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FISCAL IMPACT REPORT

ORIGINAL DATE 02/07/13

SPONSOR Padilla LAST UPDATED _____ HB _____

SHORT TITLE Study Business Portal SJM 27

ANALYST Wojahn

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	See Fiscal Implications	See Fiscal Implications	See Fiscal Implications	See Fiscal Implications	DoIT Operating Budget

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Information Technology (DoIT)

Economic Development Department (EDD)

Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 27 requests the Department of Information Technology (DoIT) secretary research the technical feasibility of and propose an operating plan for developing a New Mexico business portal through which businesses could conduct transactions with the state, specifically;

- check on taxes;
- worker's compensation;
- business license requirements and filing and renewal dates;
- "chat" with state agency personnel;
- schedule appointments with state agencies;
- pay various fees and taxes
- register vehicles;
- request building permits and inspections; and
- be notified of requests for proposals.

Senate Joint Memorial 27 further requests the Secretary of State, the Secretary of Taxation and Revenue, the Secretary of Energy, Minerals and Natural Resources, the secretary of environment, the secretary of economic development, the secretary of finance and administration, the superintendent of regulation and licensing, the director of motor vehicle division of the taxation and revenue department, the director of the general services department, and any other agencies requested by the secretary of information technology to cooperate and collaborate fully.

The bill also requests DoIT, with the cooperation of agencies, inventory web-based commerce services currently offered, prepare an operating plan and budget for the business portal including the development, deployment, maintenance, staffing of the portal, and report the secretary of DOIT's finding and recommendations back to the appropriate interim committee of the legislature by November 1, 2013.

FISCAL IMPLICATIONS

Currently, there are multiple services, data sources, privacy processes or standards, requirements for each commerce service offered and other variables that would play an important part of the design and development of the proposed business portal as well as the fiscal impact.

The single business portal could potentially reduce costs from a state level, condense agency contracts for web-based services, and create a professional one-stop business portal. However, there are many factors still unclear such as the number of web-based commerce services; cost to operate such services, staff needed to support those services, and the proposed architect for the business portal. Until some of the unknowns are exposed, the fiscal implications are currently unknown.

The DoIT is over 98 percent funded through enterprise service revenue, with the remaining general fund budget used to staff its Oversight and Compliance division. The impact of performing this study, while not substantial relative to the department's budget, would still represent some impact to the core mission of DoIT, as either staff time would have to be diverted from Oversight and Compliance, or from Enterprise Services. The latter would have the effect of amortizing the cost of the study over the cost-allocation model that DOIT uses in determining the rates charged for its services.

SIGNIFICANT ISSUES

All responding agencies contend the proposed business portal, if created, would largely duplicate services already provided by the state and online.

The Secretary of the Economic Development Department is requested to collaborate in the study, but the EDD provides none of the services the proposed portal would provide, whereas executive departments which have far more direct interaction with businesses – the Health, Human Services, Department of Transportation, and Workforce Solutions departments—are not requested to participate.

PERFORMANCE IMPLICATIONS

According to the DoIT, integrating these cross-platforms applications systems to a single centralized location will need staff resources to perform necessary functions of the business portal.

ADMINISTRATIVE IMPLICATIONS

Administrative implications associated with this bill in perspective to the state include establishing business process criteria to communication between legacy business systems; the technical, business and statutory requirements (if any) for each commerce service offered; cohesive structure of the business portal; an inventory obtained of the current web-based commerce services available throughout the state; key personnel; and staff identified and assigned by all respective parties not only for the initial development and ongoing maintenance of the business portal but throughout the life of the portal.

OTHER SUBSTANTIVE ISSUES

The EMNRD believes if the business portal required all agencies to transfer and possibly reformat all of their information to a new website, costs could be considerable for everyone.

ALTERNATIVES

Enhance the current Business Resource Portal of the Economic Development Department website (http://www.gonm.biz/Starting_Expanding_Business.aspx) to provide the proposed information and services.

Other alternatives approach may include a static posting of all the state web-based commerce services on the current Sunshine Portal (SSP) or on the State of New Mexico's main website. There will be minimal financial implications posting the static web links but each represented business owner must maintain the links to their respective areas.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Agencies will continue to develop their own projects for using the web to communicate with the public and the regulated community.

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