

LFC Requester:	
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2025.01.31 *Check all that apply:*
Bill Number: HB 0203 Original Correction
 Amendment Substitute

Sponsor: Meredith A. Dixon **Agency Name and Code** OFRA 68000
Short Title: Requiring use of state issued electronic devices **Number:** _____
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
None made in bill, requirements would cost well in excess of \$1.5M per year	None made in bill, requirements would cost well in excess of \$1.5M per year	Non recurring and Recurring	General

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
0	0	0	n/a	n/a

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	1.5M	\$1.5M	\$1.5M	\$3.0M	Recurring	General

(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:

New proposed statute

Section A requires CYFD employees to use only electronic devices issued by CYFD for communication related to their job duties. Violation of the statute would be ground for immediate termination of an employee.

Section B requires electronic devices issued by CYFD to include software and applications that comply with all federal, state, local, and tribal data retention and protection laws.

Section C requires CYFD to have a system in place by January 1, 2026 that will back up electronic records hourly.

Section D requires CYFD to retain all electronic records stored on devices for twenty-four (24) years after an employee leaves CYFD.

Section E contains definitions.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

For the data retention system to be up and running by January 1, 2026, significant funds would be required to create, beta test, and complete the system prior to then, starting as soon as possible in FY25.

There are no funds appropriated to CYFD for the costs related to creating and managing a database that would track this large amount of data, which would continue to grow every year. CYFD would require several additional IT employees initially, and more employees each year. These staff would be necessary to ensure process and compliance related to this bill.

CYFD would also need at least \$500K every year to hire contract support until CYFD staff can be hired and trained to ensure that the extra job duties and data storage system are accomplished within the timeframes identified by the bill. That cost will likely increase every year.

CYFD would need \$500K every year for Department of Information Technology (DoIT) storage and back up licenses. That cost will likely increase every year.

The total cost of this project would be at least \$1.5M per year in 2026 and 2027, and costs would increase over time as storage requirements increase.

The cost of storage of this data over the first twenty-six (26) years will likely increase to around

\$15M per year by 2048.

At that point, there will be costs to comb-through the data storage system and delete items that have reached the 24-year storage requirement. Those costs will recur and increase every year. It should be noted there would be a need for both non-recurring funds to develop and implement across CYFD and additional funds would be needed on a recurring year-to-year basis to maintain the system.

Additionally, CYFD currently reassigns departing employees' phones to incoming employees. Prior to reassigning those phones, IT would need to download and store all texts, photographs, and other data from the phone. This process would, at best, delay the reassignment of phones and, at worst, take phones out of circulation for such extended periods of time that CYFD would be forced to purchase additional phones.

If CYFD reassigns computers from departing employees to new employees, the bill would likewise mean that additional computers would have to be purchased.

SIGNIFICANT ISSUES

HB 0203 creates overly broad requirements that are not necessary to ensure the proper retention of electronic records.

CYFD currently issues state-issued electronic devices to employees and requires their use for state business.

CYFD also requires that all software and apps installed on a state device comply with state and federal law.

OFRA is unaware of whether and how CYFD might follow relevant tribal law, as would be required by this bill. With 23 federally recognized Tribes, Nations, and Pueblos in NM alone, and 574 federally recognized Tribes nationally, requiring CYFD to follow tribal law would be an impossibility, as each t Tribes, Nations, and Pueblos has its own laws.

CYFD is already required to comply with the retention practice and schedule set forth in the New Mexico Administrative Code for the retention of documents. The length of time to keep the records - 24 years - is also problematic. This requirement could result in a 74-year retention of records (e.g., a 24-year retention after a 30-year employment term).

If DoIT is unable to put such a large storage system in place, the backup of such a large volume of information would likely require a third-party data storage service that may not remain solvent. The data migration required in this event would be costly and time-consuming.

There is no funding allocated for this system, a system which would require CYFD to store exponentially more data every year than is currently required.

The bill would require retention of records that are highly confidential (HIPPA and records with personally identifiable information) and, in some cases, protected by the attorney-client privilege, for a period that far exceeds the applicable retention time frames for those records. This is especially problematic where other rules, regulations, or statues requires specific types of records to be destroyed after a certain time frame (e.g., NMAC 21.2.831 requires that medical

records be destroyed 10 years after file closure).

PERFORMANCE IMPLICATIONS

Given the current state of technology and CYFD's bandwidth in offices or when staff are in the field, this bill would affect the performance of front-line workers, whose electronic devices would need to be continually sending back up data to DoIT, thereby severely impacting the bandwidth at office locations and for phone transmissions. Many CYFD field offices do not currently have WiFi but only plug-in-the-wall internet connectivity.

The requirement of hourly back-up raises issues regarding monitoring and troubleshooting to ensure hourly back-up during the night, weekends and holidays.

There would be an impact to the morale of CYFD employees since this bill does not apply to all executive branch state employees.

ADMINISTRATIVE IMPLICATIONS

CYFD would need to develop policies and procedures to ensure compliance with HB 0203, especially for the hourly back-up requirement.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None identified at this time.

TECHNICAL ISSUES

HB 0203 mandates CYFD, and probably DoIT, to develop and use an extremely complex technical data storage system that does not exist currently at either agency.

This requirement is unreasonable when taking into consideration both the technical complexities as well as the deadline of January 1, 2026, to develop the system. There would be a need for both non-recurring funds to develop and implement CYFD and DoIT data storage systems and additional funds, increasing every year, would be required to maintain the system.

OTHER SUBSTANTIVE ISSUES

None identified at this time.

ALTERNATIVES

None identified at this time.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

CYFD and DoIT would continue to apply the various requirements already contained in the NMAC for retention of different categories of documents. As noted above, CYFD already issues state electronic devices to employees that utilize only software and apps that comply with federal, state, and tribal law.

AMENDMENTS

None identified at this time.