

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov).

FISCAL IMPACT REPORT

SPONSOR Padilla **ORIGINAL DATE** 2/4/2020
LAST UPDATED _____ **HB** _____
SHORT TITLE Study School Cybersecurity Issues **SJM** 7
ANALYST Gaussoin

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to an appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Information Technology (DoIT)
Public Schools Facility Authority (PSFA)

No Response Received

Public Education Department (PED)
Regional Education Cooperatives (REC)
Albuquerque Public Schools (APS)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 7 requests the Legislative Education Study Committee convene a task force to study public school cybersecurity. The task force would include four representatives from school districts, the secretary of DoIT, and representatives from PED and PSFA and is asked to present its findings to the Legislature and the governor by October 1, 2020.

There is no effective date of this bill. It is assumed the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

Convening a task force and conducting a study would require staff and resources from LESC and the agencies involved. It is assumed the agencies can absorb these responsibilities with existing staff and resources. However, DoIT and PSFA both raise concerns about the task force taking staff time needed for other important projects.

The House Appropriations and Finance Committee substitute for HB2&3, the General Appropriation Act, contains \$875 thousand for cybersecurity in the public schools. DoIT also notes research conducted for a statewide cybersecurity assessment funded in 2018 and the development a cybersecurity system funded in 2019 could help with a schools cybersecurity study.

SIGNIFICANT ISSUES

From PSFA:

Cybersecurity is an extremely important undertaking to counter the highly disruptive cyber threats that are increasing in frequency and sophistication. An education cybersecurity task force is an important first step to develop a plan of action as quickly as possible, as urgent action is needed. Cybersecurity is a multilayer effort, involving many components such as governance, policies, infrastructure, specialized personnel and services, to name a few. Establishing a task force to assist in the development of a comprehensive program to realize the most progress, maximize limited resources and expertise.

Through the Public School Capital Outlay Council, the PSFA provides funding to school districts and charter schools for broadband connectivity access, as part of its Broadband Deficiencies Correction Program. The PSFA has been helping schools increase broadband connectivity access, while maximizing the use of E-rate (federal) funding available to schools and libraries. Advanced cybersecurity features are not eligible for E-rate funding for now, but that may change in the future. Cybersecurity is an active national conversation and several states, including New Mexico, have requested the FCC to include cybersecurity in the E-rate eligible items. Several states have also formed action plans to help K12 in the area of cybersecurity.

It is unclear how the school representatives will be selected or be assigned to the task force. School districts created the K12 IT Directors cybersecurity workgroup. One important component for the future development of cybersecurity capabilities in New Mexico is the growth of human expertise pool. Higher education organizations are well positioned to assist. They can also contribute to the development of a cybersecurity plan, and have similar cybersecurity needs as K12 schools.

Notably, a ransomware attack on New Mexico Highlands University during the fall of 2019 led to classes being shutdown for a week.

PERFORMANCE IMPLICATIONS

PSFA and DoIT state work on the task force could interfere with staff efforts on other projects, including the Broadband Deficiencies Correction Program.

ADMINISTRATIVE IMPLICATIONS

PSFA and DoIT expresses concern with the workload of the task force.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to a \$875 thousand appropriation in HB2 for public school cybersecurity.

HFG/sb