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FISCAL IMPACT REPORT

ORIGINAL DATE 2/13/17

SPONSOR Smith **LAST UPDATED** _____ **HB** 231

SHORT TITLE Terminate Information Technology Commission **SB** _____

ANALYST Boerner/Fresquez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Information Technology (DoIT)

SUMMARY

Synopsis of Bill

House Bill 231 (HB231) would repeal Section 9-27-9 NMSA 1978. Information technology commission; creation; powers and duties (2009) and amend Section 9-27-6 NMSA 1978 to remove reference to the Information Technology Commission (ITC).

FISCAL IMPLICATIONS

None noted.

SIGNIFICANT ISSUES

The Information Technology Commission (ITC) was created as an independent body, representing a range of stakeholders, acting in an oversight capacity to guide a strategic information technology (IT) plan for the state. The purpose of the ITC (Section 9-27-9 NMSA 1978) is to review and approve: 1) the development and implementation of the state IT strategic plan; 2) critical IT initiatives for the state; 3) identification of IT needs of state agencies; 4) strategies for indentifying IT projects that affect multiple agencies; 5) the state IT architecture and state IT strategic plan for updates and compliance by executive agencies; 6) proposed rules

by the DoIT secretary; and 7) guidelines for mediation of disputes between and executive agency and the secretary as chief information officer.

The 19-person commission includes 15 voting and four advisory members, with voting members appointed by the governor. Four members are to be cabinet secretaries, of which delegates cannot be less than deputy cabinet secretaries. The statutorily-required membership includes the national laboratories, the Public Regulatory Commission, telecommunication professionals, local government representatives and at-large members. The advisory members include representatives from the judicial and legislative branches of government. The ITC functioned prior to 2011 under this statutory structure, meeting more than statutorily required in 2008, 2009 and 2010. The administrative assistant to the DoIT Secretary and project oversight and compliance division staff provided support for the ITC in prior years.

LFC staff reported in recent years that best practices in New Mexico IT infrastructure include a state chief information officer (secretary of the Department of Information Technology), a committee that certifies funding in approved phases for large IT projects (Project Certification Committee), and an IT commission (ITC) responsible for broad strategic planning in the state. However, LFC noted the responsibilities of these organizations need to be better defined and policies and processes strengthened to improve state strategic planning, accountability and project oversight.

Several of DoIT's responsibilities involve the ITC. As the state's chief information officer, the DoIT Secretary is responsible for making recommendations to the ITC regarding prudent allocation of IT resources, reduction of redundant data, hardware, and software, and improve interoperability and data accessibility between agencies. The secretary is suppose to recommend procedures and rules to the ITC to improve oversight of IT procurement and to monitor agency compliance and report to the ITC and agency management on noncompliance. Other duties include monitoring compliance with strategies recommended by the ITC for information technology projects that affect multiple agencies.

DoIT notes:

It takes considerable human resources to prepare and hold an ITC meeting in addition to creating a substantial administrative footprint with regards to Open Meetings Act compliance, travel reimbursement, preparation and distribution of minutes, copies, etc. The only staff DoIT could divert from the Office of Chief Information Officer, which was to the detracton of other critical functions....

Consequently DoIT argues it was impossible for it to staff the ITC without an additional recurring appropriation.

Further, DoIT makes reference to the "well-established oversight bodies currently in place," including (comments in bold parenthesis provided by LFC):

- The Project Certification Committee (PCC)
 - ***(Certifies funding in approved phases for previously-vetted IT projects);***
- The Technical Architecture Review Committee (TARC)
 - ***(Reviews the technical aspects of proposed IT projects and verifies compliance with the State Information Architecture);***
- The Science, Technology, and Telecommunications Committee (STTC)

- (*Considers a wide variety of topical IT interests throughout the interim*);
- The Information Technology Rate Committee
 - (*Meets annually to review and approve enterprise service rates for following year*);
- The House Appropriations and Finance Committee’s IT Subcommittee
 - (*Meets briefly during the legislative session to consider LFC/Exec IT funding recommendations*);
- The Legislative Finance Committee’s IT Program Evaluation Team;
 - (*Validates the implementation status of agency IT projects*) and,
- The statutory oversight role afforded the State CIO via the Project Oversight and Compliance Division (POCD)
 - (*Provides oversight for implementation of ongoing IT projects*).

However, LFC maintains that while performing similar functions, none of these entities is responsible for the stated statutory purposes of the ITC, namely to be an *independent oversight* body tasked with considering strategic IT goals for the state as a whole, including a framework for prioritizing investments in IT infrastructure and enterprise services; and accountability and transparency when making significant IT decisions having a statewide impact.

DoIT continues:

While certainly well intentioned, the makeup of the commission is exceedingly challenging to convene without significant investment of staff resources. In many cases, weeks of effort were expended recruiting, vetting, and appointing commission members only to find that others had resigned, or had to be disqualified because of conflict-of-interest issue or a change in status. Significant resources have to be expended to populate the commission to a level capable of reliably achieving a quorum, which prevents those resources from being devoted to the actual work of the commission.

ALTERNATIVES

A recent LFC program evaluation recommended that the Legislature consider revising the ITC membership and clarify its duties in statute. In addition, the Legislature could consider requesting DoIT reconsider the makeup of the ITC to allow it to perform its duties as intended or devise some other oversight body or process to provide the intended purpose of the ITC, namely an *independent oversight* body tasked with considering strategic IT goals for the state as a whole.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

As DoIT transitions to funding the Compliance and Project Management with Enterprise Service Funds, the agency may be able to perform the tasks of staffing the ITC as it has in previous years.

CB/BF/jle/al