LFC Requester:	LFC

AGENCY BILL ANALYSIS
2025 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}

Click all that apply:

Original X **Amendment** _____
Correction _____ **Substitute** _____

Date 2025-01-23
Bill No: HM2

Sponsor: Garratt, Joy

Short Title: LESC ARTIFICIAL INTELLIGENCE WORK

Agency Name and Code Number: NMHED

Person Writing Leakakos, Joseph
Phone: 5054128059 **Email** joseph.leakakos@hed.

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	**FY26**		
N/A	N/A	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	**FY26**	**FY27**		

N/A	N/A	N/A	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(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

House Memorial 2 (HM2) requests that the Legislative Education Study Committee (LESC) convene an education data governance and artificial intelligence (AI) working group to look at statewide education data governance structures and AI policies during the 2025 legislative interim, develop recommendations, and present those recommendation to LESC at the October 31, 2025, committee meeting.

FISCAL IMPLICATIONS

HM2 does not provide an appropriation. Some of the findings and recommendations that this working group identifies or advances may have fiscal implications.

SIGNIFICANT ISSUES

HM2 identifies two different domains of study. The first is data governance. HM2 defines data governance as "a set of rules, policies, and standards designed to promote greater organizational collaboration, higher quality data, and improved usability of data." The second is AI. AI is a field of study within computer science focusing on "technology that enables computers and machines to simulate human learning, comprehension, problem solving, decision making, creativity, and autonomy" (https://www.ibm.com/think/topics/artificial-intelligence). The working group that HM2 authorizes is tasked with studying both of these domains. The working group will consist

of representation from state education agencies - including the New Mexico Higher Education Department (NMHED) and state higher education institutions (HEIs) - the Legislature, the Institute for Complex Additive Systems Analysis (ICASA) at the New Mexico Institute of Mining and Technology, and other stakeholders throughout the State.

One concern is that both of these domains, along with the specifics the memorial requests the working group to study within each domain, are broad and complex. Consequently, the scope of this memorial may be challenging to explore in the necessary depth. However, HM2 authorizes the working group to organize into smaller groups, which could be beneficial, allowing each subgroup to focus on a manageable aspect of data governance or AI.

HM2 directs this working group to study the current status of state education data systems, potential improvements for interoperability of data systems, the data present in those systems and how those data may interact with AI, and generally data security, cleanliness, consistency, and accuracy. This is the data governance focus of the working group. While executive agencies have internal processes to address these items for the systems that they oversee, having a central data governance body that includes those agencies could help provide higher-level guidance between agencies and facilitate improvements in these areas. A central statewide data governance body could help evaluate data standards and uses across different agencies, standardize on shared data practices where appropriate, and support agencies in transitions to those standards. It is important to point out that there are aspects to data collection, storage, and usage that are beyond the control of those overseeing data systems, even if recommendations made by the working group or a data governance body are correct.

HM2 also asks the working group to study current uses of AI by students and educators as well as current and potential AI policies in public schools. HM2 does not clarify what aspects of AI the working group is to study. The use of the term AI in recent years often refers to generative AI, and, while generative AI does warrant further study and policy recommendations, there are other implementations of AI that have been in use for many years, and it would be useful for this working group to consider these other implementations while also studying generative AI. For example, systems that use machine learning to automate predictions or decisions in the education space could be good candidates to include in the scope. Generative AI is also changing fast enough that it may be too early or difficult to develop policy recommendations, though there is good reason to worry about data usage in these AI systems and to protect New Mexicans' data. Further, it would be helpful to understand how HEIs and their students are using AI in New Mexico.

Regarding the Research Informing Success in Education New Mexico (RISE NM) statewide longitudinal data system, HM2 recognizes that agencies have internal processes to evaluate their data and handle transfers to other agencies and to RISE NM, but it also states that there is no central mechanism at the state level to enforce data quality. RISE NM is actually one example of a data system that makes decisions about how to combine data across agencies, similar to what a statewide data governance body could provide. RISE NM could be a partner in thinking through data governance since it already handles cross-agency data and faces many of the issues that central data governance would consider.

One further issue to consider is that executive agencies may need extra staff and funding to accommodate changes to data practices and requirements imposed by a central statewide data governance authority, even if the requirements are welcomed. Changes to existing data systems can require a lot of work while transitioning to new standards.

PERFORMANCE IMPLICATIONS

HM2 does not specify specific performance measures, but it does require that the working group make recommendations regarding a formal structure for data governance, statewide education data governance policies, and policies governing the use of AI in education.

ADMINISTRATIVE IMPLICATIONS

HM2 may require staff from NMHED, RISE NM, and state public HEIs to participate in the working group. Some of the findings or recommendations that this working group identifies, or advances may have further administrative implications.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB60, introduced in the 2025 legislative session, looks to create requirements that those who develop or intentionally and substantially modify artificial intelligence systems must follow to protect New Mexico residents from algorithmic discrimination, one aspect of AI that the working group authorized in HM2 may study.

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

State agencies, including NMHED, and shared systems like RISE NM could provide data governance for systems that they oversee.

NMHED or HEIs could provide higher education guidance on AI. New Mexico agencies could also participate in larger national groups and discussions related to AI.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The working group authorized in HM2 will not convene to study education data governance or education AI usage and policy.

AMENDMENTS

N/A