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## FISCAL IMPACT REPORT

SPONSOR: Varela DATE TYPED: 03/13/01 HB 356/aHGUAC/aSPAC  
 SHORT TITLE: Amend Information Technology Management Act SB \_\_\_\_\_  
 ANALYST: Carrillo

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

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Relates to HB 332, Information Systems Division Act

### SOURCES OF INFORMATION

General Services Department  
 Department of Public Safety  
 Corrections Department  
 Department of Health  
 Commission on Higher Education  
 State Department of Education  
 NO RESPONSE – Information Technology Management Office

### SUMMARY

#### Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment strikes the HGUAC Amendment 6 which added additional powers and duties for the Information Technology Commission (see Synopsis of the HGUAC section) and adds the following subsections for the ITC:

review and approve information technology appropriation requests and report to the Legislative Finance Committee and the Information Technology Oversight Committee;

establish a schedule to receive reports from agencies and the chief information officer regarding the status of information technology projects; and

adopt and promulgate rules that authorize an agency to appeal to the ITC regarding a decision made by the CIO pursuant to Section 15-1C-7(3)(B) NMSA 1978.

Synopsis of HGUAC Amendment

The House Government and Urban Affairs Committee amendment to House Bill 356 propose to:

Prohibit the chief information officer (CIO) or any of the Information Technology Management Office (ITMO) staff from serving as members of the Information Technology Commission (ITC).

Clarifies the Legislative Finance Committee (LFC) and the Legislative Council Service (LCS) are to each appoint one staffer to serve as advisory members of the ITC.

Clarifies the ITC is to elect a chairman and vice chairman for the active membership for a two year term.

Adds additional powers and duties for the ITC: (1) Review and approve information technology appropriation requests and report to the LFC and the Information Technology Oversight Committee; and (2) establish a schedule to receive reports from agencies and the CIO regarding the status of information technology projects.

Clarifies the ITMO will perform audits or reviews of executive agency development projects or management processes.

Clarifies the written recommendations by the ITMO to the Department of Finance and Administration are subject to approval by the ITC.

The remainder of the FIR is unchanged.

Synopsis of Original Bill

House Bill 356 proposes to amend the Information Technology Management Act (Section 15-1C NMSA 1978). The amend includes:

- Requires agency oversight of e-government and compliance with the State's information architecture and defines both terms.
- Replaces requirements for a five-year information technology (IT) strategic plan with a three-year plan.
- Strengthens the agency's oversight and approval authority over information technology requests for proposals (RFPs) covered by the Procurement Code, including emergency, sole source and price agreement contracts, by extending that authority beyond review for technical sufficiency as it pertains to information technology.
- Changes advisory members on the Information Technology Commission from four legislators to two staff from the Legislative Finance Committee and Legislative Council Services.
- Allows for designees with voting authority for all commissioners except the governor's three public members.
- Changes the name of the agency to the Office of the Chief Information Officer.

HB 356 contains an emergency clause.

Significant Issues

A bill analysis was requested from the Information Technology Management Office on January 29, 2001; and as of the date of this analysis, no response has been received.

According to Department of Health (DOH) staff:

The bill places sole authority on the agency and commission to develop a three-year state IT strategic plan. The legislation does not require input from and coordination with State agencies.

It is not clear how the chief information officer (CIO) works with the IT Commission and where the ultimate authority lies. Does the CIO report to the IT Commission? Are all Standards, procurements, etc. to be approved by the IT Commission? Is the CIO required to submit plans for approval by the IT Commission regarding the State portal and other e-government initiatives under the leadership of the CIO? Shouldn't the IT Commission have approval of the recommendations and prioritization of executive agency IT plans made by the CIO?

HB 356 would also extend the CIO's authority over RFP's to include emergency procurements and price agreements. This could limit the ability of state agencies to manage their own programs and budgets as they relate to information technology, particularly where emergency procurements are concerned. The CIO must act quickly to assure business processes are not interrupted, particularly in emergency situations.

The governor's appointed public members should be allowed to select designees to represent them and vote on their behalf.

Staff from the General Services Department (GSD) states, many of the changes seem to support the broad, strategic focus of the IT Commission and the agency. Since the agency approves agency plans, broadening the CIO approval authority beyond technical sufficiency for RFPs and contracts may be more an operational issue than strategic. It also would duplicate the role of the State Purchasing Division and could cause processing delays. Adding another level of approval for RFPs and contracts can be counterproductive, especially for emergency procurements.

**FISCAL IMPLICATIONS**

None identified at this time.

**CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP**

HB 356 is related to House Bill 332, Information Systems Division Act.

WJC/njw