

**MINUTES
of the
THIRD MEETING
of the
INFORMATION TECHNOLOGY OVERSIGHT COMMITTEE**

**August 23-24, 2004
Galena Room, Macy Center
New Mexico Institute of Mining and Technology
Socorro**

The third meeting of the Information Technology (IT) Oversight Committee for the 2004 interim was called to order by Senator Richard C. Martinez, chair, on August 23, 2004 at 10:15 a.m. in the Galena Room of the Macy Center at New Mexico Institute of Mining and Technology (NM Tech) in Socorro.

PRESENT

Sen. Richard C. Martinez, chair
Rep. Debbie A. Rodella, vice chair
Rep. Janice E. Arnold-Jones (8/23)
Sen. Linda M. Lopez (8/23)

ABSENT

Sen. Steve Komadina
Rep. Rory J. Ogle
Sen. William H. Payne
Rep. Luciano "Lucky" Varela

Advisory Members

Sen. Rod Adair (8/24)
Rep. Ted Hobbs
Rep. Jeannette O. Wallace

Sen. Mark Boitano

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

Staff

Raul E. Burciaga
Kathleen Dexter

Guests

The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

Monday, August 23

Dr. Daniel Lopez, president of NM Tech, welcomed the committee to Socorro and gave a brief overview of NM Tech's Institute of Complex Additive Systems Analysis (ICASA), which is currently funded entirely with federal dollars. Dr. Lopez stated that he will request funding from the legislature in the 2005 session to continue and expand ICASA's work.

STATUS REPORT BY THE CHIEF INFORMATION OFFICER

Moira Gerety, chief information officer (CIO), gave an update on work at the Office of the CIO (OCIO), including progress on the governor's IT consolidation initiative; enterprise licensing; disaster recovery and business continuity; project management; e-government; and implementation of the governor's executive order regarding agency compliance and the infrastructure freeze. The OCIO continues to assist the Information Technology Commission (ITC) in its transition to a new commission chair and oversees agency IT projects and purchasing. The OCIO has had some personnel changes occur simultaneously with a budget shortfall of approximately \$50,000, which may cause a delay in filling the open positions. In general questioning and discussion among committee members, Ms. Gerety noted that:

- constituent concerns regarding personal data should be directed to the agency collecting the data, e.g., the Motor Vehicle Division (MVD), rather than to the OCIO;
- the state email contract was awarded to Microsoft because the state needed an "easy win" in its consolidation initiative, and 70 percent of state email users are already using Microsoft Outlook; in addition, Secretary of General Services Ed Lopez has stated that while the contract was portrayed in the media as a "sole source purchase", it is in compliance with the Procurement Code;
- email rates published by the General Services Department will remain high until the state mandates agency participation and the number of users increases;
- the OCIO needs an asset management tool to accurately complete the asset inventory in progress;
- in prioritizing IT projects, the OCIO gives primary attention to those considered to be high risk, such as the SHARE project, followed by those projects considered to have a strategic impact, such as the MAGPortal project;
- not all agency IT expenditures are being reported to the OCIO;
- the state has saved approximately \$19.3 million through its IT consolidation efforts, and a savings of \$30 million is possible over the course of this administration; and
- certain state IT personnel are leaving for the private sector because state budgets for their positions do not match market rates.

Stephen Easley, deputy chief information officer, informed the committee that a study conducted last year revealed major security flaws in state buildings that house data. Since there is no budget to construct a data center, he suggested that the state consider leasing storage space for its data at the Laguna Systems Data Center outside of Albuquerque.

Representative Rodella requested a portfolio of IT projects under the OCIO's oversight and a listing of the six agencies exempted from the governor's IT consolidation initiative, both to be provided by the OCIO. Representative Arnold-Jones requested copies of project summaries provided to the Legislative Finance Committee and suggested that the chair consider requesting an opinion from the attorney general on the email contract awarded to Microsoft.

STATUS REPORT BY THE CHAIR OF THE ITC

ITC Chair Carroll Cagle, accompanied by ITC members Mark Duran and Rick Ulibarri, reported on the most recent ITC meeting, at which commissioners approved directory access protocol funding and the issuance of a corporate vendor request. Mr. Cagle noted that a white paper recently issued by the Taxation and Revenue Department regarding the MAGPortal project addresses the issue of separating access to services from access to data. In general discussion and questioning, committee members expressed concerns regarding data mining, a topic that is being addressed by the ITC; the lack of both state and federal restrictions of the use of social security numbers; and the need for public input prior to November on the use or sale of personal data by the MVD.

IT ENTERPRISE SECURITY

Srinivas Mukkamala, research assistant at NM Tech, gave a presentation on the critical need to secure data and IT systems from both external and internal attacks by hackers. He described the evolution in IT systems from organization-specific systems, which were relatively safe from attack due to their isolation, to the highly interconnected systems seen today, which are vulnerable to attack via the internet. Even with this vulnerability, Mr. Mukkamala noted that most hacker attacks are internal, as was the case in a recent attack on a state agency by a former employee. Most attacks are also merely probing attacks, but these may be efforts to gather information for later destructive attacks. He stressed the need for layers of security integrated at every step of IT system development. General discussion among members centered on the need for better data security and for user training on security measures to prevent inadvertent release of data or introduction of viruses into the state system.

NEW MEXICO TECH CYBER PROTECT CONCEPT

Teresa Hall, associate director of ICASA, and Daryl Ackley and Eric Alsheimer, also of ICASA, described the institute's mission as taking an interdisciplinary approach to researching social and computer networks and analyzing the interactions between them, with the goal of identifying system vulnerabilities. In addition to its research mission, ICASA also conducts outreach programs on IT system security provided through distance education training modules that are adapted to the various locations, expertise and education levels of those using IT systems around the state. The institute is pursuing a \$12 million federal grant to look at behavioral and psychological aspects of hacker attacks and will request state funding for information system protection and assessments by the New Mexico Tech Cyber Protect Force. Ms. Hall noted that both the federal government and the state have provided scattered funding for IT security projects, and she stressed the need to strengthen security efforts through centralized and collaborative funding. She also stated that one of ICASA's goals is to become self-sustaining by providing analysis services to the private sector. In general discussion, committee members noted that the Legislative Council is the body to approve security and intrusion tests on the legislative IT system, but obtaining permission may be difficult; the federal Department of Energy provides IT security training for governmental agencies, but NM Tech should be the one to provide the training; and funding for IT security training was vetoed in the General Appropriation Act of 2004.

The committee recessed at 4:10 p.m.

Tuesday, August 24

The committee reconvened at 9:05 a.m.

IT IN THE PUBLIC SCHOOLS

Michelle Lewis, education technology coordinator for the Public Education Department, gave a presentation on statewide education technology initiatives funded through the Education Technology Fund, the federal Enhancing Education Through Technology program and the governor's Laptop Learning Initiative (LLI). Under the LLI, seventh grade students at certain schools around the state are given laptop computers to keep until they graduate from high school; one measure of the success of this program, which also includes free computer classes for parents, is that participating students have been reluctant to leave the school grounds and the range of the installed wireless internet network at the end of the day. Ms. Lewis reported that New Mexico's education technology in general compares well to surrounding states and the nation as a whole, with fewer students per instructional or internet-connected computer than the national average in both classrooms and computer labs. On general questioning from committee members, Ms. Lewis noted that schools were chosen for the LLI by an external review committee that evaluated proposals based on existing infrastructure and support, and pilot sites were chosen by the governor; some schools are considering a sophomore upgrade for laptops and an auction upon graduation; charter schools are eligible for funding through the Education Technology Fund but private schools are not; and capital outlay appropriations for education technology in rural areas are an attempt to equalize funding opportunities across school districts.

Representative Rodella requested a list of charter schools receiving education technology funding, to be provided by Ms. Lewis, and directed committee staff to research past efforts and possible legislation to make private schools eligible for this funding.

IT IN HIGHER EDUCATION

Bob Tacker, director of information services at NM Tech, gave a presentation on the New Mexico Council for Higher Education Computing and Communication Services (CHECS), a nonprofit corporation consisting of representatives from the computer services divisions of all but one of the institutions of higher education in the state. While the technical assistance and advocacy services provided by CHECS benefit institutions statewide, the organization cannot currently receive state funding directly and must rely on a volunteer institution to act as its fiscal agent. In general discussion, it was noted that CHECS projects might be funded through the regional education cooperatives, which are included in the general appropriation act each session.

Representative Rodella directed committee staff to prepare draft legislation to fund CHECS' statewide learning management system and net core infrastructure upgrade projects.

Having no further business to conduct, the committee adjourned at 10:00 a.m.

APPENDIX
Update of Ongoing IT Issues

Asked of the CIO:

What is the status of the inventory of IT assets?

Response:

The initial reports received from state agencies were not "clean" and results could not be tallied due to variations in responses. The inventory will be more of a challenge than was anticipated and the OCIO needs an asset management tool in order to complete it accurately.