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July 10, 2026

Manny Barreras, Secretary
Department of Information Technology
715 Alta Vista Street
Santa Fe, NM 87505

Having reviewed the Department of Information Technology (DoIT) proposed rule changes for the Project Certification Committee (PCC) New Mexico Administrative Code (NMAC) 1.12.9, staff of the Legislative Finance Committee (LFC) have raised concerns with the significant implications of the revisions. Specifically, changes to NMAC 1.12.9.9 would unwind significant progress that has been made to improve independent oversight of the over $1 billion in existing investments in information technology projects across 26 agencies and would reintroduce risks the current structure of PCC has helped to reduce.

The current structure of PCC provides certification of IT projects by a cross-agency commission that includes voting members from LFC and the Department of Finance and Administration (DFA) and acts as a checks-and-balances review of executive IT projects. In a 2021 LFC program evaluation on DoIT's enterprise services and equipment replacement fund, LFC staff underscore the importance of the oversight and accountability mechanisms built into PCC to ensure that IT projects stay on scope, budget, and schedule—a best practice for IT oversight. Following the evaluation, LFC and DFA were made voting members of PCC. The rule would reverse this policy without evidence of potential problems the new rule would remedy.

In fact, the added independent oversight structure has prevented numerous risks and misuse of legislative appropriations. In one example from March 2026, the Environment Department requested PCC certify $5 million a $15 million appropriation to its rural infrastructure revolving loan fund for an IT project. During the meeting, LFC staff flagged the use was not aligned with legislative intent and statutory authorization. This resulted in LFC, DFA, and DoIT staff all agreeing the use of the funding was not permissible, and the department was encouraged to find an alternative source of funding for the project. In this case, DoIT staff, reviewing the request through a purely technical or project management lens, did not independently flag the funding source as impermissible; it was LFC's familiarity with the appropriation's legislative history and DFA's familiarity with the funda accounting rules that identified the risk. Absent that structure, the $5 million request could plausibly have proceeded to certification on IT merits alone, without regard to whether the funding mechanism itself was lawful.

A similar issue arose at the July 2026 PCC hearing, when the Early Childhood Education and Care Department requested an unauthorized use of its trust fund to replace lost federal revenue for an IT project. Again, it as LFC staff with knowledge of the fund's legislative purpose, not DoIT's project certification review, that caught the conflict.

These examples illustrate the importance of PCC's independent oversight in ensuring the public dollars are invested as the Legislature intended, identifying risks before they become costly problems, and promoting accountability by reducing the likelihood of waste, improper expenditures, and adverse audit findings.

Concentrating certification solely within DoIT, as proposed, would vest a single agency with all responsibility for catching issues with legislative intent, appropriations language, and statutory authority that are outside DoIT expertise and, in practice, have requiring the combined efforts of LFC, DFA, and DoIT to identify. Removing the PCC structure increases the risk that similar funding or statutory conflicts, if detected at all, will go undiscovered later in a project's lifecycle, when they are more costly and disruptive to unwind.

I want to be clear this concern is not opposition to restructuring the PCC process itself. LFC recognizes the current process can be burdensome for executive agencies and is not opposed to changes that could streamline or improve the certification process. LFC's concern is specifically with the proposed rule's removal of established IT oversight best practices, including eliminating LFC and DFA as voting members of the certification process. We would be happy to work with DoIT on alternative proposals.

Sincerely,

Charles Sallee, Director

CC: Representative Small, Chair, Legislative Finance Committee

Senator Muñoz, Vice Chair, Legislative Finance Committee

Senator Berghmans, Chair, Science, Technology and Telecommunications Committee

Mark Edwards, Bill Drafer, Legislative Council Services

Wayne Propst, Secretary, Department of Finance and Administration

Daniel Schlegal, Chief of Staff, Office of the Governor