

Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: SB 132 focuses on technology infrastructure planning within the Department of Information Technology (DoIT). It aims to update Section 9-27-11 NMSA 1978 to:

- Expand equipment replacement plans to include software.
- Rename the Equipment Replacement Revolving Funds as Equipment and Software Replacement Revolving Funds.

FISCAL IMPLICATIONS

SB 132 enhances DoIT's ability to plan and fund technology upgrades, ensuring both hardware and software are covered. Technology infrastructure is increasingly based on software which is licensed through the software vendor. The prevailing model for this is Software as a Service (SaaS) which is a software licensing and delivery model where applications are hosted on external servers (usually in the cloud) and made available to users over the internet. Instead of installing software on individual computers, users access it through a web browser by logging in with a username and password. SaaS is typically sold as a subscription rather than a one-time purchase. This eliminates the need for complex installation and maintenance on local machines. It also offers greater scalability, enabling subscribers to accommodate more users and additional features. SaaS also allows for faster updates and security patching, because providers are able to facilitate them centrally. Modern software delivery has shifted from physical media (like CDs or floppy disks) to SaaS because it reduces costs and complexity for organizations, it supports collaboration among diverse work sites, and it aligns with cloud computing strategies for flexibility and resilience.

SB 132 would have a positive fiscal impact on DoIT because it would allow DoIT to better plan for future technological needs and upgrades through the existing Equipment Replacement Fund, by allowing that fund to also consider software needs that are separate from hardware replacement planning.

SIGNIFICANT ISSUES

Traditional software was installed on individual computers or on-premises servers, which required manual setup and configuration. Modern enterprise software is hosted in the cloud and accessed via the internet for installation, updates, and patching. Therefore, most modern software is not tied to specific pieces of hardware. The current version of Section 9-27-11 NMSA 1978, which was created to "provide goods and services to the state and its agencies and to local public bodies and other enterprise customers," focuses only on equipment replacement planning. This focus on equipment replacement does not allow DoIT to address software replacement and upgrade needs. A significant portion of DoIT service is currently provided through software as a service and therefore is not dependent on specific pieces of hardware. This statutory change would allow DoIT to modernize its business practices to better plan for future IT needs for state enterprise customers. This shift is significant for government and enterprise IT because it reduces

infrastructure costs, improves agility, and supports modernization initiatives.

PERFORMANCE IMPLICATIONS

SaaS solutions are cloud-hosted, so agencies avoid lengthy installation and configuration processes. Updates and patches are applied automatically by the vendor, reducing downtime and ensuring systems run on the latest version without manual intervention. SaaS platforms allow agencies to scale resources on demand without investing in additional hardware. This flexibility supports performance optimization during peak usage periods and new project rollouts.

ADMINISTRATIVE IMPLICATIONS

SaaS reduces the burden on internal IT teams for maintenance and troubleshooting, allowing them to focus on strategic initiatives. SaaS eliminates the need for local servers and complex configurations, improving overall system efficiency. Many SaaS solutions include built-in analytics and monitoring tools, helping agencies track usage, optimize workflows, and identify bottlenecks proactively.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

DoIT will continue to be hindered in planning for modern IT business needs if this fund continues to have an emphasis placed on hardware replacement and does not recognize the separate need for software replacement planning.

AMENDMENTS