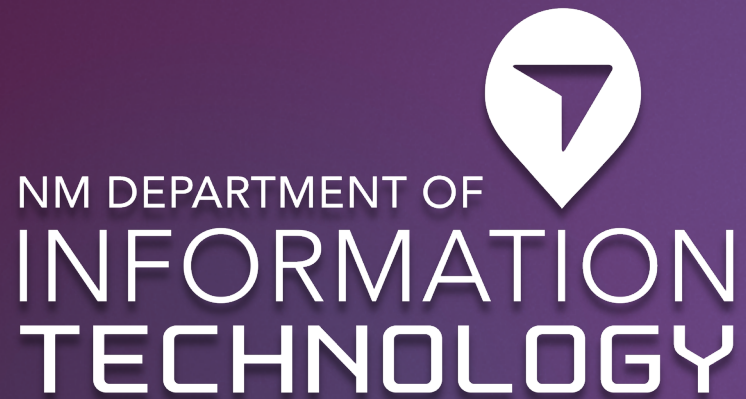


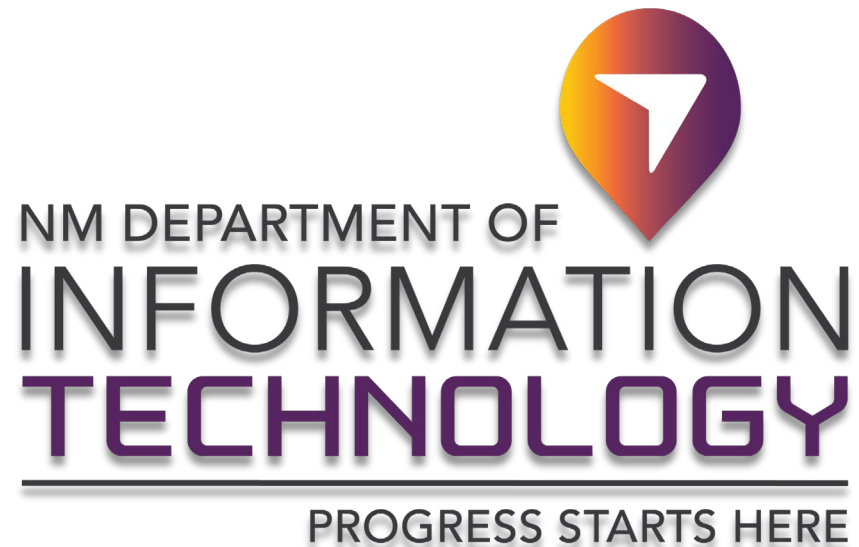
FY23 APPROPRIATION REQUEST



Legislative Finance Committee
November 15, 2021

RAJA SAMBANDAM
ACTING SECRETARY AND STATE CIO

PRESENTATION OVERVIEW



- Agency Overview
- Budget Comparison
- FY23 Sources and Uses
 - Request by Program
- Equipment Replacement Fund (ERF)
- FTE Analysis and Vacancy Rate
- FY23 Agency IT Funding (C2)
Requests and Recommendations

AGENCY OVERVIEW

Created in 2007, the Department of Information Technology:

- Develops the State's strategic direction for information technology (IT)
- Delivers enterprise IT services and telecommunications for executive agencies
- Performs oversight of IT projects and procurements
- Delivers high-quality and cost-effective IT services
- Reduces exposure of the State's computer assets to cybersecurity risks
- Provides government technology investment oversight, with transparency, consistency, and fiscal responsibility

FY23 – FY22 BUDGET COMPARISON

FY23 Appropriation Request and FY22 Operating Budget	Total (in thousands)
FY23 Agency Request	\$78,636.0
FY22 Base Budget	\$70,638.2
FY22 Base Request Increase: 9.8%	\$ 7,997.8

FY23 APPROPRIATION REQUEST SOURCES

(Dollars in thousands)

Sources	FY22 Operating Budget	FY23 Request	Difference	Percentage Change
General Fund	\$1,794.1	\$2,801.2	\$1,007.1	56.1%
Other Transfers	\$8,702.3	\$8,307.6	(\$394.7)	-4.5%
Other Revenues	\$61,104.1	\$64,729.8	\$3,625.7	5.9%
Fund Balance	\$0.0	\$2,797.4	\$2,797.4	-
Total Request	\$71,600.5	\$78,636.0	\$7,035.5	9.8%

- General Fund includes \$1 million increase to establish budget for the Office of Broadband Access and Expansion
- Other Transfers include internal transfers for Program Support, indirect costs for cybersecurity and broadband, and ERF
- Other Revenues are generated from services provided by Enterprise Services program; increases are associated with the Digital Workspace Initiative (O365) and additional customer base for the Digital Trunk Radio System (P25)
- Fund Balance increase to support ERF transfer

FY23 APPROPRIATION REQUEST USES

(Dollars in thousands)

Uses	FY22	FY23	Difference	% Δ
Personal Services and Employee Benefits (200s)	\$15,742.3	\$18,545.0	\$2,802.7	17.8%
Contractual Services (300s)	\$6,818.8	\$6,779.9	(\$38.9)	-.05%
Other Services (400s)	\$40,344.2	\$45,003.5	\$4,659.3	11.5%
Other Financing Uses – Transfers (500s)	\$8,695.2	\$8,307.6	(\$387.6)	-4.4%
Total Uses:	\$71,600.5	\$78,636.0	\$7,035.5	9.8%

SUMMARY BY PROGRAM

(Dollars in thousands)

Program	FY22 Operating Budget	FY23 Request	Difference
P771- Program Support	\$3,830.5	\$3,977.1	\$146.6
P772 - Compliance and Project Management	\$3,240.4	\$3,240.4	\$0.0
P773 - Enterprise Services	\$56,007.5	\$59,864.2	\$3,856.7
P784 - Equipment Replacement Fund	\$8,522.1	\$10,554.3	\$2,032.2
P789 - Office of Broadband Access and Expansion	\$0.0	\$1,000.0	\$1,000.0
Total	\$71,600.5	\$78,636.0	\$7,035.5

PROGRAM SUPPORT

(Dollars in thousands)

P771	FY22	FY23	Difference	% Δ
Total Request for P771	\$3,830.5	\$3,977.1	\$146.6	3.8%
Uses:	FY22	FY23	Difference	% Δ
Personal Services and Employee Benefits (200s)	\$3,477.8	\$3,625.4	\$147.6	4.2%
Contractual Services (300s)	\$31.6	\$46.0	\$14.4	45.6%
Other Services (400s)	\$321.1	\$305.7	(\$15.4)	-4.8%
Other Financing Uses – Transfers (500s)	\$0.0	\$0.0	\$0.0	-
Total Uses:	\$3,830.5	\$3,977.1	\$146.6	3.8%

Program Support are indirect costs in the IT Enterprise Services rate structure.

COMPLIANCE AND PROJECT MANAGEMENT

(Dollars in thousands)

P772	FY22	FY23	Difference	% Δ
Total Request for P772	\$3,240.4	\$3,240.4	0.0	0.0%
Uses:	FY22	FY23	Difference	% Δ
Personal Services and Employee Benefits (200s)	\$1,915.0	\$1,915.0	0.0	0%
Contractual Services (300s)	\$1,021.5	\$1,021.5	0.0	0%
Other Services (400s)	\$130.8	\$130.8	0.0	0%
Other Financing Uses – Transfers (500s)	\$173.1	\$173.1	0.0	0%
Total Uses:	\$3,240.4	\$3,240.4	0.0	0%

General Fund supports the Compliance and Project Management program, including the State's Enterprise Project Management Office and Cybersecurity. Transfers fund the Program Support assessment cost.

ENTERPRISE SERVICES

(Dollars in thousands)

P773	FY22	FY23	Difference	% Δ
Total Request for P773	\$56,007.5	\$59,864.2	\$3,856.7	6.9%
Uses:	FY22	FY23	Difference	% Δ
Personal Services and Employee Benefits (200s)	\$10,349.5	\$12,208.9	\$1,859.4	17.9%
Contractual Services (300s)	\$5,765.7	\$5,587.4	(\$178.3)	-3.0%
Other Services (400s)	\$31,370.2	\$33,933.4	\$2,563.2	8.2%
Other Financing Uses – Transfers (500s)	\$8,522.1	\$8,134.5	(\$387.6)	-4.5%
Total Uses:	\$56,007.5	\$59,864.2	\$3,856.7	6.9%

Other Financing Uses provides for transfers to the Equipment Replacement Fund (P784).

EQUIPMENT REPLACEMENT FUND - P784

Equipment Replacement Fund (in thousands)	FY22	FY23 Request
SHARE ERF	\$3,098.9	\$3,120.1
Enterprise ERF	\$5,423.2	\$7,434.2
Total	\$8,522.1	\$10,554.3

Section 9-27-11(B) NMSA 1978, created the equipment replacement revolving funds for the purpose of acquiring and replacing capital equipment and associated software used to provide enterprise services to DoIT customers.

OFFICE OF BROADBAND ACCESS AND EXPANSION

(Dollars in thousands)

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P789	FY23
Total Request for P789	\$1,000.0

Uses:	FY23
Personal Services and Employee Benefits (200s)	\$795.7
Contractual Services (300s)	\$125.0
Other Services (400s)	\$79.3
Other Financing Uses – Transfers (500s)	\$0.0
Total Uses:	\$1,000.0

This is an expansion request for general fund to establish operating budget for the Office of Broadband Access and Expansion.

FTE ANALYSIS

FY22 Operating Budget FTE	
Authorized	168
Total	168
Filled	133
Vacant	35
Overall Vacancy Rate	20.8%

FY23 FTE Budget Request	
Authorized	168
Expansion Request	5
Total	173
Filled	132
Vacant	36
Vacancy Rate excluding Expansion	21.4%

The FTE expansion for FY23 includes 5 FTE for the Office of Broadband Access and Expansion.

FY23 IT FUNDING (C2) REQUESTS

- Fifteen agencies submitted FY23 IT funding requests on September 1st to DoIT, DFA and LFC
- Agencies presented business cases to C2 Committee October 5th – 7th
- DoIT recommendation due to DFA on November 14th
- DoIT-DFA recommendation due to LFC on November 21st

SUMMARY

FY23 IT FUNDING REQUESTS

- ❑ Twenty-six projects totaling \$169.7 million:
 - ❖ \$87.9 million – General Fund
 - ❖ \$3.3 million – Other State Funds
 - ❖ \$78.5 million – Federal Funds

- ❑ Fourteen on-going projects and 12 new projects

EVALUATION CRITERIA

- ❑ Project risk
- ❑ Continuation of an ongoing project
- ❑ Internal project manager
- ❑ Project management vendor
- ❑ Independent Validation and Verification (IV&V)
- ❑ Availability of Federal fund match
- ❑ Project can be phased
- ❑ Consider partial funding

Recommendation includes all projects totaling \$169.7 million:

- ❖ \$87.9 million – General Fund
- ❖ \$ 3.3 million – Other State Funds
- ❖ \$78.5 million – Federal Funds

Note: The Executive is considering the consolidation of the Electronic Health Records project for Department of Health and Corrections Department.



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Thank You!

QUESTIONS?