

**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
All in favor - Yes
Opposition - No

Overview of Statutory Requirements

Secretary John Salazar provided an overview of the statutory requirements, i.e. the Laws of 2007, Chapter 290, Subsection 7; Laws of 2009, Chapter 146 Subsection 3; requiring a 7-member committee. The 7-member committee should be comprised of a Secretary of the Department of Finance and Administration, Secretary of the Department of Information Technology and 5 representatives of five executive agencies. The duties include to review proposed rates, consider for approval, present to the committee and implement the rate and fee schedule upon approval.

Overview of Rate Development

Secretary Salazar gave an overview of the DoIT Rate components, which include 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 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. Of those items, DoIT finds an element to bill and that is considered the unit consumed.

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 within DoIT and the breakdown of the number of DoIT Employees by Service Area.

Secretary Debbie Romero Question/Comment:

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 the development of the rates is used so that the most current data can be considered. FTPs allocated total 167, 132 filled and the difference is the vacancy rate of 18%.

Presentation and discussion of FY22 and FY23 Rate Recommendations

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 one agreement with one vendor for volume pricing. DoIT worked with General Services Department/State Purchasing Department and developed an RFQ based on these 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, Axis, 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, device 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 that 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 the 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 a 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 that 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.

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 OneDrive ensures for 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 trainings. Marketing campaign from all PIO's.

A: John noted the new licensing model is different because it is based upon the user; one user can now have multiple boxes.

Q: Ricky asked about cellular devices and whether Doit anticipates the cost of phones 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 said it will reduce the actual desk phones and the cost associated.

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. WebEx

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

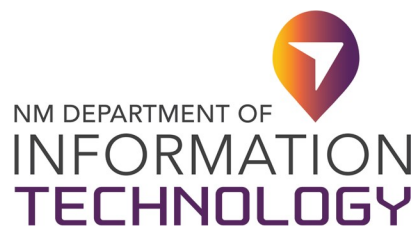
Other Business

Evaluation of other funding models to track rates more efficiently; scenario one is continue operating as-is, scenario two would move Broadband, Cybersecurity, ASD, Office of the Secretary, Help Desk, GIS Platform and physical security to be general funded with the submission of an expansion request. Scenario three would move Safety Radio operating costs to be GF funded. DoIT needs to find ongoing 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 allowing 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.



Michelle Lujan Grisham
New Mexico Governor
John L. Salazar
Cabinet Secretary & State CIO

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 2:44PM