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New Mexico Governor

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**COMMENT BY THE OFFICE OF BROADBAND ACCESS AND EXPANSION ON
THE PROPOSED REPEAL AND REPLACEMENT OF 1.12.5 AND 1.12.9 NMAC**

The Office of Broadband Access and Expansion (OBAE) submits the following comment regarding the State of New Mexico Department of Information Technology's (DOIT) proposed repeal and replacement of 1.12.5 and 1.12.9 NMAC.

Regarding 1.12.9 NMAC (2005), the OBAE notes that the DOIT proposes to expand the scope of the Project Certification Committee's (PCC) authority by lowering the project cost that is required to be reviewed by the PCC. The existing regulation provides that DOIT shall have "the authority to recommend certification of information technology projects that meet one or more of the following: . . . (2) project cost equal to or exceeding \$1,000,000" 1.12.9.8 NMAC (2005). The proposed regulation provides that DOIT shall have "the authority to recommend certification of information technology projects that meet one or more of the following: . . . (2) project cost equal to or exceeding \$100,000" Proposed Regulation 1.12.9.8. Similarly, 1.12.9.11 as it is currently written provides that executive agencies "shall prepare a written project certification report prior to certification for large projects that are equal to or exceeding \$1,00,000 (sic), high-risk projects or at the request of the PCC." The 2026 amendment proposes to lower the amount from \$1,000,000 to \$100,000. Proposed Regulation 1.12.9.11.

The OBAE raises the following concerns related to the lowering of the threshold requiring review from \$1,000,000 to \$100,000.

1. The requirement for agencies to submit paperwork for projects that cost \$100,000 will increase the number of projects that are reviewed and will, thus, increase the administrative burden on agencies to submit paperwork. Adequate justification has not been provided as to why the expansion is necessary.
2. Federal grant programs often allow state agencies to be reimbursed for administrative costs for up to five percent of the grant amount. Should an IT project be funded by a federal grant and the grant cost be \$100,000 or more, much of the administrative burden and cost will be spent on the PCC review process and will require New Mexico state agencies to shoulder the burden of paying the additional administrative costs that might otherwise have been covered by the federal government.
3. The regulation that is being amended was written in 2005. One million dollars in 2005 are now equal to \$1,650,000 dollars in 2026. That means that the gap between the proposal of \$100,000 and \$1,000,000, while already wide, is even greater than it appears.

For the reasons stated above, the OBAE asks that the DOIT reconsider its proposal to review IT projects that are \$100,000 as opposed to \$1,000,000 and asks the DOIT to review projects that are closer to \$1,650,000 in cost as opposed to \$100,000.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Lopez", with a horizontal line drawn underneath it.

Jeff Lopez

Director

Office of Broadband Access and Expansion