through a program development review board, peer reviewers, conference committees and statewide water assessment teams. For FY 2016, the NMWRRI is submitting an expansion request of \$2 million per year to conduct further water research.

Questions and discussion topics of the committee members included:

- precipitation and evaporation model comparisons;
- market need in different communities;
- brackish aquifers;
- membrane development at Sandia National Laboratories;
- cooperation with small water companies and water cooperatives;
- sustainability on a household level; and
- middle Rio Grande water replenishment.

Recess

The meeting recessed at 5:15 p.m.

Friday, September 5

Spaceport America Status Report

Christine Anderson, executive director, Spaceport Authority, gave the committee a presentation on the commercial space industry and the current projects of Spaceport America, which is located near White Sands Missile Range.

Ms. Anderson defined the commercial space industry as a "flight beyond the Kármán Line that is conducted and paid by an entity other than a government agency". She went on to say that the industry is expanding due to the appeal of space development, and current technology is creating more opportunities for customers outside of the military. Current leaders of the commercial space industry include entrepreneurs such as Elon Musk, Richard Branson and Jeff Bezos, who see the industry as an outlet for exploration, pioneering, revenue and human preservation.

Spaceport America is owned and operated by the State of New Mexico. So far, Spaceport America has generated more than 1,300 jobs, and more than half of the operations budget has been covered by revenue for the past three years. It is considered the world's first purpose-built commercial spaceport, with two launch tenants — Virgin Galactic and Space Exploration Technologies Corporation (SpaceX) — and with 20 launches to date. Spaceport America supports both vertical and horizontal launches, which is not a common feature of many spaceports. Currently, there are eight spaceports located within the United States, with 11 other spaceports proposed in various regions of the country.

Ms. Anderson told the committee that Spaceport America is currently preparing for the launch of the SpaceX Falcon 9 rocket, a reusable rocket. Spaceport America is also preparing for Virgin Galactic's first flight, with other flights currently in the discussion phase. The Gateway Gallery is scheduled to open in January 2015, with completion of the new front gate in February 2015 followed by the opening of the visitor center departure point in December 2015. Ms. Anderson then spoke about the 24-mile unpaved southern road, which branches off from Interstate 25 north of a United States Border Patrol checkpoint. Construction of the southern road has been delayed due to the discovery of 40 archaeological sites, procurement of a contractor, mitigation and land acquisition. The proposed groundbreaking will take place in either March or April of next year.

Questions and discussion topics of the committee members included:

- lodging/hotels;
- water issues/constraints;
- implications for Truth or Consequences;
- the schedule for the first flight;
- additional funding anticipated to be requested during the 2015 legislative session;
- advertising agency revenue;
- the number of visitor centers and their locations;
- proprietary information protection;
- a paleohydrology study;
- southern road construction; and
- the potential for the southern road to be converted to state highway status.

Science, Technology, Engineering and Mathematics (STEM) Education Entrepreneurship and STEM Diversity

Dr. Pontelli gave the committee a brief overview of STEM education and the current need for STEM jobs in New Mexico and in the United States. Dr. Pontelli told the committee that, nationally, there are 26 million STEM jobs, with an expected growth of 1.2 million more jobs by 2018. There is also a specific emphasis on engineering and computer science; however, most students lose interest in STEM education by their senior year of high school. The loss of interest often continues into college, with over 48% of college freshmen abandoning their STEM paths.

Dr. Pontelli attributes the decreased participation in STEM to academic gaps in science and mathematics education in high school, disadvantages in early preparation for STEM college courses, socialization patterns and lack of support from role models and families. NMSU is attempting to establish a STEM training, entrepreneurship and diversity (STEMED) program, designed to serve kindergarten through age 20 audiences statewide, that addresses the demand for individuals in STEM fields of employment.

Marie Bochert, education specialist, Arrowhead Center, NMSU, spoke to the committee about the Southern New Mexico Science, Engineering, Mathematics, and Aerospace Academy (SEMAA). The program encourages underrepresented students in grades kindergarten through 12 to pursue interests in STEM fields through after-school programs and activities such as the Aerospace Education Lab and Moon Buggy Race Competition. The program "engages students in inquiry-based learning, research, use of technology, peer support groups, and mentoring relationships with professionals in STEM". SEMAA also facilitates the successful transition of students from high school to post-secondary programs.

Ms. Bochert went on to tell the committee about the Young Women in Computing program designed to engage and train young women in the pursuit of an education in computing. The various programs are all intended to help students apply learned STEM concepts to real-life situations through complex problem solving and entrepreneurial thinking.

Susan Brown, associate professor, College of Education, NMSU, continued the presentation by speaking on behalf of the Innoventure Program, which works with middle school and high school students. The program encourages students to develop teams and build functional prototypes of products with an accompanying business plan for product development.

The overarching STEMED goals at NMSU include:

- creating an institution-wide umbrella for STEM education;
- sharing and replicating, as well as adapting, successful efforts; and
- integrating STEM into other areas of education.

Questions and discussion topics of the committee members included:

- African American participation in STEM programs and statewide interest in STEM;
- target groups;
- increasing outreach in the community;
- expanding into elementary and middle schools in Albuquerque;
- current funding;
- a funding request for umbrella programs;
- legislative action;
- requiring students to take computer science classes;
- the relationship with and participation of teachers;
- improving the dual credit system;
- parent involvement; and
- the current operating budget.

Appropriate Technology Water Treatment Systems

Dr. Antonio Lara, chemistry professor, NMSU, discussed the current research at NMSU concerning uranium abatement for contaminated water from unregulated sources. Dr. Lara told the committee that, currently, 30% of the population within the Four Corners region has unregulated water. This proportion of the population often lives in isolated and remote areas without electricity.

Although uranium is a naturally occurring element, mining activities can increase human exposure, which is intensified by processing and transporting ore during various weather conditions. Uranium particles can then be transferred to ground water through rainwater.

Dr. Lara's research involves the chemistry of natural and synthetic phyllosilicates. By using cation exchange, Dr. Lara is able to chemically alter clays and change their catalytic properties. This particular project involves the use of phyllosilicates found in various clay samples in different areas of New Mexico. The clay pellets he has created remove uranium from contaminated water. Upon contact with uranium-contaminated water, the pellets exchange one positively charged uranium ion in the water for two positively charged sodium ions within the clay. The pellets are very robust, manageable, inexpensive and disposable.

Dr. Lara hopes that the pellets can be produced by Navajo Nation chapters that have been directly affected by uranium contamination in order to promote entrepreneurship and sustainability in the region. Dr. Robert Marquez, NMSU, presented information on his related research with ceramic candle filters, which are based on the Potters for Peace ceramic water filters used in various countries to remove pathogens and particulates from water. Dr. Marquez told the committee that his candle filters are easy to manufacture, ship and maintain. He also went on to say that his candle filters can be packed with clay pellets to further remove impurities from water.

Questions and discussion topics of the committee members included:

- disposal of pellets;

- resources needed to complete the projects;
- air quality applications;
- removal of pathogens in water;
- future plans of the program;
- an entrepreneurship role;
- funding requests; and
- communication with the federal Environmental Protection Agency.

Adjournment

There being no further business before the committee, the meeting adjourned at 12:13 p.m.

**MINUTES
of the
FIFTH MEETING
of the
SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE**

**October 27-28, 2014
Rotunda Room, University of New Mexico Science Technology Park
Albuquerque**

**October 29, 2014
Fidel Center, New Mexico Institute of Mining and Technology
Socorro**

The fifth meeting of the Science, Technology and Telecommunications Committee for the 2014 interim was called to order by Senator Michael Padilla, chair, on Monday, October 27, 2014, at 9:13 a.m. in the Rotunda Room of the University of New Mexico (UNM) Science Technology Park in Albuquerque.

Present

Sen. Michael Padilla, Chair (10/27, 10/28)
Rep. Carl Trujillo, Vice Chair
Rep. Kelly K. Fajardo (10/27, 10/28)
Rep. Roberto "Bobby" J. Gonzales (10/27, 10/28)
Sen. Bill B. O'Neill (10/27)
Rep. Debbie A. Rodella (10/27)
Sen. John C. Ryan (10/27, 10/28)
Rep. James E. Smith (10/27, 10/28)
Rep. Luciano "Lucky" Varela (10/27)
Rep. Monica Youngblood (10/28)

Advisory Members

Sen. Carlos R. Cisneros (10/27)
Sen. Ron Griggs
Sen. Richard C. Martinez (10/27, 10/28)
Rep. Bill McCamley (10/27)
Sen. Steven P. Neville (10/28)
Rep. Jane E. Powdrell-Culbert

Absent

Sen. William F. Burt
Rep. Jason C. Harper
Sen. Linda M. Lopez

Rep. Stephanie Garcia Richard
Sen. Phil A. Griego
Sen. Timothy M. Keller
Sen. William H. Payne
Rep. Nick L. Salazar
Rep. Don L. Tripp
Sen. Peter Wirth

Guest Legislator

Sen. Nancy Rodriguez (10/27, 10/28)

(Attendance dates are noted for members not present during the entire meeting.)

Staff

Gordon Meeks, Legislative Council Service (LCS)
Ralph Vincent, LCS
Carolyn Ice, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's web site.

Monday, October 27

Senator Padilla called the meeting to order and thanked UNM for hosting the committee. The meeting began with introductions from members of the committee and LCS staff.

Welcome to the UNM

Joseph Cecchi, dean, School of Engineering (SOE), UNM, welcomed members of the committee to the university and gave an overview of the current status of UNM's SOE. Dean Cecchi told the committee that the SOE has a research-driven focus. Out of 104 tenure-track faculty, the majority are active as both teachers and researchers. Very few members of the SOE are solely professors.

Dean Cecchi testified that the SOE currently receives about \$16 million from the state. In addition to money accrued from the state, research funding for the SOE is about \$30 million. With its current budget, the UNM SOE is one of the top 15 engineering programs in the country.

Currently, the enrollments in the SOE are strong and increasing. The overall engineering program for the 2014-2015 academic year experienced a significant increase from the 2013-2014 academic year. There are eight accredited baccalaureate programs, 13 master's programs and 10 doctorate programs offered in addition to eight interdisciplinary research-based degree programs and nine affiliated research centers. Dean Cecchi told the committee that the school is a vital and engaged partner in strategic collaborations and commercial applications. The UNM SOE is requesting \$4.7 million from the legislature for renovations to Farris Engineering Center, which houses 35% of the engineering programs.

Questions by and discussion topics of the committee members included:

- interaction with public schools;
- the new math sequence for incoming UNM freshmen;
- cybersecurity research;
- sources of exterior contracts;

- dual appointments of faculty between universities and national laboratories;
- thrust areas;
- business planning;
- commercialization and entrepreneurship;
- obstacles to commercialization;
- interaction with economic development entities around the state;
- angel investors;
- reasons why some companies/businesses do not work with UNM;
- percentage of in-state students;
- the Ph.D. completion rate;
- retaining graduates in the state; and
- variance in statistics.

Clinical Translational Science Program

Richard Larson, executive vice chancellor for the Health Sciences Center and vice chancellor for research, UNM, presented to the committee on the Clinical and Translational Science Center (CTSC) at UNM. Dr. Larson noted the center's title as the National Institute of Health's (NIH's) most prestigious award. The center at UNM is one of 62 centers with a similar distinction in the country. The purpose of the center is to build health care research, encourage public-private partnerships, engage communities throughout New Mexico and target key health priorities.

Dr. Larson testified that CTSC research brings hope to patients, "seeds" funding for new ideas, provides research infrastructure and supports other center and programmatic efforts. CTSC projects are leveraged into additional research activity at the university. The CTSC provided \$2.9 million in pilot funding over the first four years. Thirty-eight new private companies were also either spun off from the university or used university technology to start up. The CTSC is hoping to build research capacity beyond New Mexico by establishing regional partnerships.

Questions by and discussion topics of the committee members included:

- funding cycle length and renewal;
- current projects;
- the corporate success rate of CTSC business relations;
- stem cell research bill;
- health priorities;
- investigation of obesity and diabetes; and
- jobs provided by the center.

Brain Safe

Kent A. Kiehl, Ph.D., executive science officer, director of mobile brain imaging, UNM, gave the committee a presentation on the Brain Safe Project and explained why it is needed within UNM athletics and other universities around the country. Dr. Kiehl began by defining sports-

related traumatic brain injury and concussion to the committee. A concussion is a traumatic brain injury that alters brain function. Its effects are usually temporary, but residual impairment can last for years after the initial incident of injury. Symptoms can include headaches, memory and attention problems and issues with balance, depression and anxiety, all of which can lead to complications inside and outside the classroom as well as on and off the field.

Dr. Kiehl told the committee that there are approximately 8,500 recorded concussions per year for collegiate athletes. From the initial data collection, the program has identified football and men's lacrosse as the sports with the highest incidence of occurrence. Currently, there are only eight states that require brain magnetic resonance imaging (MRI) prior to participation in professional sports. The Brain Safe Project hopes to expand this requirement to other states to ensure the safety and health of athletes in all levels of competition.

The Brain Safe Project is a concussion testing program and collaboration between UNM and the Mind Research Network. The program provides a comprehensive MRI assessment of brain health collected as part of an annual physical exam for all athletes and a detailed within-subject comparison of baseline scan with follow-up scan after the concussion. The Brain Safe Project is meant to serve as a supplement to the standard procedures for concussion assessment and does not replace standard medical procedures. Through participation with the program, athletes receive a baseline assessment and an annual MRI.

During its first year at UNM, the program has scanned numerous athletes involved in various programs. Dr. Kiehl hopes to continue to collect data and expand the database. The Brain Safe Project also plans to seek grant support from the NIH, the U.S. Department of Defense, the National Conference of Collegiate Athletes and the National Football League and to ultimately publish literature on incidental findings and expand the program to other universities and high schools.

Questions by and discussion topics of the committee members included:

- sports with highest rates of incidents;
- involvement with local high schools;
- the role of insurance companies in this program;
- benefits of research;
- the impact on educational performance; and
- discussion of concussions with parents and coaches.

Public Television

Franz Joachim, general manager and chief executive officer, KNME-TV; Glen T. Cerny, executive director, University Broadcasting, New Mexico State University; and Duane W. Ryan, director of broadcasting, KENW-TV, DT and FM and KMTH-FM, gave the committee a presentation on New Mexico public television and its role in education. New Mexico public television consists of three independent Public Broadcasting Service (PBS) affiliates: KRWG,

Las Cruces; KENW, Portales; and KNME, Albuquerque/Santa Fe. The presenters told the committee that public television is planning on requesting capital outlay funding during the 2015 legislative session. More specifically, they are asking for a \$2.25 million appropriation to be divided among the stations to replace broadcast master control infrastructure and ensure uninterrupted service to viewers across the state.

The combined coverage area of New Mexico public television currently provides more than 95% of New Mexicans with free service, with an average of 97 hours a week of educational programming for children. The educational programming features content aimed to encourage involvement in science, technology, mathematics and engineering. Public television also delivers emergency alerts to the entire state. The improvements to the master control are necessary to simultaneously record and play back hundreds of programs for multiple broadcast, cable and satellite channels. The equipment upgrades and replacements are inevitable even with careful maintenance. The equipment was originally purchased in 2004 with a general obligation bond.

Questions by and discussion topics of the committee members included:

- funding;
- Indian land coverage;
- citizen support for public television;
- legislative strategy;
- endorsements and testimonials from members for public television;
- marketing;
- public service;
- equipment for replacement funding;
- funding for administration; and
- Texas viewership of New Mexico public broadcasting.

House Memorial 17, Electric Cooperative Rights of Way

Representative Trujillo introduced the topic of high rate increases by Jemez Mountain Electric Cooperative. House Memorial (HM) 17, sponsored by Representative Trujillo during the last legislative session, asked the Public Regulation Commission (PRC) "to report on the allocation and recovery of access fees, charges and trespass fines paid by the electric distribution cooperatives to any Native American governmental entity and to increase awareness of recent developments in Native American access agreements affecting the cooperative's ability to provide electricity at the lowest feasible cost".

The memorial was created in response to the fact that New Mexico's electric distribution cooperatives are the primary source of electric power for rural communities throughout the state and the cost of monthly utility bills has increased steadily over the years and will increase dramatically after imposition of recently contracted new access charges by pueblo governments, which will make it increasingly difficult for many customers to afford electricity. HM 17 requested that the PRC report to the appropriate committee regarding its policies relating to the

recovery and the allocation of Native American access costs by electric distribution cooperatives as the foundation for further action.

Representative Trujillo spoke about the geographic difficulties in his district, which made it a difficult area to determine costs and rates. Representative Trujillo also emphasized the importance of resolving these issues with the PRC.

The PRC provided an itemized list of responses to the requests included in HM 17.

Questions by and discussion topics of the committee members included:

- what other cooperatives have done around the state;
- how the legislature can assist injured bodies; and
- assistance from the federal government.

Electric Grid Stability

Bruno E. Carrara, PRC, presented to the committee the timeline of the February 2011 severe weather event and the lessons learned from the aftermath of the event. In response to the natural gas curtailment crisis, the PRC initiated two actions: 1) it undertook a formal investigation to examine the New Mexico Gas Company's (NMGC's) actions before, during and after the severe storm; and 2) it created a separate, informal task force to review the reasons behind the gas supply failure and recommend actions to mitigate or avoid future problems in an event of a similar nature. Mr. Carrara reported that the docket was closed in December 2012 after the PRC found the NMGC acted reasonably and in accordance with applicable rules and regulations.

To review, Mr. Carrara went through the events that led to the natural gas curtailment, which included the cold arctic storm that affected New Mexico and several other states. Due to an increase in electricity and gas demand, some electric generating plants shut down, and pressures in the in-state pipelines dropped, prompting NMGC to cut off gas to northern New Mexico communities.

Mr. Carrara told the committee that the majority of the recommendations have been implemented through new regulations and through the creation of a 24-hour call-in and online utility outage reporting system.

Questions by and discussion topics of the committee members included:

- the need for more diversity in fuel;
- the need to hear from Public Service Company of New Mexico (PNM), the El Paso Electric Company and cooperatives; and
- electricity and gas demands.

Recess

The meeting recessed at 3:55 p.m.

Tuesday, October 28

Project Spreadsheet Update

Darryl Ackley, secretary of information technology, Department of Information Technology (DoIT), provided the committee with an overview of the DoIT and a status report on its current activities. His presentation reviewed the Enterprise Project Management Office's (EPMO's) projects' financials and their respective estimated completion dates.

The EPMO is responsible for providing support, guidance and oversight on information technology projects and procurements to promote improved outcomes. Secretary Ackley told the committee that the Automated System Program and Eligibility Network (ASPEN) is currently in the close-out phase and was completed under budget. All other projects included in the presentation were considered "green", meaning that the project was progressing on the projected schedule and nearing completion if not already completed. However, the Human Services Department (HSD) State Based Marketplace Project was highlighted in yellow after the New Mexico Health Insurance Exchange voted on July 25, 2014 to delay go-live for one year. Currently, the DoIT and the health exchange are working together to rebaseline the project to align with the new rollout date in November 2015.

For fiscal year (FY) 2015, the EPMO has 24 projects within its portfolio. There are nine projects closed with a combined budget of \$118,693,574. All of the projects accomplished business objectives within budget, with 78% of projects complete or within the baseline schedule.

Questions by and discussion topics of the committee members included:

- projects in different stages of certification;
- concerns for projects that are not actually "green";
- concerns for taxpayers;
- itemized requests from agencies;
- defining the different stages of the budget; and
- how reflective these budget numbers are.

HSD ASPEN Project Status

Marilyn Martinez and Kathy Martinez, HSD, spoke more extensively on the ASPEN Project and its current status. They began with a brief history of Project Genesis, which was developed with older technology and is at risk for failure. The system did not support automated workflows and could not integrate assistance programs and services.

Concerning the planning of the ASPEN Project, there were over 30 federal and state interface partners involved as the DoIT maintained the mainframe environment and stabilization effort. ASPEN is designed with N-Tier architecture and virtualized infrastructure. Its transfer system is adapted from the state of Michigan and modified to meet the needs and requirements of New Mexico.

The implementation cost of ASPEN was \$107.5 million with annual maintenance and operations estimated at \$17.4 million. The total cost of ownership for 10 years is \$281.5 million.

Questions by and discussion topics of the committee members included:

- the ASPEN budget;
- the length of projection;
- upgrades meeting future demands;
- the need for an additional contract;
- the lifetime of ASPEN;
- staffing budget as a component of ASPEN or separate line item in agency budget;
- the purpose of the works program; and
- cybersecurity components.

ONGARD Project Status

Secretary Ackley and John Monforte, deputy secretary, Taxation and Revenue Department (TRD), gave the committee an overview on the current status of the Oil and Natural Gas Administration and Revenue Database (ONGARD) system. Mr. Monforte began with the history of the system. The ONGARD Service Center (OSC) was created by a joint powers agreement in 1990. With \$18 million, the first system was built. The ONGARD, which is responsible for managing oil and gas revenue for both the TRD and the State Land Office (SLO), has collected and distributed over \$22 billion since its inception.

The ONGARD Tri-Agency workflow begins with the SLO then goes on to the Energy, Minerals and Natural Resources Department's Oil Conservation Division for well initiation, well completion and volume reporting. From there, either the TRD determines volume based on tax collection and distribution or the SLO determines volume based on royalty collection and distribution.

The ONGARD Stabilization Project was created to test and migrate the system to a more current IBM mainframe platform, which improved operational stability. The project cost \$1.7 million and was successfully closed in July 2014. During FY 2014, the TRD collected \$1.3 billion across 1,000 active remitters, and the SLO collected \$817 million for public institutions and hospitals.

ONGARD modernization, on the other hand, is needed to solve business needs as well as to simplify tax and royalty processing. Currently, the agencies are conducting an end-to-end

business process analysis (BPA) to define the future capabilities and processes of ONGARD. The BPA is expected to be complete in late 2015.

For FY 2016, the OSC is requesting \$33 million from the Computer Systems Enhancement Fund. The current ONGARD system is antiquated and inflexible in terms of its technology infrastructure, which inhibits the agencies from staying current with the changes taking place in the oil and gas industry. In 2013, oil and gas employed 22,200 people in New Mexico and experienced a payroll increase of \$112 million from 2012 to 2013. In New Mexico, oil and gas jobs pay 84% more than the annual average private-sector wage of \$74,105.

Upgrades to the current system will help New Mexico keep up with the changing industry and presents the opportunity to tighten compliance with tax and royalty returns and collection.

Questions by and discussion topics of the committee members included:

- other systems as models;
- the uniqueness of ONGARD;
- clarity on horizontal hydraulic fracturing;
- the delay on upgrading ONGARD;
- the lifespan of the new system;
- continuity between the old and new system;
- the relationship of gasoline tax;
- the life-cycle cost of the system; and
- the return of investment.

SLO Land Information Management System (LIMS) Project Status

Secretary Ackley and Martin Davis, chief information officer, SLO, presented to the committee the status of the LIMS Project. Mr. Davis began by stating the agency's mission, which includes generating optimum revenues and exercising sound financial management for the benefit of beneficiaries while creating jobs for New Mexicans. The SLO manages 13 million subsurface and 8.5 million surface acres held in trust for the beneficiaries of New Mexico, with approximately \$2 billion in revenue from the past three years.

The SLO uses ONGARD to manage both subsurface and surface land; however, it cannot fully accommodate surface leasing due to limitations in the data model and system design. The land grid information is also incomplete and based on a nominal 40 acres, with critical surface land management function absent. User interface is inefficient, and changes to ONGARD are costly. The LIMS Project plans to replace current land management with a multi-tier web application that will provide bidirectional interfaces with ONGARD with shared data.

The LIMS will provide the following:

- needed functionality for surface and minerals land management and leasing unavailable with ONGARD;
- a single access point for land information;
- intuitive and content-rich geographic information system integration;
- improved data integrity and increased staff efficiency;
- conversion of critical paper records; and
- a foundation for adding constituent services.

Questions by and discussion topics of the committee members included:

- the extent of leases;
- ONGARD as the existing financial accounting system;
- the thoroughness of information on the LIMS of divided estate titles;
- the cost of the total contract; and
- migration of data from hard copy to digital format.

Telecommunications Competition

Senator Padilla began the discussion on parity of telecommunications.

Leo Baca, CenturyLink, told members of the committee that he met with concerned parties on Senate Bill 152 to develop a consensus. Senate Bill 152, introduced by Senator Griego during the last legislative session, amends and repeals sections of the New Mexico Telecommunications Act to equalize regulation among incumbent local exchange carriers. Mr. Baca told members of the committee that feedback from the parties expressed a similar interest to be involved in the legislation. There will not be much of a difference in the new bill, aside from changes to improve clarity, especially in how it will affect competitors.

Questions by and discussion topics of the committee members included:

- amendments from last year being included;
- the work force needed to provide this service;
- intent to prefile;
- overall infrastructure;
- investment in broadband;
- management meeting demand;
- service quality breakage;
- reduced regulation throughout the state;
- discrepancies in service throughout the state; and
- emphasis on listening to constituents.

Directed Energy

Mark Niece, executive director, Directed Energy Professional Society, presented the topic of directed energy in New Mexico. In 1999, the Directed Energy Professional Society was

established to foster research and development of directed energy technology for national defense and civil applications. Directed energy technology emits highly focused energy to a target. Examples of directed energy include high-energy laser and high-power microwave technologies.

Currently, the U.S. Department of Defense contributes \$440 million annually to directed energy research and development across the country. A majority of the funding goes to national defense projects, but Mr. Niece spoke of possible migration to more civilian applications in the future.

The Directed Energy Professional Society goals include the following:

- to foster communication within the directed energy community;
- to enhance education through scholarship and internships;
- to recognize outstanding contributions to directed energy research through a fellows program; and
- to publish and archive directed energy achievements in the *Journal of Directed Energy*.

Questions by and discussion topics of the committee members included:

- the hardware cost of the program;
- the effect on Spaceport America;
- tie-ups on traffic on U.S. 70 during rocket launching;
- solid state technology; and
- common denominators among companies that discourage companies from locating in New Mexico.

Telehealth Update

Dr. Dale Alverson, medical director, Center for Telehealth and Cybermedicine Research, UNM, gave the committee an update and overview of the current status and future of telemedicine and e-health at UNM. Dr. Alverson began by distinguishing the differences between telemedicine and telehealth due to the frequency of the terms being used interchangeably. Telemedicine is the use of advanced telecommunications technologies to exchange health information and provide health care services, while telehealth encompasses health information exchange and a spectrum of health information technologies. He continued by defining e-health as health care practice supplemented by electronic processes and communication.

Telehealth and e-health are used in a variety of different platforms, such as clinical, educational, research and administrative services; health information exchanges; and enhanced disaster response. New Mexico currently faces gaps in access to health services in rural areas of the state. Telehealth and health information technologies are being used to combat these gaps and improve access to health care in underserved areas. Telehealth currently provides training and support for health care professionals and improves health care service quality by providing access

to electronic medical records and health information exchange. Telehealth is being used in numerous specialties, including obstetrics and gynecology, ophthalmology, neurology and trauma care.

Telemedicine creates a virtual consultation and provision of service between physician and patient while the health information exchange provides a consolidated medical record from a variety of electronic health records and sources. The combination of telemedicine and health information exchange provides improved access to health care while also providing better care through improved awareness of the patient's overall health and prior history. Another benefit involves the potential decrease in duplication of tests, which will improve overall costs of care.

The anticipated outcomes of this program include:

- improved access to clinical care;
- improved health outcomes;
- decreased costs;
- reduced duplication of services;
- increased federal funding contributions;
- improved education and training capabilities; and
- successful optimization of coordination across the New Mexico telehealth grid.

Telehealth requires affordable and quality broadband to provide services. With the exception of Albuquerque and some larger health care provider organizations, most providers are operating at a minimum amount of bandwidth. Current barriers of expansion and development of telehealth in the state include: 1) cost of connectivity; 2) facility readiness; 3) resistance of health care providers; and 4) reimbursement challenges. Dr. Alverson recommended designating the New Mexico Telehealth Alliance as the central coordinating agency for telehealth within the state and suggested requesting \$500,000 for the first year.

Questions by and discussion topics of the committee members included:

- medical records systems;
- expansion into school-based health centers;
- different telecommunications providers;
- the health information exchange; and
- the procurement entity.

Recess

The meeting recessed at 3:29 p.m.

Wednesday, October 29

New Mexico Institute of Mining and Technology (NMIMT) Overview

Julie Ford, NMIMT, welcomed the committee to the campus and gave a brief overview on the status of NMIT and its research endeavors. Dr. Ford told the committee that NMIMT is committed to economic prosperity and technological development achieved by encouraging leadership and service in all of its students. Dr. Ford told the committee that for the fall 2013 semester, 74% of the undergraduate population identified themselves as engineering students, with 25% involved in science and 1.1% either undecided or in general studies. Currently, 500 out of 2,100 students are employed in research-related positions, with many beginning these positions in their freshman year.

Peter Anselmo, NMIMT, told the committee that there is a gap between research being conducted at NMIMT and commercialization. Dr. Anselmo spoke about the entrepreneurship university model implemented at NMIMT, which values unique student experiences and outcomes in addition to providing researcher connections with markets and incubator services without some of the costs.

In response to the gap between research and commercialization, the Center for Leadership in Technology Commercialization was created at NMIMT. The Lab Commercialization Project at NMIMT pairs a student team with Lawrence Livermore National Laboratory (LLN). Students initiated customer contacts, worked with LLN personnel and worked to find financing for modifications. From this partnership with LLN, NMIMT hopes to be a model for commercialization of LLN technologies and other student-designed projects.

Questions by and discussion topics of the committee members included:

- other universities aligned with the entrepreneurship model;
- House Bill 36;
- Jobs Council goals; and
- partnerships with other in-state labs.

David Grow, assistant professor of mechanical engineering, gave a brief presentation on the Heliostat Control System designed by students at NMIMT. A heliostat is a device that uses a mirror to concentrate the sun's rays at a specific point. The federal Environmental Protection Agency (EPA) funded the project. The students were responsible for fabricating two prototypes to demonstrate a unique ballast control system. The novel feature of their design is the water balance system that is used to pivot the mirror, which also greatly reduces the cost of constructing a heliostat. A simple pump is used to transfer water from each side.

The students received Phase I funding in 2014 from VentureWell, a higher education network, and have already submitted a proposal for Phase II funding to continue the fabrication and testing of their heliostat.

Snezna Rogelj, professor, presented to the committee her research on a cancer treatment drug conducted at NMIMT. Dr. Rogelj began by testifying that cancer is the second-leading cause of death in the United States, with treatment costing over \$100 billion per year. Chemotherapy, radiation and a combination of the two are often used to treat different forms of cancer; however, chemotherapy often fails due to the patient's cells developing a resistance against the drug, making treatment ineffective.

Paclitaxel is a common drug used in chemotherapy regimes. Rigidin, a new drug, has a similar mechanism of action, but is insensitive to efflux pumps and development of resistance. Rigidin has been patented through NMIMT. The AKS hydroxamic acid family has also been shown to stop cancer cell replication locally unlike chemotherapy and radiation. The AKS hydroxamic acid family also does not develop a resistance and is patented through NMIMT. In addition to Rigidin and the AKS hydroxamic acid family, the IM9 series has also been developed. The IM9 series is activated by light and allows localized treatment of cancer cells. It kills the cells completely and may also immunize the patient against future cancers.

Questions by and discussion topics of the committee members included:

- finances needed;
- current status;
- provisional application;
- provisional to nonprovisional time period;
- the overall time line of the patent; and
- nicotine patches.

Dr. Ford followed with a presentation on aerospace initiatives at NMIMT. Students of all levels currently participate in an aerospace project in which they acquire essential engineering skills and improve the competitiveness of New Mexico educational and industrial sectors.

The Structural Health Monitoring Junior/Senior Design Team is developing structural health monitoring for space structures. The design team had a successful launch in 2013 and is planning a future launch in 2015. The Experimental Sounding Rocket Junior/Senior Design Team competed in an international competition in Green River, Utah. In 2013, the team finished first in the advanced category. The two design teams and the rocket launcher project are all meant to give students experience in aerospace projects and ultimately create new business in the state.

Questions by and discussion topics of the committee members included:

- the commercial space industry;
- Spaceport America;
- publicity of programs and achievements; and
- emphasizing the importance of Spaceport America in New Mexico.

To wrap up the overview of major projects and programs at NMIMT, Srinivas Mukkamala presented on Computational Analysis & Network Enterprise Solutions (CAaNES), which was developed out of NMIMT. CAaNES provides scalable computational intelligent security solutions that protect organizations from cyber attacks. CAaNES's unique core capabilities use iterative feedback learning and contextual intelligence methods to understand potential threats or attacks and not only resolve the immediate problem, but protect the system from future attempts.

Questions by and discussion topics of the committee members included:

- NMIMT's value nationally;
- future plans for the state in science, technology, engineering and mathematics;
- the location of Aperture Center;
- future employment and expansion;
- retaining talent in the state; and
- use/roles of interns.

San Juan Generating Station Update

The EPA has also proposed a clean power plan under the authority of Section 111(d) of the federal Clean Air Act, which requires each state to develop and implement a statewide plan to reduce its carbon dioxide emissions rate to meet state-specific standards. The regional haze plan was created as a response to the EPA's request. With the regional haze plan, PNM hopes to reduce water consumption by about 53% and coal ash generation by 48%, as well as truck traffic and visible plumes. With the implementation and execution of a strong pollution control platform, San Juan Generating Station hopes to meet future environmental regulations as it continues to serve as an important resource for PNM. The regional haze plan also significantly reduces visibility impacts from the station and provides other environmental benefits as it brings New Mexico closer to meeting the EPA's proposed clean power plan.

Michael D'Antonio, PNM, was also in attendance to answer questions from the committee members.

Questions by and discussion topics of the committee members included:

- composition or ownership of haze;
- methods of air sampling;
- the comparison of New Mexico to eastern air pollution;
- consumer feedback;
- energy storage;
- energy billing; and
- renewable portfolio standards limitations.

Elio Motors Issues

Joel Sheltroun, vice president of governmental affairs, Elio Motors, gave the committee an overview of Elio Motors and the challenges the company faces throughout the country. Elio Motors' vehicle is currently classified as a motorcycle, which does not accurately reflect its characteristics. The prototype is currently valued at \$6,800 and gets approximately 84 miles per gallon. Mr. Sheltroun testified that the vehicle handles like an automobile and should be classified as an autocycle.

Mr. Sheltroun told the committee that the vehicle is highly engineered and meets the highest safety standards. The vehicle performs very well in aggressive high-speed maneuvers and is designed with airbags. However, because of Elio Motors' certification as a motorcycle, New Mexico residents and those driving through New Mexico would be required to have a motorcycle endorsement on their driver's licenses and wear a helmet inside the vehicle, which poses a safety concern for consumers. Mr. Sheltroun is asking the legislature to add "autocycle" as a new definition.

Questions by and discussion topics of the committee members included:

- seatbelts;
- helmet requirements;
- specific requests;
- "autocycle" as a definition;
- samples of legislation enacted in other states;
- foundation of low costs;
- preorders from New Mexico;
- dealer representation or direct sales;
- franchise dealers;
- engine size; and
- speed.

Adjournment

There being no further business before the committee, the meeting adjourned at 1:16 p.m.

**MINUTES
of the
SIXTH MEETING
of the
SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE**

**November 18-19, 2014
State Capitol, Room 311
Santa Fe**

The sixth meeting of the Science, Technology and Telecommunications Committee for the 2014 interim was called to order by Senator Michael Padilla, chair, on Tuesday, November 18, 2014, at 9:40 a.m. in the Room 311 of the State Capitol in Santa Fe.

Present

Sen. Michael Padilla, Chair
Rep. Carl Trujillo, Vice Chair
Rep. Kelly K. Fajardo
Rep. Roberto "Bobby" J. Gonzales (11/19)
Rep. Jason C. Harper
Sen. Linda M. Lopez (11/19)
Sen. Bill B. O'Neill (11/18)
Rep. Debbie A. Rodella (11/18)
Sen. John C. Ryan
Rep. James E. Smith

Absent

Sen. William F. Burt
Rep. Luciano "Lucky" Varela
Rep. Monica Youngblood

Advisory Members

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Sen. Phil A. Griego
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Sen. Timothy M. Keller
Sen. Richard C. Martinez
Sen. William H. Payne (11/19)
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Sen. Carlos R. Cisneros
Rep. Bill McCamley
Sen. Steven P. Neville
Sen. Mary Kay Papen
Sen. Nancy Rodriguez
Rep. Nick L. Salazar
Rep. Don L. Tripp
Sen. Peter Wirth

Guest Legislator

Rep. Thomas A. Anderson

(Attendance dates are noted for members not present during the entire meeting.)

Minutes Approval

Because the committee will not meet again this year, the minutes for this meeting have not been officially approved by the committee.

Staff

Gordon Meeks, Legislative Council Service (LCS)
Ralph Vincent, LCS
Carolyn Ice, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file.

Tuesday, November 18

Senator Padilla began with introductions from members of the committee and LCS staff.

Department of Information Technology (DoIT) Spreadsheet

Darryl Ackley, secretary, DoIT, told the committee that the department is currently working on another report concerning the current progress of projects and their related finances. Secretary Ackley provided the committee with a presentation of the current projects from the DoIT's Enterprise Project Management Office, denoting the agency and total amounts involved.

Secretary Ackley told the committee that the Automated System Program and Eligibility Network (ASPEN) will replace the current Income Support Division of the Human Services Department (HSD), Integrated Service Delivery (ISD2) Systems and several other interfaces with other agencies with one integrated system. This project was successfully closed in June.

The Statewide Integrated Radio Communication Internet Transport System (SIRCITS) is projected to be completed in September 2015. Tower construction activities are completed at 24 sites with three sites close to completion. The Motor Vehicle Division (MVD) system modernization is a complete replacement of the current MVD Application Systems (Tapestry). The project will move the current system off of a multiplatform, hybrid system into a single-platform, customer-centric model that will utilize current technology. The project is tracking within scope, schedule and budget.

The ASPEN public assistance eligibility determination system will be enhanced to accommodate the transition from the federally facilitated marketplace to a state-based marketplace that will be implemented by the New Mexico Health Insurance Exchange (NMHIX). The project has been delayed by the NMHIX. The organization voted in July to postpone "Go-Live" for one year. The DoIT is working with the NMHIX to re-baseline the project to align with the new rollout date.

The HSD's existing Medicaid Management Information System (MMIS) and the Children, Youth and Families Department's enterprise provider information constituent services

multiphase/multiyear project are currently undergoing enhancements to consolidate legacy programs. Other updates include the State Lands Office's Land Information Management System (LIMS), which is projected to be completed by the end of January 2016. LIMS will replace the existing surface and mineral land management, leasing and associated financial functionality of the Oil and Natural Gas Administration and Revenue Database (ONGARD). The Taxation and Revenue Department's GenTax Upgrade Proposal and ONGARD modernization is on track within scope, schedule and budget. The fiscal year (FY) 2016 total Computer Systems Enhancement Fund requests are approximately \$57,353,700.

Questions and discussion topics from the committee members included:

- whether a multiphased funded system helps the DoIT stay up to date with current technology;
- maintenance of equipment;
- emergency response equipment;
- cloud engagements and data classification;
- new platform utilization;
- a three-year strategic plan; and
- a statewide communications plan.

Partnership for Assessment of Readiness for College and Careers (PARCC) and Student Teacher Accountability Reporting System

Secretary Ackley, Michael Archibeque, chief information officer, Public Education Department (PED), and Ferdi Serim, IT business analyst, PED, spoke about the upcoming plans for the PED. In November and December 2014, the PED will offer on-site technology training for implementing the PARCC and math assessments on the Pearson test. Mr. Serim spoke about the trainings for test and technology coordinators that will cover the following:

- determining if computers adhere to testing requirements;
- determining the testing capacity infrastructure;
- setting up caching computers and proctor work stations;
- uploading and correcting student biodata;
- assigning student accommodations;
- scheduling;
- setting up students for practice tests;
- setting up students for operational tests; and
- gathering concerns and recommendations for future trainings.

Each school district and state charter school is responsible for sending test and technology coordinators to one of the trainings. The information from these trainings will then be used to provide training for school sites. After the training, schools will have the ability to create new files and accounts when needed.

Eighty-eight thousand devices are ready for testing, and 84% of computers are ready. Mr. Serim told the committee that he expects the numbers to go up and that there is a concerted effort to get schools ready in time for testing. People around the state are learning to install this software, and although there are not enough IT professionals in the state, they are coming together to meet the deadline of March 2, 2015. They hope that when students sit down for the test, there will be familiarity, which will lead to success.

Questions and discussion topics from the committee members included:

- how small rural schools can tap into this program;
- bandwidth;
- a road map to a successful deployment;
- the PARCC infrastructure.

Power for Progress

Ron Darnell, senior vice president, public policy, PNM Resources, told the committee that there is an obligation to invest in technology to operate efficiently. He told the committee that New Mexico must continue to invest in the grid to maintain reliability and provide for a cleaner environment, and these actions are critical to ensuring that the state has electricity to power New Mexico's economy.

Since the last rate case filing in 2010, changes and improvements, coupled with the cost of maintenance and support, have required PNM to make significant investments. PNM is working to embrace these changes to better serve customers while keeping rates affordable. PNM is also moving to make a fundamental shift to reduce pollution.

Currently, PNM rates compare favorably nationally. By 2016, renewable energy resources will provide power needed by 150,000 average residential customers. Regarding the San Juan Generating Station, Mr. Darnell told the committee that units 2 and 3 will be closed in 2017, which will cut water use and emissions by about 50%.

Capital investments, operating expenses and cost adjustments will all be considered for PNM's rate filing, which will be submitted by the end of the year.

Questions and discussion topics from the committee members included:

- fixed costs;
- how individuals at different income brackets will be affected;
- power generation;
- electric rates;
- recharacterizing the metering;
- a quasi-governmental entity;
- performance of renewables; and

- using Arizona as an example.

Higher Education Institutions' Accounting System Status (BANNER)

Max Baca, vice president, New Mexico Highlands University, told the committee that the goal of the universities is to share resources and leverage aggregation of networks to provide increased bandwidth and high availability while reducing costs. He gave the committee a brief overview of the 36 years of collaboration among New Mexico higher education IT departments.

BANNER is currently used by most higher education institutions in New Mexico. The new version of BANNER will be rolled out throughout 2016. The majority of schools have not had training in over 15 years, and increasing maintenance contract costs pose challenges. For the 2015 legislative session, the universities are requesting one-time funding for statewide training, upgrades and equipment purchases.

Questions and discussion topics from the committee members included:

- involvement of the DoIT;
- funding requests;
- an underlying database of relief;
- smaller schools and BANNER involvement;
- details of upgrades; and
- future higher education students.

MVD System Modernization Project to Implement an Integrated Driver and Vehicle System

The MVD is operating a series of hybrid mainframe/web application systems that are outdated and difficult to maintain. In a strategic planning session in 2009, employees expressed the need to upgrade. The MVD would like to replace the current system for driver and vehicle transactions, while meeting all 752 request-for-proposals (RFP) requirements. These services include licenses, identification cards, titles, registrations and citations.

After completing the independent verification and validation periodic assessment for October 2014, the overall status of the MVD system modernization project is green. Project leadership continues to actively monitor project activities and assess risks. All core team members have had hands-on experience with the Tapestry, and several large live demonstrations have been held publicly.

The MVD is currently building test scenarios while simultaneously pre-testing various system functions. System testing began on November 21, 2014, and full team training commenced with site-specific training materials in December 2014. The funding request totals \$45,617, which has been justified by significant positive progress on the Tapestry project. Without the additional funds requested for FY 2016, the project will have to cease operations after the delivery of driver services.

Questions and discussion topics from the committee members included:

- title work;
- Tapestry; and
- RFP requirements.

E-911 and Funding Public Safety Answering Points

Ken Martinez, E-911 director, Santa Fe County; Shirley Whatley, 911 director, Valencia County; and David Ripley, E-911 director, San Juan County, gave a presentation to the committee on the development and implementation of accreditation for 911 centers in New Mexico under the New Mexico Association of Counties and the New Mexico Municipal League. This is the first program of its kind in the country for the local accreditation of 911 centers.

Each center must meet the qualification criteria according to 108 approved standards. The standards were developed according to best practices for 911 centers and were selected by a committee composed of 911 professionals from across the state.

The directors expressed concern for the 911 funds after they had been targeted as a resource for funding projects outside the realm of emergency response. Additional legislation may include a proposal to include voice over internet protocol (VOIP), prepaid wireless and any other technology capable of calling 911 and contributing to the 911 surcharge. This is an effort to recoup money being lost by telephone users transitioning from land lines to mobile phones, VOIP phones and other technology.

Questions and discussion topics from the committee members included:

- the number of 911 centers in the state;
- an update on upgrades; and
- current charges for land lines and cell phones.

Renewable Taos

John Gusdorf and Jay Levine, board of directors, Renewable Taos, presented proposed legislation supporting shared renewable energy facilities. Mr. Gusdorf began with an overview explaining the definition of a shared renewable energy facility and explained the function of a consumer subscription of shared energy. A shared renewable energy facility generates renewable energy and allows individuals or businesses the opportunity to purchase subscriptions. A subscription entitles its owner to a percentage of the facility's monthly production, which is then subtracted from the owner's monthly electricity bill.

The benefits of renewable energy facilities include making renewable energy available to

those who cannot have, or do not wish to have, equipment on their property and its affordability for the majority of consumers. Mr. Gusdorf also addressed concerns on retail wheeling, which he defined as "the transmission of electricity from a wholesale supplier to another wholesale supplier by a third party". He told the members of the committee that there are no issues with wholesale wheeling, but he said that the proposed bill makes it clear that shared renewable facilities are "virtual net metering" and not retail wheeling.

The proposed legislation would modify the Public Utility Act to provide that shared renewable energy facilities are on the sites of the subscribers and should be treated the same as facilities on a host's site. The bill would also allow energy cooperatives to permit shared renewable energy facilities on a voluntary basis.

Questions and discussion topics from the committee members included:

- wholesale prices;
- power distribution;
- electricity from tri-state substations;
- distribution lines;
- rate structure issues;
- Public Regulation Commission (PRC) involvement; and
- variable and fixed costs.

Recess

The meeting recessed at 4:02 p.m.

Wednesday, November 19

Proposed Legislation for Endorsement

Angel Investment Tax Credit

Representative Powdrell-Culbert told the committee that she was not seeking endorsement for the bill. Representative Powdrell-Culbert began with a brief overview of angel investors. Angel investors are affluent individuals who provide capital for new businesses. In addition to funds, angel investors often provide valuable management advice and important contacts. Angel investors often fill the gap in start-up financing between "friends and family", who provide seed funding and form venture capital. Representative Powdrell-Culbert told the committee that she wants people to be aware of the investments that angel investors have made in New Mexico and their beneficial role in entrepreneurial endeavors in the state.

Angel investments bear extremely high risks and are sometimes subject to dilution from future investment rounds. Currently, investors can receive tax credits for investments up to \$250,000. There are 60 accredited investors in New Mexico who review more than 250 investment deals annually. Representative Powdrell-Culbert told the members of the committee that angel investors help propagate entrepreneurial efforts in the state and help retain local

inventors.

Questions and discussion topics from the committee members included:

- examples of the program's successes;
- expectations of the program;
- when results/successes would be quantified/measured;
- measurements of success;
- the purpose of the angels;
- things to help market the program;
- the investment process;
- job creation; and
- involvement of the committee at an angels investment meeting.

Hydrogen Tax Credit

Senator Cisneros was seeking endorsement by the committee for the hydrogen tax credit. It was first introduced in 2011, but it was pocket vetoed. The number of jobs it would create is unclear, but Senator Cisneros insists that this legislation is needed in New Mexico.

Nearly half of U.S. taxpayers have some form of tax credits or incentives for the production of renewable fuels, including biodiesel and ethanol. With the increasing use of hydrogen fuel cells for the production of electricity and fuel-cell vehicles, the consumption of hydrogen as a fuel is increasing rapidly. The gas industry in New Mexico can also benefit from this bill because every single product that is developed at refineries requires hydrogen to produce the product.

The fiscal impacts of the bill are minimal, and there is no immediate negative financial impact on the state budget.

The committee agreed to endorse this legislation.

Questions and discussion topics from the committee members included:

- whether this includes a provision and cap; and
- other differences in the revision.

E-911 Funding

This proposed legislation would amend, repeal and enact sections of the Enhanced 911 Act and would amend sections of the Enhanced 911 Bond Act to provide for surcharges to be imposed on communications services, including VOIP subscriptions and electronic data networks.

Although there is no official sponsor, Representatives Rodella and Gonzales expressed interest in endorsing the legislation, and the committee agreed to endorse it.

Questions and discussion topics from the committee members included:

- clarification on phones and the number of phone lines;
- recouping funds; and
- enhancement of surcharges.

State Investment Council Investments in Technology Commercialization

Senator Padilla told the committee that students often leave the state to get gap funding. Senator Padilla told the committee that the state needs to help students get to the next step while they are in higher education institutions to reach the prototype stage. In the last legislative session, the bill did not make it to the floor.

Broadband Fund

Senator Padilla spoke on a bill that would create an appropriation for a broadband fund. This fund will sit until a community secures federal dollars to complete a match. He told the committee that he is not seeking endorsement at this time and emphasized that broadband expansion and access would help communities in New Mexico generate jobs.

Questions and discussion topics from the committee members included:

- the history of broadband legislation;
- infrastructure development;
- the mechanics of this fund in relation to CenturyLink or cooperatives;
- the DoIT identifying areas that are underserved;
- avenues of funding;
- the PRC is looking at a state universal fund;
- establishing a permanent broadband fund;
- areas of disconnect;
- what has already been invested with a 50/50 match;
- effective use of taxpayer dollars; and
- matching dollars with federal dollars.

Mobile Device Kill Switch

This bill, prefiled as Senate Bill (SB) 67, introduced by Senator Padilla, would require smartphone manufacturers to add the capability of a shut-off function, or "kill switch", to remotely disable a mobile device in the event that it is lost or stolen. Currently, theft accounts for 18% of crimes at the University of New Mexico. Apple phones are already preloaded with an application that erases device data. The legislation includes all mobile devices.

California and Minnesota have already adopted legislation with similar functions. SB 67 would be applied to all new devices sold in the state starting in July 2016, and it would also prohibit retailers from paying cash for electronic devices.

Questions and discussion topics from the committee members included:

- whether mobile device companies are supportive of the legislation;
- representation of the wireless industry in the U.S.;
- installation on a preexisting phone;
- whether it is optional for companies; and
- the costs from the companies.

Data Breach

HB 224 was first introduced by Representative William "Bill" R. Rehm in 2014, but it was presented to the committee by Representative Smith. Currently, 47 states have security breach laws; New Mexico, Arizona and Hawaii are the only states without data breach laws. The Neiman Marcus data breach, which involved card data being stolen over an eight-month period in 2014, was a pivotal moment for cybersecurity legislation.

Representative Smith told the committee that with the possibility or confirmation of a data breach, the state must notify individuals within 10 business days, and the attorney general must be notified within 10 business days if more than 50 New Mexico residents are affected. The bill allows for a shorter notification deadline and gives customers the ability to sue for recovery costs and statutory damages.

Individuals affected by a security breach will be provided notification of a breach by: 1) United States mail; 2) electronic notification; or 3) substitute notification, if the entity demonstrates that the cost of providing notification would exceed \$100,000, the number of residents to be notified exceeds 50,000 or the entity does not have a record of the physical addresses for the customers affected.

Questions and discussion topics from the committee members included:

- why New Mexico does not have this;
- why this bill did not pass;
- treatment of national data breaches;
- what recourse individuals have besides taking civil action;
- specific liability language; and
- the difficulty of finding a source right away.

Right to Deploy Transmission by Distribution Utility

Xcel Energy

Varney Brandt, Duane Ripperger and Bill Grant of Xcel Energy gave a presentation on proposed legislation to provide for the right of first refusal (ROFR) to public utilities or generation and transmission cooperatives. Mr. Brandt reported that the proposal is similar to the legislation introduced in 2013.

Mr. Brandt added that the Southwestern Public Service Company (SPS) transmission grid located in New Mexico and Texas currently employs 1,700 people and operates 7,000 miles of transmission lines with 107,000 customers in New Mexico alone. SPS is constructing 300 miles of new transmission lines in southeastern New Mexico, which will provide additional transmission, increased reliability of service and the ability to serve additional load requirements.

The Federal Energy Regulatory Commission (FERC) regulates interstate commerce in gas, oil and electricity and enacts regulations to provide energy services. FERC Order No. 1000 was issued to meet public policy and reliability needs, ensure the build-out of transmission and enable a robust energy market. The PRC is responsible for the reliability of the system and has oversight of construction of new lines in the state.

The ROFR legislation provides public utilities, rural cooperatives and generation and transmission cooperatives the first option to construct new lines after the approval of a regional transmission organization. The legislation also provides an ownership mechanism between local utilities and cooperatives for lines. Seven other states have enacted ROFR legislation or have passed laws that protect state oversight. Mr. Ripperger emphasized that ROFR legislation is needed to ensure that the PRC can maintain control over the development of new transmission.

LS Power

Sharon Segner, vice president, LS Power, gave members of the committee an update of the changes within the past two years that might affect ROFR legislation. Ms. Segner told the committee that LS Power is a large national energy company that has raised over \$20 billion to support energy infrastructure across the U.S. LS Power focuses on generation and transmission, and over the past two years, it has completed 500 miles of competitively built transmission and public utilities in Texas.

Ms. Segner expressed concern over the federal implications of the ROFR legislation. She presented a map of New Mexico with its various transmission lines as well as the Southwest Power Pool (SPP) area, which is interconnected with several other states. Ms. Segner said that the FERC voted 4-1 that competitive pressures should come into the transmission industry nationally because it is anticipated that there will be \$300 billion in infrastructure needs nationally in the next 25 years. She ended by saying this legislation would shut off the state to competition.

Akin Gump Strauss Hauer & Feld LLP

Sudeen Kelly, partner, Akin Gump Strauss Hauer & Feld LLP, elaborated on FERC Order No. 1000, which requires transmission providers to participate in regional planning processes with neighboring utilities. The U.S. Court of Appeals for the District of Columbia Circuit unanimously affirmed the order in August 2014.

The Federal Power Act does not expressly give the FERC the authority to regulate transmission planning by public utilities; however, the court held that the FERC has the authority.

ITC Great Plains

Simon Whitelocke and Michael White of ITC Great Plains described how their company focuses on owning and operating transmission, has a good track record, has service territories like the SPP's and has built transmission lines in other service territories. ITC feels that the proposed ROFR legislation is not necessary. Mr. Whitelocke and Mr. White reported that ITC operates in seven states and is the tenth-largest transmission-owning company in the country. ITC does not generate or sell electricity but serves as the conduit for transmission. ITC is a member of three regional transmission organizations (RTOs) and supports open and transparent regional planning processes led by the RTOs.

Lucky Corridor, LLC

Lucky Corridor, LLC, is a developer of transmission facilities needed to update the western grid near the Four Corners hub. Lucky Corridor currently has two transmission projects in New Mexico. The Mora Line project is designed to carry 180 megawatts (MW) at 115 kilovolts (kV) for 102 miles, and the Lucky Corridor project is designed to carry 700 MW at 345 kV for 130 miles. Combined, the projects will carry approximately 880 MW of electricity from first-rate U.S. clean-energy resources toward the Four Corners region. Lucky Corridor plans to add 100 miles of new transmission lines and ultimately increase the quality of resources in the state.

SPP

The SPP is a nonprofit designated by the FERC to operate an electrical grid. The FERC sets the wholesale rate of transmission. The SPP is currently seeking recovery for the costs included in a FERC-free tariff. In 2015, the SPP will enter its first set of competitive projects by soliciting proposals. SPP representatives told the committee that they are not seeking endorsement.

ENDORSED LEGISLATION

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SENATE BILL

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

FOR THE SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE

AN ACT

RELATING TO TAXATION; CREATING THE HYDROGEN FUEL PRODUCTION
CORPORATE INCOME TAX CREDIT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Corporate Income and
Franchise Tax Act is enacted to read:

"~~[NEW MATERIAL]~~ HYDROGEN FUEL PRODUCTION CORPORATE INCOME
TAX CREDIT.--

A. Prior to January 1, 2021, a taxpayer that files
a New Mexico corporate income tax return may claim the hydrogen
fuel production corporate income tax credit if the taxpayer
holds title to a qualified hydrogen fuel or hydrogen resource
generator that produces and sells hydrogen. The tax credit
provided in this section may be referred to as the "hydrogen
fuel production corporate income tax credit".

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1 B. The purpose of the hydrogen fuel production
2 corporate income tax credit is to stimulate the production and
3 sale of hydrogen as a renewable fuel and energy source.

4 C. The tax credit provided in this section shall
5 not be claimed in addition to the renewable energy production
6 tax credit pursuant to Section 7-2-18.18 or 7-2A-19 NMSA 1978.

7 D. The amount of the tax credit shall equal the
8 cost of generating the hydrogen but shall not exceed one dollar
9 (\$1.00) per kilogram of the first four million kilograms of
10 hydrogen fuel produced and sold by the qualified hydrogen fuel
11 or hydrogen resource generator in the taxable year.

12 E. The department may allow a maximum annual
13 aggregate of four million dollars (\$4,000,000) in hydrogen fuel
14 production corporate income tax credits per year. Applications
15 for the tax credit shall be considered in the order received by
16 the department.

17 F. A taxpayer shall claim a hydrogen fuel
18 production corporate income tax credit within five years of the
19 date that the qualified hydrogen fuel or hydrogen resource
20 generator begins producing hydrogen. To receive a hydrogen
21 fuel production corporate income tax credit, a taxpayer shall
22 apply to the department on forms and in the manner prescribed
23 by the department. The application shall include a
24 certification made pursuant to Subsection G of this section.

25 G. A taxpayer may apply for a certificate of

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1 eligibility as a qualified hydrogen fuel or hydrogen resource
2 generator from the energy, minerals and natural resources
3 department. Applications shall be considered in the order
4 received. If the energy, minerals and natural resources
5 department determines that the taxpayer is a qualified hydrogen
6 fuel or hydrogen resource generator, the energy, minerals and
7 natural resources department may issue a certificate of
8 eligibility to the taxpayer. The energy, minerals and natural
9 resources department may issue rules governing the procedure
10 for administering the provisions of this subsection.

11 H. No later than October 30 of each year, the
12 department shall compile a report in regard to the hydrogen
13 fuel production corporate income tax credit pursuant to the
14 Corporate Income and Franchise Tax Act for the revenue
15 stabilization and tax policy committee that includes:

16 (1) the number of people applying for a
17 hydrogen fuel production corporate income tax credit;

18 (2) the number and amount of hydrogen fuel
19 production corporate income tax credits allowed;

20 (3) the number of new jobs created in New
21 Mexico in the taxable year by the construction and installation
22 of hydrogen fuel or hydrogen resource generator systems, the
23 level of production of hydrogen fuel by qualified hydrogen fuel
24 or hydrogen resource generators claiming the tax credit and the
25 total production level in the state;

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1 (4) the number of people employed in the
2 generation of hydrogen for fuel or by hydrogen resource
3 generators and the average and median wages of those employed;
4 and

5 (5) any other data or information deemed
6 necessary by the department to aid the committee in determining
7 the impact of the hydrogen fuel production corporate income tax
8 credit.

9 I. That portion of a hydrogen fuel production
10 corporate income tax credit that exceeds a taxpayer's tax
11 liability in the taxable year in which the tax credit is
12 claimed may be carried forward for a maximum of five
13 consecutive taxable years.

14 J. A taxpayer allowed a hydrogen fuel production
15 corporate income tax credit pursuant to this section shall
16 report the amount of the tax credit to the department in a
17 manner required by the department.

18 K. The department shall compile an annual report on
19 the hydrogen fuel production corporate income tax credit
20 pursuant to this section that shall include the number of
21 taxpayers approved by the department to receive the tax credit,
22 the aggregate amount of tax credits approved and any other
23 information necessary to evaluate the effectiveness of the tax
24 credit. Beginning in 2017 and every three years thereafter
25 that the tax credit is in effect, the department shall compile

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1 and present the annual reports to the revenue stabilization and
2 tax policy committee and the legislative finance committee with
3 an analysis of the effectiveness and cost of the tax credit and
4 whether the tax credit is performing the purpose for which it
5 was created.

6 L. As used in this section, "qualified hydrogen
7 fuel or hydrogen resource generator" means a hydrogen fuel
8 generator or hydrogen resource generator that uses renewably
9 powered thermolysis or electrolysis that is:

- 10 (1) solar-light-derived;
- 11 (2) solar-heat-derived;
- 12 (3) plasma-derived;
- 13 (4) wind-derived;
- 14 (5) hydroelectric-derived; or
- 15 (6) geothermal-derived."

16 SECTION 2. APPLICABILITY.--The provisions of this act
17 apply to taxable years beginning on or after January 1, 2015.

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HOUSE BILL

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

FOR THE SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE

AN ACT

RELATING TO COMMUNICATIONS; AMENDING, REPEALING AND ENACTING
SECTIONS OF THE ENHANCED 911 ACT AND AMENDING SECTIONS OF THE
ENHANCED 911 BOND ACT TO PROVIDE FOR SURCHARGES TO BE IMPOSED
ON COMMUNICATIONS SERVICES, INCLUDING VOICE-OVER-INTERNET
PROTOCOL SUBSCRIPTIONS AND ELECTRONIC DATA NETWORKS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 63-9D-3 NMSA 1978 (being Laws 1989,
Chapter 25, Section 3, as amended) is amended to read:

"63-9D-3. DEFINITIONS.--As used in the Enhanced 911 Act:

A. [~~"911 emergency surcharge"~~] "911 call" means any
real-time communication, message, signal or transmission
between a person needing assistance and a public safety
answering point call-taker;

B. "enhanced 911 surcharge" means the monthly

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1 uniform charge assessed on each access line in the state, ~~[and]~~
2 on each active number for a commercial mobile radio service
3 subscriber ~~[whose billing address is]~~ and on each active number
4 for a VoIP service subscriber in New Mexico and the charge
5 assessed on any other consumer purchase of communication
6 service provided by a communications service provider that
7 enables communication between a person needing assistance and a
8 public safety answering point call-taker. The enhanced 911
9 surcharge shall be assessed to the retail customer based upon
10 the maximum number of active telephone numbers capable of
11 simultaneously contacting the local public safety answering
12 point; provided that an enhanced 911 surcharge shall not be
13 assessed on the provision of broadband internet access service;

14 ~~[B-]~~ C. "911 service area" means the area
15 designated by the fiscal agent, local governing body or the
16 division to receive enhanced 911 service;

17 ~~[G-]~~ D. "access line" means a telecommunications
18 company's line that has the capability to reach local public
19 safety agencies by dialing 911, but does not include a line
20 used for the provision of interexchange services or commercial
21 mobile radio service;

22 ~~[D-]~~ E. "commercial mobile radio service" means
23 service provided by a wireless real-time two-way voice
24 communication device, including:

- 25 (1) radio-telephone communications used in

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1 cellular telephone service;

2 (2) the functional or competitive equivalent
3 of radio-telephone communications used in cellular telephone
4 service;

5 (3) a personal communications service; or

6 (4) a network radio access line;

7 ~~[E.]~~ F. "commercial mobile radio service provider"
8 means a person who provides commercial mobile radio services,
9 including a person who purchases commercial mobile radio
10 service from a provider and resells that service;

11 ~~[F.]~~ G. "commission" means the public regulation
12 commission;

13 ~~[G.]~~ H. "communication service" means any service
14 that:

15 (1) uses telephone, internet protocol
16 addresses, electronic data networks or protocols or their
17 functional equivalents or successors;

18 (2) is capable of accessing, connecting with
19 or interfacing with the enhanced 911 system by dialing,
20 initializing or otherwise activating the enhanced 911 system
21 regardless of the transmission medium or technology employed;
22 and

23 (3) provides or enables real-time or
24 interactive communication;

25 I. "communications service provider" means any

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1 entity that provides communication services;

2 J. "database" means information that is collected,
3 formatted and disseminated and that is necessary for the
4 functioning of the enhanced 911 system, including geographic
5 information system (GIS) addressing and digital mapping
6 information;

7 ~~[H.]~~ K. "department" means the taxation and revenue
8 department;

9 ~~[I.]~~ L. "division" means the local government
10 division of the department of finance and administration;

11 ~~[J.]~~ M. "enhanced 911 system" means a landline,
12 ~~[ø]~~ wireless, NG-911 or ESInet system consisting of network
13 switching equipment, database, mapping and on-premises
14 equipment that uses the single three-digit number 911 for
15 reporting police, fire, medical or other emergency situations,
16 thereby enabling a caller to reach a public safety answering
17 point to report emergencies by dialing 911, and includes the
18 capability to:

19 (1) selectively route incoming 911 calls to
20 the appropriate public safety answering point operating in a
21 911 service area;

22 (2) automatically display the name, address
23 and telephone number of an incoming 911 call on a video monitor
24 at the appropriate public safety answering point;

25 (3) provide one or more access paths for

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1 communications between users at different geographic locations
2 through a network system that may be designed for voice or
3 data, or both, and may feature limited or open access and may
4 employ appropriate analog, digital switching or transmission
5 technologies; and

6 (4) relay to a designated public safety
7 answering point a 911 caller's number and base station or cell
8 site location and the latitude and longitude of the 911
9 caller's location in relation to the designated public safety
10 answering point;

11 [~~K-~~] N. "enhanced 911 equipment" means the public
12 safety answering point equipment directly related to the
13 operation of an enhanced 911 system, including automatic number
14 identification or automatic location identification controllers
15 and display units, printers, logging recorders and software
16 associated with call detail recording, call center work
17 stations, training, latitude and longitude base station or cell
18 site location data and GIS equipment necessary to obtain and
19 process locational map and emergency service zone data for
20 landline and wireless callers;

21 [~~L-~~] O. "equipment supplier" means a person who
22 provides or offers to provide [~~telecommunications~~]
23 communications equipment necessary for the establishment of
24 enhanced 911 services;

25 [~~M-~~] P. "ESInet" means emergency services internet

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1 protocol network, an internet-protocol-based, multipurpose
2 inter-network supporting local, regional, state and national
3 public safety communications services in addition to 911;

4 Q. "fiscal agent" means the local governing body
5 that administers grants from the fund for a given locality or
6 region by agreement;

7 [~~N.~~] R. "fund" means the enhanced 911 fund;

8 [~~Q.~~] S. "local governing body" means the board of
9 county commissioners of a county or the governing body of a
10 municipality as defined in the Municipal Code;

11 T. "NG-911" means a next generation 911 system
12 consisting of network, hardware, software, data and operational
13 policies and procedures that:

14 (1) provides standardized interfaces from call
15 and message services;

16 (2) processes all types of emergency calls,
17 including non-voice (multimedia) messages;

18 (3) acquires and integrates additional data
19 useful to call routing and handling;

20 (4) delivers the calls, messages and data to
21 appropriate public safety answering points and other
22 appropriate emergency entities;

23 (5) supports data and communications needs for
24 coordinated incident response and management; and

25 (6) provides a secure environment for

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1 emergency communications;

2 [P-] U. "proprietary information" means customer
3 lists, customer counts, technology descriptions or trade
4 secrets, including the actual or development costs of
5 individual components of an enhanced 911 system; provided that
6 such information is designated as proprietary by the
7 ~~[commercial mobile radio]~~ communications service provider ~~[or~~
8 ~~telecommunications company]~~; and provided further that
9 "proprietary information" does not include individual payments
10 made by the division or any list of names and identifying
11 information of subscribers who have not paid the surcharge;

12 [Q-] V. "public safety answering point" means a
13 twenty-four-hour local communications facility that receives
14 911 service calls and directly dispatches emergency response
15 services or that relays calls to the appropriate public or
16 private safety agency;

17 [R-] W. "subscriber" means a person who ~~[is a~~
18 ~~retail purchaser of telecommunications]~~ purchases communication
19 services at retail from a communications service provider that
20 are capable of originating a 911 call;

21 [S-] X. "surcharge" means the 911 emergency
22 surcharge;

23 Y. "surcharge collected" means the amount of
24 enhanced 911 surcharge billed or received or deemed to have
25 been received by the seller or provider, consistent with the

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1 seller's or provider's method of accounting, including accrual
2 or cash;

3 ~~[F.]~~ Z. "telecommunications company" means a person
4 who provides wire telecommunications services that are capable
5 of originating a 911 call; ~~[and~~

6 ~~H.]~~ AA. "vendor" means a person that provides 911
7 equipment, service or network support;

8 BB. "VoIP" means "interconnected voice-over-
9 internet protocol service" as defined in the Code of Federal
10 Regulations, Title 47, Part 9, Section 9.3, as amended; and

11 CC. "VoIP service provider" or "interconnected
12 voice-over-internet protocol service provider" means an entity
13 that provides interconnected voice-over-internet protocol
14 service to end users."

15 **SECTION 2.** Section 63-9D-5 NMSA 1978 (being Laws 1989,
16 Chapter 25, Section 5, as amended) is amended to read:

17 "63-9D-5. IMPOSITION OF SURCHARGE.--

18 A. There is imposed a 911 emergency surcharge in
19 the amount of fifty-one cents (\$.51) to be billed to each
20 subscriber access line by a ~~[telecommunications company and]~~
21 communications service provider, on each active number for a
22 commercial mobile radio service subscriber ~~[whose billing~~
23 ~~address]~~ and on each active number for a VoIP service
24 subscriber that allows communication between a person needing
25 assistance and a public safety answering point call-taker. The

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1 surcharge is imposed on all subscribers whose place of primary
2 use, as defined in the federal Mobile Telecommunications
3 Sourcing Act, is in New Mexico; provided, however, that the
4 surcharge shall not be imposed upon subscribers receiving
5 reduced rates pursuant to the Low Income Telephone Service
6 Assistance Act; and provided further that the surcharge shall
7 not apply to prepaid wireless communication service; and
8 provided further that a 911 emergency surcharge shall not be
9 assessed on the provision of broadband internet access service.

10 B. ~~[Commercial mobile radio]~~ All communications
11 service providers shall be required to bill and collect the
12 surcharge from their subscribers whose places of primary use,
13 as defined in the federal Mobile Telecommunications Sourcing
14 Act, are in New Mexico. ~~[Telecommunications companies shall be~~
15 ~~required to bill and collect the surcharge from their~~
16 ~~subscribers.]~~ The surcharge required to be collected by the
17 ~~[commercial mobile radio service provider or telecommunications~~
18 ~~company]~~ communications service provider shall be added to and
19 stated clearly and separately in the billings to the
20 subscriber. The surcharge collected by the ~~[commercial mobile~~
21 ~~radio service provider or telecommunications company]~~
22 communications service provider shall not be considered revenue
23 of the ~~[commercial mobile radio]~~ communications service
24 provider ~~[or telecommunications company]~~.

25 C. A billed subscriber is liable for payment of the

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1 911 emergency surcharge until it has been paid to the
2 [~~commercial mobile radio~~] communications service provider [~~or~~
3 ~~telecommunications company~~].

4 D. A [~~commercial mobile radio~~] communications
5 service provider [~~or telecommunications company~~] has no
6 obligation to take legal action to enforce the collection of
7 the surcharge; an action may be brought by or on behalf of the
8 department. A [~~commercial mobile radio~~] communications service
9 provider [~~or telecommunications company~~], upon request and not
10 more than once a year, shall provide to the department a list
11 of the surcharge amounts uncollected, along with the names and
12 addresses of subscribers who carry a balance that can be
13 determined by the [~~commercial mobile radio~~] communications
14 service provider [~~or telecommunications company~~] to be
15 nonpayment of the surcharge. The [~~commercial mobile radio~~]
16 communications service provider [~~or telecommunications company~~]
17 shall not be held liable for uncollected surcharge amounts.

18 [~~E. The surcharge shall commence with the first~~
19 ~~billing period of each subscriber on or following July 1,~~
20 ~~2005.]"~~

21 SECTION 3. Section 63-9D-7 NMSA 1978 (being Laws 1989,
22 Chapter 25, Section 7, as amended) is amended to read:

23 "63-9D-7. REMITTANCE OF CHARGES--ADMINISTRATIVE FEE.--

24 A. The surcharge collected shall be remitted
25 monthly to the department, which shall administer and enforce

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1 collection of the surcharge in accordance with the Tax
2 Administration Act. The surcharge shall be remitted to the
3 department no later than the twenty-fifth day of the month
4 following the month in which the surcharge was imposed. At
5 that time, a return for the preceding month shall be filed with
6 the department in such form as the department and
7 [~~telecommunications company or commercial mobile radio~~]
8 communications service provider shall agree upon. A
9 [~~telecommunications company or commercial mobile radio~~]
10 communications service provider required to file a return shall
11 deliver the return together with a remittance of the amount of
12 the surcharge payable to the department. The
13 [~~telecommunications company or commercial mobile radio~~]
14 communications service provider shall maintain a record of the
15 amount of each surcharge collected pursuant to the Enhanced 911
16 Act. The record shall be maintained for a period of three
17 years after the time the surcharges were collected.

18 B. From a remittance to the department made on or
19 before the date it becomes due, a [~~telecommunications company~~
20 ~~or commercial mobile radio~~] communications service provider
21 required to make a remittance shall be entitled to deduct and
22 retain one percent of the collected amount or fifty dollars
23 (\$50.00), whichever is greater, as the administrative cost for
24 collecting the surcharge."

25 SECTION 4. Section 63-9D-8 NMSA 1978 (being Laws 1989,

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1 Chapter 25, Section 8, as amended) is amended to read:

2 "63-9D-8. ENHANCED 911 FUND--CREATION--ADMINISTRATION--
3 DISBURSEMENT--REPORTS TO LEGISLATURE.--

4 A. There is created in the state treasury a fund
5 that shall be known as the "enhanced 911 fund". The fund shall
6 be administered by the division.

7 B. All surcharges collected and remitted to the
8 department shall be deposited in the fund.

9 C. Money deposited in the fund and income earned by
10 investment of the fund are appropriated for expenditure in
11 accordance with the Enhanced 911 Act and shall not revert to
12 the general fund.

13 D. Payments shall be made from the fund to, or on
14 behalf of, participating local governing bodies or their fiscal
15 agents upon vouchers signed by the director of the division
16 solely for the purpose of reimbursing local governing bodies or
17 their fiscal agents [~~commercial mobile radio~~] and
18 communications service providers [~~or telecommunications~~
19 ~~companies~~] for their costs of providing enhanced 911 service.

20 A person who purchases [~~commercial mobile radio services or~~
21 ~~telecommunications~~] communication services from a [~~commercial~~
22 ~~mobile radio~~] communications service provider [~~or~~
23 ~~telecommunications company~~] for the purpose of reselling that
24 service is not eligible for reimbursement from the fund. Money
25 in the fund may be used for the payment of bonds issued

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1 pursuant to the Enhanced 911 Bond Act.

2 E. Annually, the division may expend no more than
3 five percent of all money deposited annually in the fund for
4 administering and coordinating activities associated with
5 implementation of the Enhanced 911 Act.

6 F. Money in the fund may be awarded as grant
7 assistance to provide enhanced 911 service and equipment upon
8 application of local governing bodies or their fiscal agents to
9 the division and upon approval by the state board of finance.
10 If it is anticipated that the funds available to pay all
11 requests for grants will be insufficient, the state board of
12 finance may reduce the percentage of assistance to be awarded.
13 In the event of such reduction, the state board of finance may
14 award supplemental grants to local governing bodies that
15 demonstrate financial hardship.

16 G. After requesting enhanced 911 service from a
17 [~~telecommunications company or commercial mobile radio~~]
18 communications service provider, a local governing body may, by
19 ordinance or resolution, recover from the fund an amount
20 necessary to recover the costs of providing the enhanced 911
21 system in its designated 911 service area. The division, on
22 behalf of local governing bodies, shall directly pay or
23 reimburse [~~commercial mobile radio~~] communications service
24 providers [~~and telecommunications companies~~] for their costs of
25 providing enhanced 911 service. If a [~~commercial mobile radio~~]

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1 communications service provider [~~or telecommunications company~~]
2 does not receive payment or reimbursement for the costs of
3 providing enhanced 911 service, the provider is not obligated
4 to provide that service.

5 H. The division shall report to the legislature
6 each session the status of the fund and whether the current
7 level of the 911 emergency surcharge is sufficient, excessive
8 or insufficient to fund the anticipated needs for the next
9 year."

10 SECTION 5. Section 63-9D-8.1 NMSA 1978 (being Laws 1990,
11 Chapter 87, Section 3, as amended) is amended to read:

12 "63-9D-8.1. DIVISION POWERS.--

13 A. The division may adopt reasonable rules
14 necessary to carry out the provisions of the Enhanced 911 Act.

15 B. The division may fund enhanced 911 systems
16 pursuant to the provisions of the Enhanced 911 Act.

17 C. Division powers are limited and do not include
18 power to intervene between two vendors or restrict marketing
19 efforts of vendors.

20 D. The division and the local governing body may
21 establish 911 service areas.

22 E. Unless otherwise provided by law, no rule
23 affecting any person, agency, local governing body [~~commercial~~
24 ~~mobile radio~~] communications service provider [~~or~~
25 ~~telecommunications company~~] shall be adopted, amended or

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1 repealed without a public hearing on the proposed action before
2 the director of the division or a hearing officer designated by
3 the director. The public hearing shall be held in Santa Fe
4 unless otherwise permitted by statute. Notice of the subject
5 matter of the rule, the action proposed to be taken, the time
6 and place of the hearing, the manner in which interested
7 persons may present their views and the method by which copies
8 of the proposed rule or proposed amendment or repeal of an
9 existing rule may be obtained shall be published once at least
10 thirty days prior to the hearing in a newspaper of general
11 circulation and mailed at least thirty days prior to the
12 hearing date to all persons or agencies who have made a written
13 request for advance notice of the hearing and to all local
14 governing bodies [~~telecommunications companies and commercial~~
15 ~~mobile radio~~] and communications service providers.

16 F. All rules shall be filed in accordance with the
17 State Rules Act."

18 SECTION 6. Section 63-9D-10 NMSA 1978 (being Laws 1989,
19 Chapter 25, Section 10, as amended) is amended to read:

20 "63-9D-10. IMMUNITY.--Enhanced 911 systems are within the
21 governmental powers and authorities of the local governing body
22 or state agency in the provision of services for the public
23 health, welfare and safety. In contracting for such services
24 or the provisioning of an enhanced 911 system, except for
25 willful or wanton negligence or intentional acts, the local

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1 governing body, public agency, equipment supplier,
2 [~~telecommunications company, commercial mobile radio~~]
3 communications service provider and their employees and agents
4 are not liable for damages resulting from installing,
5 maintaining or providing enhanced 911 systems or transmitting
6 911 calls."

7 SECTION 7. Section 63-9D-11 NMSA 1978 (being Laws 1989,
8 Chapter 25, Section 11, as amended) is amended to read:

9 "63-9D-11. PRIVATE LISTING SUBSCRIBERS AND 911 SERVICE.--

10 A. Private listing subscribers waive the privacy
11 afforded by nonlisted or nonpublished numbers only to the
12 extent that the name and address associated with the telephone
13 number may be furnished to the enhanced 911 system for call
14 routing or for automatic retrieval of location information in
15 response to a call initiated to 911.

16 B. Information regarding the identity of private
17 listing subscribers provided by a communications service
18 provider, including names, addresses, telephone numbers or
19 other identifying information, is not a public record and is
20 not available for inspection.

21 C. Proprietary information provided by a
22 [~~commercial mobile radio~~] communications service provider [~~or~~
23 ~~telecommunications company~~] is not public information and may
24 not be released to any person without the express permission of
25 the submitting provider, except that information may be

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1 released or published as aggregated data that does not identify
2 the number of subscribers or identify enhanced 911 system costs
3 attributable to an individual [~~commercial mobile radio~~]
4 communications service provider [~~or telecommunications~~
5 ~~company~~]."

6 SECTION 8. Section 63-9D-11.1 NMSA 1978 (being Laws 1993,
7 Chapter 48, Section 13) is amended to read:

8 "63-9D-11.1. VIOLATION--PENALTIES.--

9 A. Any person who knowingly dials 911 for the
10 purpose of reporting a false alarm, making a false complaint or
11 reporting false information that results in an emergency
12 response by any public safety agency is guilty of a petty
13 misdemeanor and shall be punished by a fine of not more than
14 five hundred dollars (\$500) or imprisonment for a term not to
15 exceed six months, or both.

16 B. A municipality or a county may adopt an
17 ordinance making it a violation for any person to knowingly
18 dial 911 for the purpose of reporting a false alarm, making a
19 false complaint or reporting false information that results in
20 an emergency response by any public safety agency. The
21 municipality may adopt and enforce the ordinance pursuant to
22 the authority provided in Section 3-17-1 NMSA 1978. The county
23 may adopt and enforce the ordinance pursuant to the authority
24 provided in Section 4-37-1 NMSA 1978."

25 SECTION 9. Section 63-9D-14 NMSA 1978 (being Laws 1990,
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1 Chapter 61, Section 3, as amended) is amended to read:

2 "63-9D-14. ENHANCED 911 BONDS--AUTHORITY TO ISSUE--PLEDGE
3 OF REVENUES--LIMITATION ON ISSUANCE.--

4 A. In addition to any other law authorizing the
5 board to issue revenue bonds, the board may issue enhanced 911
6 bonds pursuant to the Enhanced 911 Bond Act for the purposes
7 specified in this section.

8 B. Enhanced 911 bonds may be issued for:

9 (1) acquiring, extending, enlarging,
10 bettering, repairing, improving, constructing, purchasing,
11 furnishing, equipping or rehabilitating the enhanced 911
12 system, the payment of which shall be secured by enhanced 911
13 revenues;

14 (2) reimbursing a [~~commercial mobile radio~~
15 communications service provider [~~or telecommunications company~~]
16 for its reasonable costs of providing enhanced 911 service, the
17 payment of which shall be secured by enhanced 911 revenues; or

18 (3) reimbursing a local governing body or its
19 fiscal agent for its reasonable costs of providing the enhanced
20 911 system, the payment of which shall be secured by enhanced
21 911 revenues.

22 C. The board may pledge irrevocably enhanced 911
23 revenues in the manner set forth in Subsection B of this
24 section to the payment of the interest on and principal of
25 enhanced 911 bonds. Any general determination by the board

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1 that expenditures are reasonably related to and constitute a
2 part of a specified enhanced 911 project shall be conclusive if
3 set forth in the proceedings authorizing the enhanced 911
4 bonds."

5 SECTION 10. A new section of the Enhanced 911 Act is
6 enacted to read:

7 "[NEW MATERIAL] PREPAID WIRELESS ENHANCED 911
8 SURCHARGE--COLLECTION AND ADMINISTRATION OF SURCHARGE--
9 LIABILITY OF SELLERS--EXCLUSIVITY OF SURCHARGE.--

10 A. As used in this section:

11 (1) "consumer" means a person who purchases
12 prepaid wireless communication service in a retail transaction;

13 (2) "prepaid wireless communication service"
14 means a wireless communication service that allows a caller to
15 dial 911 to access the 911 system, which service must be paid
16 for in advance and is sold in predetermined units or dollars of
17 which the number declines with use in a known amount;

18 (3) "prepaid wireless enhanced 911 surcharge"
19 means the charge that is required to be collected by a seller
20 from a consumer in the amount established under Subsection B of
21 this section;

22 (4) "provider" means a person that provides
23 prepaid wireless communication service pursuant to a license
24 issued by the federal communications commission;

25 (5) "retail transaction" means the purchase of

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1 prepaid wireless communication service from a seller for any
2 purpose other than resale;

3 (6) "seller" means a person who sells prepaid
4 wireless communication service to another person; and

5 (7) "wireless communication service" means
6 commercial mobile radio service as defined by Section 20.3 of
7 Title 47 of the Code of Federal Regulations, as amended.

8 B. A prepaid wireless enhanced 911 surcharge of one
9 and thirty-eight hundredths percent is imposed on the gross
10 value of each retail transaction. The prepaid wireless
11 enhanced 911 surcharge shall be collected by the seller from
12 the consumer with respect to each retail transaction occurring
13 in this state. The amount of the prepaid wireless enhanced 911
14 surcharge shall be either separately stated on an invoice,
15 receipt or other similar document that is provided to the
16 consumer by the seller, or otherwise disclosed to the consumer.

17 C. For purposes of Subsection B of this section, a
18 retail transaction that is effected in person by a consumer at
19 a business location of the seller shall be treated as occurring
20 in this state if that business location is in this state, and
21 any other retail transaction shall be treated as occurring in
22 this state if the retail transaction is treated as occurring in
23 this state for purposes of the Gross Receipts and Compensating
24 Tax Act.

25 D. The prepaid wireless enhanced 911 surcharge is

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1 the liability of the consumer and not of the seller or of any
2 provider, except that the seller shall be liable to remit all
3 prepaid wireless enhanced 911 surcharges that the seller
4 collects from consumers as provided in this section, including
5 all such surcharges that the seller is deemed to collect where
6 the amount of the surcharge has not been separately stated on
7 an invoice, receipt or other similar document provided to the
8 consumer by the seller.

9 E. The amount of the prepaid wireless enhanced 911
10 surcharge that is collected by a seller from a consumer, if
11 such amount is separately stated on an invoice, receipt or
12 other similar document provided to the consumer by the seller,
13 shall not be included in the base for measuring any tax, fee,
14 surcharge or other charge that is imposed by this state, any
15 political subdivision of this state or any intergovernmental
16 agency.

17 F. When prepaid wireless communication service is
18 sold with one or more other products or services for a single,
19 non-itemized price, then the percentage specified in Subsection
20 B of this section shall apply to the entire non-itemized price
21 unless the seller can identify and disclose to the purchaser
22 the actual dollar amount of the prepaid wireless communication
23 service included in the package or the portion of the price
24 that is attributable to the prepaid wireless communication
25 service by reasonable and verifiable standards from its books

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1 and records that are kept in the regular course of business for
2 other purposes, including but not limited to non-tax purposes.
3 If such identification and disclosure can be made, the
4 percentage shall be applied to that portion of the package.
5 However, if a minimal amount of prepaid wireless communication
6 service is sold with a prepaid wireless device for a single,
7 non-itemized price, then the seller may elect not to apply the
8 percentage specified in Subsection B of this section to such
9 transaction. For purposes of this subsection, an amount of
10 service denominated as ten minutes or less, or five dollars
11 (\$5.00) or less, is minimal.

12 G. Prepaid wireless enhanced 911 surcharges
13 collected by sellers shall be remitted to the department at the
14 times and in the manner provided by with respect to the Gross
15 Receipts and Compensating Tax Act. The department shall
16 establish registration and payment procedures that
17 substantially coincide with the registration and payment
18 procedures that apply to the Gross Receipts and Compensating
19 Tax Act.

20 H. A seller shall be permitted to deduct and retain
21 three percent of prepaid wireless enhanced 911 surcharges that
22 are collected by the seller from consumers as the
23 administrative cost for collecting the surcharge.

24 I. The audit and appeal procedures applicable to
25 the Gross Receipts and Compensating Tax Act shall apply to

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1 prepaid wireless enhanced 911 surcharges.

2 J. The department shall establish procedures by
3 which a seller of prepaid wireless communication services may
4 document that a sale is not a retail transaction, which
5 procedures shall substantially coincide with the procedures for
6 documenting sale for resale transactions for the Gross Receipts
7 and Compensating Tax Act.

8 K. No provider or seller of prepaid wireless
9 communication services shall be liable for damages to any
10 person resulting from or incurred in connection with the
11 provision of, or failure to provide, 911 or enhanced 911
12 service, or for identifying, or failing to identify, the
13 telephone number, address, location or name associated with any
14 person or device that is accessing or attempting to access 911
15 or enhanced 911 service.

16 L. No provider or seller of prepaid wireless
17 communication services shall be liable for damages to any
18 person resulting from or incurred in connection with the
19 provision of any assistance to any investigative or law
20 enforcement officer of the United States, this or any other
21 state, or any political subdivision of this or any other state,
22 in connection with any investigation or other law enforcement
23 activity by such law enforcement officer.

24 M. In addition to the protection from liability
25 provided by Subsections K and L of this section, each provider

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1 and seller shall be entitled to the further protection from
2 liability as provided pursuant to Section 63-9D-10 NMSA 1978.

3 N. The prepaid wireless enhanced 911 surcharge
4 applies to retail transactions occurring on or after July 1,
5 2015."

6 SECTION 11. REPEAL.--Section 63-9D-4.1 NMSA 1978 (being
7 Laws 2003, Chapter 339, Section 1) is repealed.