**State of New Mexico Information Technology Rate Committee**
**State Capitol Building, Room 321**
**July 14, 2021, 1:30 – 2:30 pm**

## Meeting called to Order at 1:38 PM

## Committee Members Present:

Debbie Romero, DFA Secretary and Chair; present
John L. Salazar, DoIT Secretary; present
Debra Garcia y Griego, DCA Secretary; present
Ricky Serna, Acting SPO Director; present
Sarah Cottrell Propst, EMNRD Secretary; present
Duffy Rodriguez, Acting GSD Secretary; present
Michael Sandoval, DOT Secretary; absent.

## Introduction of DoIT Staff members in audience

## Approval of Prior Year Meeting Minutes.

Motion to approve made by Secretary Garcia y Griego
Second by Secretary John Salazar
All in favor – Yes
Opposition – No

## Approval of agenda

Motion to approve by; Secretary Duffy Rodriguez
Second by Secretary Sarah Cottrell Propst
All in favor- Yes
Oppositionn - No

## Overview of Statutory Requirements

Secretary John Salazar provided an overview of the statutory requirements, i.e., the Laws of 2007, Chapter 290, Sub section7; Laws of 2009, Chapter 146 Sub section3; requiring a 7-member committee. The 7-member committee should be comprised of the Secretary of the Department of Finance and Administration, Secretary of the Department of Information Technology, and representatives from five executive agencies. The duties include reviewing proposed rates, considering for approval, presenting to the committee, and implementing the rate and fee schedule upon approval.

<u>**Overview of Rate Development**</u>          Page **1** of **7**

The secretary included 3 Factors: Indirect Costs, Direct Costs and Equipment Replacement cost. Direct costs include items such as email, payroll, email licensing, maintenance contracts. Indirect costs include areas such as the Administrative Services Division, Office of the Secretary, and other areas of DoIT including broadband, Cybersecurity and GIS. The ERF includes new license purchases and server replacement.

DoIT's new software application provides service rates and consumption by agency versus the old method of tracking via an Excel spreadsheet. Secretary Salazar also discussed the vacancy rate withing DoIT and the breakdown of the number of DoIT employees by service area.

<u>**Secretary Debbie Romero Question/Comment:**</u>
Q: What is the total FTE and at what point in time do we base the rates, also what is the point in time?
A: Andrea noted that the general ledger from FY 21 is used to develop FY23 rates. Data collected just prior to development of the rates is used so that the most current data can be considered. DoIT is allocated 167 FTEs, 136 are filled with a vacancy rate of 18%.

<u>**Presentation and discussion of FY22 and FY23 Rate Recommendations**</u>

Based on a Governor's Office recommendation, DoIT prepared an RFQ; this allowed for analysis of multiple products for online meetings. DoIT was looking to secure an agreement with one vendor for volume pricing. DoIT worked with the General Services Department/State Purchasing Department and developed the RFQ based on this criteria. Google and Microsoft were analyzed and DoIT selected Microsoft Office 365. With that, the purchase included an Enterprise 3 license which includes Office: Word, Access, Excel, Office, PowerPoint, etc. and DoIT also purchased an email product which allows for email to be placed into the cloud. SharePoint will allow for file sharing, files OneDrive will allow for created shared drives to be placed in the cloud, devise management and antivirus products. Some agencies were utilizing the older versions, and this purchase allowed for an upgrade and the capability of enabling Multi Factor Authentication and single sign on.

DoIT received 25% off list price, purchased the license and provided all agency IT staff members to install licensing on staff's personal computers. There are currently 17,419 users using the advanced version of office, and 2200 using the basic license. Rolling out in FY22, the advanced licensing costs will be $36.59 per month per user, and basic is $9.50.

Secretary Salazar noted some agencies are not prepared to pay the FY 22 rates, so DoIT is working to assist with the shortfall. This may come in the form of an appropriation directly to DoIT.

**Secretary Romero Questions/Comments:**

C: Secretary Romero mentioned agencies did see an increase with the migration but overall, the agencies will see a reduction and a benefit. ARPA Funding may assist in covering the deficiency. Secretary Romero noted Antivirus is a huge concern; most have their own software so this will eliminate multiple software's.

**Secretary Sarah Cottrell Question/Comment:**

Q: How will DoIT make sure agencies are not billed twice if the appropriation goes directly to DoIT.
A: Andrea noted the plan is to bill the agency so it will reflect in their budget and assist in building budgets for the next year. She also indicated the agency will receive credit for the entire amount.

**Secretary Sandoval Designate Question/Comment**

C: Noted Secretary Sandoval would like to support that all rates are funded with general fund versus the charge back structure.

**Michaela Fischer Question/Comment:**

Q: Is there a way DoIT can send LFC a list of the agencies that will be directly affected?
A: Secretary indicated he would pass the details along.

**Secretary Propst Question/Comment:**

C: Thanked DoIT for all the assistance with rates and migration to Office 365 (O365).

**Jason Johnson Question/Comment**:

C: Spoke to the O365 suite and the convenience of having a platform that enables effective communication, gain control of data and cost, increase space for files and the security of storing PST files. Shifting from home drives to One Drive ensures a secure repository and cloud Governance to establish guidelines.

**Ricky Serna Question/Comment:**

Q: What is the plan for showing agencies the capacity and/or capabilities of this software – will there be training?
A: Jason said there are pre-recorded training sessions as well as live instructor led training sessions. Marketing campaign from all PIO's.
A: John noted the new licensing model is different because it is based on the user; one user can now have multiple boxes.

Q: Ricky asked about cellular devices and whether DoIT anticipates the cost of phones to be eliminated and move predominantly to mobile phones.
A: John noted the pilot project will route calls to Teams and eliminate desk phones.
A: Lorenzo stated it will reduce the actual desk phones and the associated costs.

NM DEPARTMENT OF
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**Michelle Lujan Grisham**
New Mexico Governor
**John L. Salazar**
Cabinet Secretary & State CIO

**Approval of FY22 and FY23 Rate Recommendations**

# Proposed FY23 Rate Change Summary

| Service | Rate Δ | Increase/Decrease | Justification |
|---|---|---|---|
| Cloud Services - Virtual Server - CPU | Yes | Decrease | The Virtual Server rate is decreased due to over-recovery in FY21 |
| Cloud Services - Virtual Server - Memory | Yes | Decrease | The Virtual Server rate is decreased due to over-recovery in FY21 |
| Desktop Support - Basic Desktop Support | No | Discontinue Service | Service will continue to be provided at no cost to customers starting in FY23 |
| Managed Applications - Email Encryption | No | Discontinue Service | Service will be discontinued - will be covered under the new Office 365 Rate |
| Managed Applications - Email Storage | No | Discontinue Service | Service will be discontinued - will be covered under the new Office 365 Rate |
| Managed Applications - Mail Box Fee | No | Discontinue Service | Service will be discontinued - will be covered under the new Office 365 Rate |
| Managed Applications - Office 365 G3 | New | New Service | New service for FY22 |
| Managed Applications - Office 365 G1 | New | New Service | New service for FY22 |
| Voice Services - Dial Tone | Yes | Decrease | Basic Deskset rate is decreased due to over-recovery in FY21 |
| Voice Services - Basic Deskset | Yes | Decrease | Basic Deskset rate is decreased due to over-recovery in FY21 |
| Voice Services - Reception Phone | Yes | Decrease | Reception Phone rate is decreased due to over-recovery in FY21 |
| Voice Services - Estimated Wait Time | No | Discontinue Service | Service will be discontinued - not feasible to offer this service to one customer |
| Voice Services - Voice Mail | Yes | Decrease | Voice Mail rate is decreased due to over-recovery in FY21 |
| Wireless Services - Basic Access Fee | Yes | Decrease | Basic Access Fee is decreased due to over-recovery in FY21 |
| Wireless Services - Broadband Access Fee | Yes | Decrease | Broadband Access Fee is decreased due to over-recovery in FY21 |
| Wireless Services - Smartphone Access Fee | Yes | Decrease | Smartphone Access Fee is decreased due to over-recovery in FY21 |
| SHARE | Yes | Decrease | The annual SHARE HCM Assessment fee is decreased due to over-recovery in FY21 |

| SERVICES | | FY21 UNIT COST | FY21 RATE | FY21 BILLED REVENUE | FY21 RATE EFFICIENCY | FY22 APPROVED RATE | FY 23 PROPOSED RATE |
|---|---|---|---|---|---|---|---|
| **DATA NETWORK SERVICES** | | | | | | | |
| 200066 | WS-WAN EDGE CONNECTION | cost | cost | $8,822,799.24 | - | cost | cost |
| 200149 | WIRELESS LAN | $66.06 | $62.40 | $62,225.28 | 94.46% | $62.40 | $62.40 |
| 200100 | NS-INTERNET ACCESS SERVICES | $1.09 | $1.14 | $308,730.48 | 104.59% | $1.14 | $1.14 |
| 200064 | NETWORK ENGINEERING SERVICE | $0.00 | $88.00 | $0.00 | - | $88.00 | $88.00 |
| **DESKTOP SUPPORT** | | | | | | | |
| 200041 | DESKTOP SUPPORT SERVICES | $363.13 | $47.00 | $44,779.91 | 12.94% | $47.00 | Discontinue |
| **MAINFRAME SERVICES** | | | | | | | |
| 200005 | SY-GENERAL CPU | $0.79 | $0.40 | $3,841,797.53 | 50.63% | $0.40 | $0.40 |
| 200009 | ST-DISK OCCUPANCY | $0.30 | $0.61 | $876,612.76 | 203.33% | $0.61 | $0.61 |
| 200010 | ST-TAPE OCCUPANCY | $0.01 | $0.004 | $220,881.11 | 33.31% | $0.004 | $0.004 |
| 200012 | OP-PRINT PAGES | $4,049.17 | $0.15 | $3.60 | 0.00% | $0.15 | $0.15 |

| SERVICES | | FY21 UNIT COST | FY21 RATE | FY21 BILLED REVENUE | FY21 RATE EFFICIENCY | FY22 APPROVED RATE | FY 23 PROPOSED RATE |
|---|---|---|---|---|---|---|---|
| **MANAGED APPLICATIONS** | | | | | | | |
| 200177 | ADOBE | $1.60 | $1.47 | $351,468.50 | 92.06% | $1.47 | $1.47 |
| 200214 | OS-E-SIGNATURE | $13.08 | $3.00 | $85,478.40 | 22.94% | $3.00 | $3.00 |
| 200036 | EM-MAILBOX FEE | $8.34 | $8.50 | $2,077,015.80 | 101.92% | $8.50 | Discontinue |
| 200037 | EM-MAILBOX EXTRA STORAGE | $7.37 | $7.50 | $78,858.00 | 101.76% | $7.50 | Discontinue |
| 200150 | EM-EMAIL ENCRYPTION | $1.46 | $1.50 | $12,628.80 | 102.74% | $1.50 | Discontinue |
| 200157 | VINE | $0.96 | $1.00 | $462,590.96 | 104.17% | $119,237.00 | $119,237.00 |
| 200050 | EA-APPLICATION HOSTING SERVICE FEE | $0.00 | $0.00 | $0.00 | - | $235.06 | $235.06 |
| 200169 | EA-WEB HOSTING SERVICE FEE | $0.00 | $50.00 | $15,550.00 | - | $50.00 | $50.00 |
| 200228 | DIGITAL WORKSPACE PREMIUM (O365) | $0.00 | $0.00 | $0.00 | - | $0.00 | $36.59 |
| 200227 | DIGITAL WORKSPACE BASIC (O365) | $0.00 | $0.00 | $0.00 | - | $0.00 | $9.50 |
| **PUBLIC SAFETY RADIO SERVICES** | | | | | | | |
| 200185 | RE-RADIO BASE STATION | $701.86 | $635.00 | $2,990,088.00 | 90.47% | $635.20 | $635.20 |
| 200107 | RS-SINGLE CHANNEL CONSOLE | $722.86 | $654.00 | $39,240.00 | 90.47% | $654.00 | $654.00 |
| 200108 | RS-MULTI-CHANNEL CONSOLE | $1,877.88 | $1,699.00 | $350,673.60 | 90.47% | $1,699.00 | $1,699.00 |
| 200109 | RS-MOBLE RADIO | $92.18 | $83.50 | $2,436,062.40 | 90.58% | $83.50 | $83.50 |
| 200190 | RS-MOBLE RADIO REPEATER | $187.66 | $169.79 | $1,523,217.86 | 90.48% | $169.79 | $169.79 |
| 200111 | RS-CONTRACTED MAINTENANCE | $1.11 | $1.00 | $88,939.92 | 90.09% | contract | contract |
| 200112 | RS-PORTABLE RADIO | $171.32 | $155.00 | $4,951,692.00 | 90.47% | $155.00 | $155.00 |
| 200113 | RS-TELEMOTES | $0.00 | $83.65 | $9,117.85 | - | $83.65 | $83.65 |
| 200225 | RS-DTRS SUBSCRIPTION FEE | $0.00 | $20.00 | $253,400.00 | - | **$20.00** | **$20.00** |

| SERVICES | | FY21 UNIT COST | FY21 RATE | FY21 BILLED REVENUE | FY21 RATE EFFICIENCY | FY22 APPROVED RATE | FY 23 PROPOSED RATE |
|---|---|---|---|---|---|---|---|
| **TELEPHONE SERVICES** | | | | | | | |
| 200085 | NI-DIAL TONE | $21.50 | $31.50 | $1,933,105.80 | 146.51% | $31.50 | $26.50 |
| 200086 | NI-BASIC DESKSET | $24.45 | $37.25 | $6,551,991.90 | 152.35% | $37.25 | $30.00 |
| 200087 | NI-RECEPTION PHONE | $39.00 | $60.50 | $83,635.20 | 155.13% | $60.50 | $45.00 |
| 200090 | TS-LONG DISTANCE | $0.04 | $0.05 | $202,443.02 | 125.00% | $0.05 | $0.05 |
| 200093 | TS-TOLL FREE SERVICE | $0.04 | $0.05 | $482,818.96 | 125.00% | $0.05 | $0.05 |
| 200144 | VA-AUTOMATIC CALL DISTRIBUTION | $0.00 | $36.00 | $361,728.00 | - | $36.00 | $36.00 |
| 200139 | VA-CONFERENCE CALLING - INSTANT MEET | $0.02 | $0.03 | $262,126.30 | 150.00% | $0.03 | $0.03 |
| 200146 | VA-VOICE RECORDING | $0.00 | $15.00 | $42,645.00 | - | $15.00 | $15.00 |
| 200145 | VA-IVR | $0.00 | $0.08 | $5,806.40 | - | $0.08 | $0.08 |
| 200192 | VA-ESTIMATED WAIT TIME | $972.96 | $550.00 | $6,600.00 | 56.53% | $550.00 | Discontinue |
| 200098 | VA-VOICE MAIL | $7.52 | $11.50 | $1,665,287.40 | 152.93% | $11.50 | $8.00 |
| 200208 | VA - SPEECH RECOGNITION | $0.00 | $45.50 | $0.00 | - | $45.50 | $45.50 |
| 200159 | TS-MISC TOLL | cost | cost | $10.74 | 100.00% | cost | cost |
| 200160 | NS-VOICEMISC | cost | cost | $0.00 | 100.00% | cost | cost |
| 200088 | NI - TELECOM MOVES ADDS CHANGES | $115.61 | $117.00 | $360,361.87 | 101.20% | $117.00 | $117.00 |

| SERVICES | | FY21 UNIT COST | FY21 RATE | FY21 BILLED REVENUE | FY21 RATE EFFICIENCY | FY22 APPROVED RATE | FY 23 PROPOSED RATE |
|---|---|---|---|---|---|---|---|
| **WIRELESS VOICE SERVICES** | | | | | | | |
| 200057 | WS-BASIC ACCESS FEE | $32.56 | $36.00 | $354,499.20 | 110.57% | $36.00 | $35.00 |
| 200059 | WS-SMARTPHONE ACCESS FEE | $62.58 | $68.50 | $7,195,705.80 | 109.46% | $68.50 | $65.00 |
| 200060 | WS-BROADBAND ACCESS FEE | $39.04 | $43.00 | $1,541,343.60 | 110.14% | $43.00 | $40.00 |
| 200061 | WS-WIRELESS EQUIPMENT AND MISC CHARGES | cost | cost | $520,727.91 | cost | cost | cost |
| **SHARE SERVICES** | | | | | | | |
| 200125 | SHARE - SUBSCRIPTION FEE | $309.49 | $415.00 | $11,051,927.25 | 134.09% | $365.00 | $360.00 |
| **MISC SERVICES** | | | | | | | |
| 200136 | TRAINING | $0.00 | cost | $0.00 | - | cost | cost |

## Approval of the Proposed FY22 O365 rates and Proposed FY23 technology rates

Note: The rate committee will be asked to reconvene to review and approve any new services not included in the FY23 proposed rate structure. List of potential new services below:

1. Cloud Faxing
2. Softphone
3. Virtual Private Network (VPN)
4. Web Ex

Motion to approve the proposed rates as presented made by Duffy Rodriguez Second by Debra Griego y Garcia.
No opposition

## Other Business

Evaluation of other funding models to track rates more efficiently; scenario one is.to continue operating as-is, scenario two would move Broadband, Cybersecurity, ASD, Office of the Secretary, Help Desk, GIS Platform, and physical security to be generally funded with the sub mission of an expansion request. Scenario three would move Safety Radio operating costs to be GF funded. DoIT needs to find on-going or recurring costs to cover capital equipment for radio.

Ricky Serna Question/Comment:
Q: If they become general fund would the appropriation be reduced if it is itemized by what it equates to at each agency. Ricky asked what the comparative data is.
A: John said the centralized process is important and allows one agency to consolidate licenses and ensure security, so it is not jeopardized. DoIT needs to procure services from the cloud and then resell it back to the agencies and we know what type of cloud services are being utilized. Otherwise, the State of New Mexico as a whole, becomes vulnerable.

**Debra Garcia y Griego Questions/Comments:**

C: Thanked DoIT for their hard work and dedication and working diligently through the pandemic.

**Motion to adjourn made by Secretary Duffy Rodriguez Meeting adjourned at 2:44**