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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
56th Legislature, 1st Session, 2023

Bill Number	<u>HB388/HGEICS</u>	Sponsor	<u>HGEIC</u>
Tracking Number	<u>.225452.2</u>	Committee Referrals	<u>HGEIC/H AFC</u>
Short Title	<u>Cybersecurity Fund</u>		
Analyst	<u>Bedeaux</u>	Original Date	<u>3/2/23</u>
		Last Updated	<u></u>

BILL SUMMARY

Synopsis of Bill

The House Government, Elections, and Indian Affairs Committee Substitute for House Bill 388 (HB388/HGEICS) creates the cybersecurity fund in the state treasury. The cybersecurity fund will be administered by the Department of Information Technology (DoIT) unless the Senate Finance Committee Substitute for the Senate Rules Committee Substitute for Senate Bill 280 (SB280/SRCS/SFCS) is enacted, in which case the fund will be administered by the Cybersecurity Office.

DoIT, or the Cybersecurity Office if SB280/SRCS/SFCS is enacted, would be required to promulgate rules to administer the cybersecurity fund. The rules must specify the application process, criteria, a review and oversight process for disbursements from the fund, as well as requirements for reversions to the fund. Expenditures from the fund must be used to respond to cyber attacks for executive state agencies, political subdivisions of the state, public schools, tribal entities, legislative state agencies, and judicial state agencies.

This analysis focuses on the bill's impact on New Mexico's public schools.

FISCAL IMPACT

HB388/HGEICS does not contain an appropriation.

The House Appropriations and Finance Committee Substitute for House Bills 2 and 3 (HB2/HAFCS) includes three appropriations to DoIT for cybersecurity statewide, including \$10 million for general cybersecurity, \$3 million for cybersecurity at institutions of higher education, and \$2.5 million public schools and school districts. If SB280/SRCS/SFCS is enacted, these funds would be transferred to the Cybersecurity Office for the same purpose, though would not necessarily be transferred to the cybersecurity fund for cybersecurity responses and services.

HB388/HGEICS could provide a dedicated funding source to help school districts respond to cyber attacks. In its analysis of HB388/HGEICS, the Public Education Department (PED) reports 11

cyber attacks have targeted New Mexico public schools since 2018. The total cost of restoring data and responding to the cyber attacks was largely indeterminate, but in excess of \$2 million.

SUBSTANTIVE ISSUES

Cybersecurity has been a challenge for many New Mexico school districts, which have become the targets of cyber-attacks in recent years. Hackers have attempted to extort schools for money, stall school operations, and steal sensitive student information. Under current law, PED provides some cybersecurity technical assistance to New Mexico schools, but school districts are primarily responsible for their own network security. Many small, rural New Mexico school districts do not have the resources, manpower, or expertise to fully manage their cybersecurity needs, and may need to rely on outside help to ensure their networks and systems are secure. By providing funding for cybersecurity at New Mexico public schools, HB388/HGEICS and SB280/SRCS/SFCS could help prevent interruptions in education caused by cyber-attacks.

A statewide Cybersecurity Office, like the one proposed by SB280/SRCS/SFCS, and a cybersecurity fund, like the one proposed by HB388/HGEICS, could have several direct benefits for New Mexico's public schools. Schools often collect and store sensitive information about students, staff, and faculty, such as personal details, grades, and financial information. Cybersecurity measures help protect information from being accessed, stolen, or misused by unauthorized individuals.

RELATED BILLS

Related to SB280/SRCS/SFCS, Cybersecurity Office, which creates the Cybersecurity Office as an office administratively attached to DoIT and provides for a Cybersecurity Advisory Committee with broad membership.

Related to HB262/HGEICS, Transfer Connect New Mexico Grant Program, which would transfer administration of the Connect New Mexico grant program from DoIT to the Office of Broadband Access and Expansion.

SOURCES OF INFORMATION

- LESC Files

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