LFC Requester:	Liu

AGENCY BILL ANALYSIS
2022 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION
{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:
Original ___ **Amendment** ___
Correction ___ **Substitute** X

Date February 1, 2022
Bill No: HB122/HECS

Sponsor: Reps. Madrid, Dow, and Lara
Short Title: School Cybersecurity Program

Agency Name and Code Number: PED - 924
Person Writing John Sena
Phone 505-570-7816 **Email:** John.sena@state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	**FY23**		
	($45,000.0)	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY22	**FY23**	**FY24**		

(Parenthesis ( ) Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY22	FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		($390.0)	($390.0)	($780.0)	Recurring	PED Operating Budget (GF)

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: The House Education Committee Substitute for House Bill 122 (HB122/HECS) appropriates $45 million to the Department of Information Technology (DoIT) in FY23 through FY26 to develop a cybersecurity program for school districts, charter schools, state special schools, and the statewide education technology infrastructure network created in Section 22-24-4.5 NMSA 1978. The bill scales the cybersecurity program as follows:

- $8 million in FY23 for at least 35 school districts and 18 charter schools or state special schools;
- $10 million in FY24 for at least 20 additional districts and 18 additional charter schools or state special schools;
- $12 million in FY25 for at least 16 additional districts and 18 additional charter schools or state special schools; and
- $15 million in FY26 for any remaining districts, charter schools, and state special schools.

FISCAL IMPLICATIONS

HB122/HECS appropriates $45 million to DoIT for expenditure in FY23 through FY26. Any unexpended or unencumbered amount remaining at the end of FY26 shall revert to the general fund.

SIGNIFICANT ISSUES

Currently, cybersecurity is best understood as a local school district responsibility. New Mexico's school districts and charter schools are facing an increased prevalence of cybersecurity incidents. Recent ransomware attacks have targeted school districts in Albuquerque, Truth or Consequences, Bernalillo, Las Cruces, and Gadsden, jeopardizing the data of hundreds of thousands of New Mexico students and thousands of teachers and administrators. PED's current role is to support individual school districts and charter schools in implementing cybersecurity best practices. In FY22, PED received $1.5 million to expand its cybersecurity services, which include vulnerability scanning, in-depth training with school districts and charter schools, and a limited amount of emergency response. In general, school districts face the daunting task of ensuring their local network infrastructure is secure, a feat that requires a significant level of expertise.

Given the DoIT's current role in establishing cybersecurity standards, policy, and oversight, the department is well situated to create a new cybersecurity program for New Mexico's schools DoIT benefits from highly skilled cybersecurity staff with expertise in planning, design, and implementation. Moreover, DoIT has explained the state's efforts in broadband development and security should be coordinated rather than siloed, and standalone cybersecurity programs in individual state agencies may result in wasted resources.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

PED would work closely with DoIT's school cybersecurity division to align and coordinate both departments' efforts to provide oversight and professional development to school districts.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

To date, the statewide education network (SEN) codified in Section 22-24-4.5 NMSA 1978 has not been created. In fact, statute currently does not guarantee or require its creation, nor delegate the responsibility for its operations. Section 22-24-4.5 NMSA 1978 provides that the Public School Capital Outlay Council (PSCOC) and the Public School Facilities Authority (PSFA) shall "develop guidelines" for the SEN, and allows PSCOC to make awards for the construction of the network, but no state agency has yet been tasked with maintaining and operating the network once the physical infrastructure is in place.

PED has participated in a limited capacity in SEN planning meetings and may not be the best state agency to take the lead on the network's cybersecurity program. PSFA and PSCOC are developing guidelines for the creation of the network and some institutions of higher education are playing an integral role as "regional hubs" for the network.

Once the SEN is constructed, the decision to connect to it will be voluntary, and not all educational entities will choose to connect. PSFA has a first-year commitment to join the SEN from 38 school districts, 14 charter schools, 3 libraries, and the New Mexico School for the Deaf. The SEN will provide a highly effective, low-cost option for districts that will reduce the need for high-skill IT staffing at each district, some districts will prefer to remain separate from the SEN. A strong cybersecurity infrastructure would provide yet another incentive for districts to connect to the SEN. However, some school districts and charter schools will inevitably choose to maintain independent networks, and will continue to need individualized cybersecurity resources and support from PED and DoIT

Ideally, cybersecurity for the SEN would be housed in a dedicated security operations center staffed by high-quality cybersecurity professionals. The security operations center should be located in a secure building with unrestricted access to the SEN.

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

N/A

AMENDMENTS

N/A