

Multiple Agency Fiscal Note Summary

Bill Number: 2044 HB	Title: Ransomware protection
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Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Consolidated Technology Services	0	0	8,318,200	0	0	16,136,400	0	0	16,036,400
Total \$	0	0	8,318,200	0	0	16,136,400	0	0	16,036,400

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Lieutenant Governor	Fiscal note not available											
Public Disclosure Commission	Fiscal note not available											
Office of the Secretary of State	1.0	429,736	429,736	429,736	1.0	472,386	472,386	472,386	1.0	472,386	472,386	472,386
Governor's Office of Indian Affairs	.0	0	0	0	.0	0	0	0	.0	0	0	0
Commission on Asian Pacific American Affairs	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of State Auditor	Fiscal note not available											
Citizens' Commission on Salaries for Elected Officials	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	1.8	504,000	504,000	504,000	3.3	956,000	956,000	956,000	3.3	956,000	956,000	956,000
Caseload Forecast Council	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Financial Institutions	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	Fiscal note not available											
Office of Financial Management	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Washington State Health Care Authority	Fiscal note not available											
Office of Administrative Hearings	Non-zero but indeterminate cost and/or savings. Please see discussion.											
State Lottery	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State Gambling Commission	Fiscal note not available											
Commission on Hispanic Affairs	.0	0	0	0	.0	0	0	0	.0	0	0	0
Commission on African-American Affairs	.0	0	0	0	.0	0	0	0	.0	0	0	0
Human Rights Commission	.0	13,500	13,500	13,500	.0	27,000	27,000	27,000	.0	27,000	27,000	27,000
Department of Retirement Systems	1.0	0	0	621,941	2.0	0	0	693,722	2.0	0	0	518,722
Department of Retirement Systems	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
State Investment Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Revenue	.7	827,900	827,900	827,900	1.1	488,000	488,000	488,000	.3	201,000	201,000	201,000

Board of Tax Appeals	Non-zero but indeterminate cost and/or savings. Please see discussion.												
Office of Minority and Women's Business Enterprises	Non-zero but indeterminate cost and/or savings. Please see discussion.												
Housing Finance Commission	Fiscal note not available												
Office of Insurance Commissioner	.0	0	0	0	.0	0	0	0	.0	0	0	0	
Consolidated Technology Services	2.5	12,800	12,800	8,331,000	5.0	25,600	25,600	16,162,000	5.0	25,600	25,600	16,062,000	
Board of Accountancy	Non-zero but indeterminate cost and/or savings. Please see discussion.												
Board of Registration for Professional Engineers & Land Surveyors	Non-zero but indeterminate cost and/or savings. Please see discussion.												
Forensic Investigations Council	.0	0	0	0	.0	0	0	0	.0	0	0	0	
Department of Enterprise Services	.0	0	0	0	.0	0	0	0	.0	0	0	0	
Horse Racing Commission	Fiscal note not available												
Board of Industrial Insurance Appeals	Fiscal note not available												
Liquor and Cannabis Board	.0	0	0	0	.0	0	0	0	.0	0	0	0	
Board of Pilotage Commissioners	.0	0	0	0	.0	0	0	0	.0	0	0	0	
Utilities and Transportation Commission	.1	0	0	16,138	.4	0	0	94,317	.0	0	0	0	
Board for Volunteer Firefighters and Reserve Officers	Fiscal note not available												
Washington State Patrol	Fiscal note not available												
Criminal Justice Training Commission	Fiscal note not available												
Traffic Safety Commission	Fiscal note not available												
Office of Independent Investigations	Fiscal note not available												
Department of Labor and Industries	Fiscal note not available												
Department of Licensing	Non-zero but indeterminate cost and/or savings. Please see discussion.												
Military Department	.5	224,995	224,995	224,995	1.0	449,990	449,990	449,990	1.0	449,990	449,990	449,990	
Public Employment Relations Commission	Fiscal note not available												
Department of Social and Health Services	Fiscal note not available												

Department of Health	Fiscal note not available												
Department of Veterans Affairs	1.8	960,306	960,306	960,306	3.5	1,480,198	1,480,198	1,480,198	3.5	960,306	960,306	960,306	
Department of Children, Youth, and Families	.0	0	0	0	.0	0	0	0	.0	0	0	0	
Department of Corrections	Fiscal note not available												
Department of Services for the Blind	Fiscal note not available												
Student Achievement Council	Fiscal note not available												
Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board	Fiscal note not available												
Superintendent of Public Instruction	Fiscal note not available												
State School For The Blind	.0	0	0	0	.0	0	0	0	.0	0	0	0	
Washington State Center for Childhood Deafness and Hearing Loss	.0	0	0	0	.0	0	0	0	.0	0	0	0	
Workforce Training and Education Coordinating Board	Non-zero but indeterminate cost and/or savings. Please see discussion.												
Department of Archaeology and Historic Preservation	.0	0	0	0	.0	0	0	0	.0	0	0	0	
University of Washington	.0	0	0	0	.0	0	0	0	.0	0	0	0	
Washington State University	Fiscal note not available												
Eastern Washington University	.0	100,000	100,000	100,000	.0	200,000	200,000	200,000	.0	200,000	200,000	200,000	
Central Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0	
The Evergreen State College	Fiscal note not available												
Western Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0	
Washington State Arts Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0	
Washington State Historical Society	.0	21,860	21,860	21,860	.0	21,860	21,860	21,860	.0	21,860	21,860	21,860	
Eastern Washington State Historical Society	Non-zero but indeterminate cost and/or savings. Please see discussion.												
Department of Transportation	Fiscal note not available												
County Road Administration Board	.0	0	0	0	.0	0	0	0	.0	0	0	0	

Transportation Improvement Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Transportation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Freight Mobility Strategic Investment Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Columbia River Gorge Commission	.0	36,750	36,750	73,500	.0	49,000	49,000	98,000	.0	49,000	49,000	98,000
Columbia River Gorge Commission	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Department of Ecology	Fiscal note not available											
Pollution Liability Insurance Program	Non-zero but indeterminate cost and/or savings. Please see discussion.											
State Parks and Recreation Commission	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Recreation and Conservation Funding Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
State Conservation Commission	Fiscal note not available											
Department of Fish and Wildlife	.9	327,000	327,000	327,000	1.5	588,000	588,000	588,000	1.5	588,000	588,000	588,000
Puget Sound Partnership	Fiscal note not available											
Department of Natural Resources	Fiscal note not available											
Department of Agriculture	Fiscal note not available											
Employment Security Department	Fiscal note not available											
Community and Technical College System	Fiscal note not available											
Total \$	10.3	3,458,847	3,458,847	12,451,876	18.8	4,758,034	4,758,034	21,731,473	17.6	3,951,142	3,951,142	20,555,264

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of Lieutenant Governor	Fiscal note not available								
Public Disclosure Commission	Fiscal note not available								
Office of the Secretary of State	.0	0	0	.0	0	0	.0	0	0
Governor's Office of Indian Affairs	.0	0	0	.0	0	0	.0	0	0
Commission on Asian Pacific American Affairs	.0	0	0	.0	0	0	.0	0	0
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of State Auditor	Fiscal note not available								
Citizens' Commission on Salaries for Elected Officials	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Caseload Forecast Council	.0	0	0	.0	0	0	.0	0	0
Department of Financial Institutions	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	Fiscal note not available								
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Washington State Health Care Authority	Fiscal note not available								
Office of Administrative Hearings	.0	0	0	.0	0	0	.0	0	0
State Lottery	.0	0	0	.0	0	0	.0	0	0
Washington State Gambling Commission	Fiscal note not available								
Commission on Hispanic Affairs	.0	0	0	.0	0	0	.0	0	0
Commission on African-American Affairs	.0	0	0	.0	0	0	.0	0	0
Human Rights Commission	.0	0	0	.0	0	0	.0	0	0
Department of Retirement Systems	.0	0	0	.0	0	0	.0	0	0
State Investment Board	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Board of Tax Appeals	.0	0	0	.0	0	0	.0	0	0
Office of Minority and Women's Business Enterprises	.0	0	0	.0	0	0	.0	0	0
Housing Finance Commission	Fiscal note not available								
Office of Insurance Commissioner	.0	0	0	.0	0	0	.0	0	0

Consolidated Technology Services	.0	0	0	.0	0	0	.0	0	0
Board of Accountancy	.0	0	0	.0	0	0	.0	0	0
Board of Registration for Professional Engineers & Land Surveyors	.0	0	0	.0	0	0	.0	0	0
Forensic Investigations Council	.0	0	0	.0	0	0	.0	0	0
Department of Enterprise Services	.0	0	0	.0	0	0	.0	0	0
Horse Racing Commission	Fiscal note not available								
Board of Industrial Insurance Appeals	Fiscal note not available								
Liquor and Cannabis Board	.0	0	0	.0	0	0	.0	0	0
Board of Pilotage Commissioners	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Board for Volunteer Firefighters and Reserve Officers	Fiscal note not available								
Washington State Patrol	Fiscal note not available								
Criminal Justice Training Commission	Fiscal note not available								
Traffic Safety Commission	Fiscal note not available								
Office of Independent Investigations	Fiscal note not available								
Department of Labor and Industries	Fiscal note not available								
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Military Department	.0	0	0	.0	0	0	.0	0	0
Public Employment Relations Commission	Fiscal note not available								
Department of Social and Health Services	Fiscal note not available								
Department of Health	Fiscal note not available								
Department of Veterans Affairs	.0	0	0	.0	0	0	.0	0	0
Department of Children, Youth, and Families	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	Fiscal note not available								
Department of Services for the Blind	Fiscal note not available								
Student Achievement Council	Fiscal note not available								

Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board	Fiscal note not available								
Superintendent of Public Instruction	Fiscal note not available								
State School For The Blind	.0	0	0	.0	0	0	.0	0	0
Washington State Center for Childhood Deafness and Hearing Loss	.0	0	0	.0	0	0	.0	0	0
Workforce Training and Education Coordinating Board	.0	0	0	.0	0	0	.0	0	0
Department of Archaeology and Historic Preservation	.0	0	0	.0	0	0	.0	0	0
University of Washington	.0	0	0	.0	0	0	.0	0	0
Washington State University	Fiscal note not available								
Eastern Washington University	.0	0	0	.0	0	0	.0	0	0
Central Washington University	.0	0	0	.0	0	0	.0	0	0
The Evergreen State College	Fiscal note not available								
Western Washington University	.0	0	0	.0	0	0	.0	0	0
Washington State Arts Commission	.0	0	0	.0	0	0	.0	0	0
Washington State Historical Society	.0	0	0	.0	0	0	.0	0	0
Eastern Washington State Historical Society	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	Fiscal note not available								
County Road Administration Board	.0	0	0	.0	0	0	.0	0	0
Transportation Improvement Board	.0	0	0	.0	0	0	.0	0	0
Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Freight Mobility Strategic Investment Board	.0	0	0	.0	0	0	.0	0	0
Columbia River Gorge Commission	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	Fiscal note not available								
Pollution Liability Insurance Program	.0	0	0	.0	0	0	.0	0	0
State Parks and Recreation Commission	.0	0	0	.0	0	0	.0	0	0
Recreation and Conservation Funding Board	.0	0	0	.0	0	0	.0	0	0

Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
State Conservation Commission	Fiscal note not available								
Department of Fish and Wildlife	.0	0	0	.0	0	0	.0	0	0
Puget Sound Partnership	Fiscal note not available								
Department of Natural Resources	Fiscal note not available								
Department of Agriculture	Fiscal note not available								
Employment Security Department	Fiscal note not available								
Community and Technical College System	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Tyler Lentz, OFM	Phone: (360) 790-0055	Date Published: Preliminary 1/31/2022
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Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 075-Office of the Governor
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 01/28/2022
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 01/28/2022
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 01/30/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

The bill expands WaTech's statutory mandate to include the adoption of enterprise technology standards specific to malware and ransomware protection, backup, and recovery.

It also creates much more detailed and in-depth analysis and reporting requirements in the areas of cyber security and technology portfolio be in place by September 1, 2022

It further creates a requirement for immutable data backups be in place by December 31, 2025

The bill states that state agencies must adopt the enterprise technology standards developed by the Office of the State Chief Information Officer.

The services impacted by this legislation are provided to the Governor's office by OFM. Any impacts associated with this legislation will be reflected in OFM's fiscal note.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 085-Office of the Secretary of State
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	2.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	0	429,736	429,736	472,386	472,386
Total \$	0	429,736	429,736	472,386	472,386

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Mike Woods	Phone: (360) 704-5215	Date: 01/28/2022
Agency Approval: Mike Woods	Phone: (360) 704-5215	Date: 01/28/2022
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 2(1) requires the Office of the Chief Information Officer (OCIO) to develop and implement enterprise technology standards specific to malware and ransomware protection, backup, and recovery. Each state agency must comply with the enterprise technology standards.

Section 2(5) requires each state agency to execute and analyze month vulnerability scans, making data available to the OCIO and the State Auditor upon request.

Section 2(6) requires each state agency ensure that all mission critical applications, business essential applications, and other resources containing data that requires special handling be protected to the maximum extent feasible.

Section 2(7) requires each agency perform an assessment of all their applications and resources containing data to include identifying mission critical applications, business essential applications, and categorizing all data attributes, as defined in enterprise technology standards developed pursuant to RCW 43.105.054, and develop a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss. Each agency must submit the sizing of managed data and the prioritized list to the OCIO by September 1, 2022.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 2(5) – No impact to the Office of the Secretary of State (OSOS). OSOS currently performs this activity.

Sections 2(6) and (7) – OSOS will require more resources to perform the tasks outlined in these subsections.

To carry out these tasks, OSOS projects the need for 2 FTE IT Network and Telecommunications – Senior /Specialists (Range 07IT, Step L) in State Fiscal Year 2023, reducing to 1 FTE ongoing annually thereafter. The cost for compensation, standard goods and services, travel, and agency administration is estimated to be \$430,000 in SFY 2023 and approximately \$236,000 per year thereafter. In addition, OSOS anticipates the need for additional vendor support and software licenses totaling \$60,000 per year. The software is necessary to monitor and classify data as required in the bill.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	429,736	429,736	472,386	472,386
Total \$			0	429,736	429,736	472,386	472,386

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		2.0	1.0	1.0	1.0
A-Salaries and Wages		213,648	213,648	213,648	213,648
B-Employee Benefits		71,075	71,075	71,074	71,074
C-Professional Service Contracts					
E-Goods and Other Services		77,550	77,550	131,700	131,700
G-Travel		5,000	5,000	5,000	5,000
J-Capital Outlays		15,000	15,000	5,000	5,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		47,463	47,463	45,964	45,964
9-					
Total \$	0	429,736	429,736	472,386	472,386

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
IT Network and Telecommunications Senior/Specialis	106,824		2.0	1.0	1.0	1.0
Total FTEs			2.0	1.0	1.0	1.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 086-Governor's Office of Indian Affairs
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Seth Flory	Phone: 360-407-8165	Date: 01/28/2022
Agency Approval: Seth Flory	Phone: 360-407-8165	Date: 01/28/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

HB 2044, the Washington state ransomware protection act, relates to the protection of private personal information and state operational data against ransomware and other malicious cyber activities.

Specific to state agencies including the Governor's Office of Indian Affairs (GOIA) are the following sections:

Section 2(4) allows for waivers for certain enterprise technology policies. GOIA does not anticipate requesting waivers in meeting the requirements developed from this bill.

Section 2(5) allows agencies to use CTS-provided tools or an existing solution when conducting monthly vulnerability scans. GOIA utilizes CTS Small Agency IT Support Services and anticipates receiving analytical tools and assistance from WaTech.

Section 2(7) sets forth requirements for GOIA's annual application inventory submission to include consideration of data storage size, quantity of system records, and meeting business criticality as defined by OCIO standard 112.10. GOIA does not use any agency owned systems and receives data hosting and storage services from CTS. Therefore, GOIA does not expect any significant costs to arise from this legislation.

Section 3 requires agencies, when making a technology project request, to ensure that the risk assessment includes a line item to identify the incorporation of data backup and recovery for the purposes of data security. GOIA does not plan on making any IT project requests, so this requirement will not create a fiscal impact.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 087-Commission on Asian Pacific American Affairs
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Paul Bitar	Phone: 360-407-8129	Date: 01/28/2022
Agency Approval: Paul Bitar	Phone: 360-407-8129	Date: 01/28/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

This bill would add requirements aimed at protecting data stored on state agency information technology (IT) systems.

Section 2(5) would require agencies to perform monthly vulnerability scans of their IT systems. CAPAA would use the enterprise tools offered by CTS to fulfill this requirement.

Section 2(6) would require critical/essential applications to be protected to the maximum extent possible. CAPAA anticipates that its use of WaTech services would bring the agency into compliance with this section. CAPAA does not use any other applications that would be subject to this section.

Section 2(7) would require agencies to perform an assessment of critical /essential applications and submit a report to the OCIO by September 1, 2022. CAPAA's critical applications are limited to basic operating system and office suite products, such as Microsoft Windows and Office 365. CAPAA does not expect this section to have a significant impact on the agency.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 090-Office of State Treasurer
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 01/27/2022
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 01/27/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

HB 2044 creates the information technology security account, coupled with the general fund as the recipient of the earnings from investments under RCW 43.84.092(4).

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 099-Citizens' Commission on Salaries for Elected Officials
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Seth Flory	Phone: (360)407-8165	Date: 01/28/2022
Agency Approval: Seth Flory	Phone: (360)407-8165	Date: 01/28/2022
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

HB 2044, the Washington state ransomware protection act, relates to the protection of private personal information and state operational data against ransomware and other malicious cyber activities.

Specific to state agencies including the Citizen's Commission of Salaries for Elected Officials (COS) are the following sections:

Section 2(4) allows for waivers for certain enterprise technology policies. COS does not anticipate requesting waivers in meeting the requirements developed from this bill.

Section 2(5) allows agencies to use CTS-provided tools or an existing solution when conducting monthly vulnerability scans. COS utilizes CTS Small Agency IT Support Services and anticipates receiving analytical tools and assistance from WaTech.

Section 2(7) sets forth requirements for GOIA's annual application inventory submission to include consideration of data storage size, quantity of system records, and meeting business criticality as defined by OCIO standard 112.10. COS does not use any agency owned systems and receives data hosting and storage services from CTS. Therefore, COS does not expect any significant costs to arise from this legislation.

Section 3 requires agencies, when making a technology project request, to ensure that the risk assessment includes a line item to identify the incorporation of data backup and recovery for the purposes of data security. COS does not plan on making any IT project requests, so this requirement will not create a fiscal impact.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	3.5	1.8	3.3	3.3
Account					
General Fund-State 001-1	0	504,000	504,000	956,000	956,000
Total \$	0	504,000	504,000	956,000	956,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 01/28/2022
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 01/28/2022
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 01/31/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

An act relating to the protection of state operational data against harm caused by ransomware.

Section 1 – New Section – Findings regarding ransomware and malicious cyber activities and the need for state agencies to act to ensure they have data backup and disaster recovery practices.

Section 2 – New Section to chapter 43.105 RCW – Requirements for the enterprise technology standards, ransomware education and outreach programs. Except in specific situations, state agency must comply with enterprise technology standards implements pursuant to this section. This includes regular vulnerability scans and make information available to the Office of the State Chief Information Officer (OCIO). Agencies must make efforts to protect data and provide certain information to OCIO. OCIO also has reporting requirements.

Section 3 – New Section to chapter 43.105 RCW – Ransomware is critical to state managed technology. Each project submitted must include indication of how agency will incorporate data backup and recovery for securing data.

Section 4 – New Section to chapter 43.105 RCW – Creates information security in the state treasury.

Section 5 – New Section to chapter 42.56 RCW – Reports in this chapter are confidential and cannot be disclosed.

Section 6 – Amends and Reenacts RCW 43.105.020 – Definitions section. – Adds some new definitions.

Section 7 – Amends RCW 43.105.054 – Adds requirement to design, develop and implement standards specific to malware and ransomware.

Section 8 – Amends RCW 43.105.220 – Adds requirement for OCIO to submit reports to Legislature and what must be included in the report.

Section 9 – New Section to chapter 43.105 RCW – Requirement for OCIO to apply for grants and other financial assistance programs excluding loans.

Section 10 – Appropriation for \$5,000 for fiscal year ending June 30, 2023.

Section 11 – Names act the Washington state ransomware protection act.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

General Fund-State (GF-S) Account 001-1: These Attorney General's Office (AGO) Information Services Division (ISD) and Administration (ADM) divisions' activities will be funded with General Fund-State dollars. There is no client agency to bill for legal services.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The Attorney General’s Office (AGO) Agency Assumptions:

Agency administration support FTE are included in the tables, for every one Assistant Attorney General (AAG) FTE, the AGO includes a 0.5 Legal Assistant 3 (LA 3) FTE and a 0.25 Management Analyst 5 (MA 5) FTE. The MA 5 is used as a representative classification.

Total workload impact in this request includes standard assumption costs for good & services, travel, and capital outlays for all FTE identified.

The enactment of this bill will not impact the provision of legal services provided by the AGO’s Education (EDU), the University of Washington (UOW) and the Transportation and Public Construction (TPC) divisions. The EDU, UOW and TPC divisions’ client agencies may need a legal advice which is assumed to be nominal below 90 AAG hours per Fiscal Year (FY). Therefore, costs are not included in this request.

The AGO’s Information Services Division (ISD) division assumptions:

The AGO currently uses ransomware data protection technologies using both cloud based and on-premise storage. This bill will require analysis to map the current technologies in use to the new requirements to ensure compliance. Additionally, identified vulnerabilities through regularly scheduled system scans have been increasing over the last two years. Going forward, the work is expected to continue to increase.

As new risks develop and vulnerability definitions become more detailed, the number of items to identify, isolate and remediate increases as well, which increases the need for additional qualified staff to perform this work needed to meet the compliance requirements. Increase of 3.0 FTE needed to prioritize and analyze the increased volume of security vulnerabilities identified in the vulnerability scans, using the different scanning tools utilized by the AGO.

1.0 FTE, IT Security – Senior/Specialist (ITS-SS) to evaluate and prioritize identified risks from the weekly vulnerabilities scans already being conducted. This position will also complete all reporting and compliance requirements of the bill including the assessments of all applications and resources containing data that needs additional protections. Starting in FY 2023 and each FY thereafter.

2.0 FTE, IT System Administration – Entry (ITSA-E) to implement the identified controls, requirements and policies that are developed. These positions would also increase capacity and allow for quicker reaction time to remediating identified vulnerabilities through system patches and upgrades. The positions will also increase monitoring and management of existing immutable backup system already in place at the AGO. Starting in FY 2023 and each FY thereafter.

Additional legal services would be needed related to proactive risk mitigation of Data Breach prevention. Using outside counsel Special Assistant Attorney General (SAAG) with specialization in ransomware risk management, data privacy protection and cybersecurity preparedness. Increase the current SAAG contract an additional \$40,000 per FY for additional risk mitigation legal advice and planning guidance. Starting in FY 2023 and each FY thereafter.

The AGO’s Administration (ADM) division assumptions:

0.5 FTE in FY 2023 and 0.25 FTE each FY thereafter, Contracts Specialist 2 (CS 2). This position would include modification of the AGO’s terms to current contracts in order to comply with any new requirements resulting from this legislation. Additionally, there would be contract modifications, invoice review, data entry, reporting, and other related actions, since the ISD anticipates increased legal services related to proactive risk mitigation of Data Breach prevention SAAG usage.

The AGO’s total FTE assumptions (non-Seattle rate):

- FY 2023: \$504,000 / 1.0 ITS-SS, 2.0 ITSA-E, and 0.50 CS 2.
- FY 2024: \$478,000 / 1.0 ITS-SS, 2.0 ITSA-E, and 0.25 CS 2.
- FY 2025: \$478,000 / 1.0 ITS-SS, 2.0 ITSA-E, and 0.25 CS 2.
- FY 2026: \$478,000 / 1.0 ITS-SS, 2.0 ITSA-E, and 0.25 CS 2.
- FY 2027: \$478,000 / 1.0 ITS-SS, 2.0 ITSA-E, and 0.25 CS 2, and each FY thereafter.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	504,000	504,000	956,000	956,000
Total \$			0	504,000	504,000	956,000	956,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		3.5	1.8	3.3	3.3
A-Salaries and Wages		314,000	314,000	594,000	594,000
B-Employee Benefits		99,000	99,000	186,000	186,000
C-Professional Service Contracts		40,000	40,000	80,000	80,000
E-Goods and Other Services		49,000	49,000	92,000	92,000
G-Travel		1,000	1,000	2,000	2,000
J-Capital Outlays		1,000	1,000	2,000	2,000
Total \$	0	504,000	504,000	956,000	956,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Contracts Specialist 2	67,560		0.5	0.3	0.3	0.3
IT Security - Senior/Specialist	112,176		1.0	0.5	1.0	1.0
IT Systems Administration - Entry	83,892		2.0	1.0	2.0	2.0
Total FTEs			3.5	1.8	3.3	3.3

III. D - Expenditures By Program (optional)

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
Administration Division (ADM)		53,000	53,000	54,000	54,000
Information Services Division (ISD)		451,000	451,000	902,000	902,000
Total \$		504,000	504,000	956,000	956,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 101-Caseload Forecast Council
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Erik Cornellier	Phone: 360-664-9375	Date: 01/26/2022
Agency Approval: Elaine Deschamps	Phone: 360-664-9371	Date: 01/26/2022
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 01/26/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

This description will focus on the provisions that impact the Caseload Forecast Council (CFC).

Section 2 of the bill would require the CFC to:

- Comply with new technology standards related to ransomware and backups (Sections 2(3),(9)).
- Execute and analyze monthly vulnerability scans (Section 2(4)).
- Perform an assessment of all applications and resources containing data and develop a list of prioritized applications based on mission criticality and impact to constituents in the event of a system failure or data loss (Section 2(7)).

Section 3 of the bill would require the CFC to incorporate data backup and recovery plans into each technology project submitted for risk assessment.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

NONE

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The expenditure impact on the CFC is indeterminate, but less than \$50,000.

The CFC assumes that the reporting/assessment requirements will be incorporated into current information technology (IT) reporting processes, and therefore will generate an incremental increase in workload.

The cost of compliance with the new technology requirements is indeterminate.

The CFC meets its IT requirements in partnership with WaTech Small Agency Services. The cost of complying with new ransomware and backup/recovery requirements will depend on the level of support the CFC receives from WaTech.

The CFC assumes that it will receive support from WaTech to perform the monthly scans. There may be additional costs associated with the solution WaTech adopts for this.

There may be costs associated with incorporating new ransomware prevention and backup /recovery services into the CFC's current systems. It is unclear whether those costs will be borne by WaTech, the CFC, or both agencies.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 102-Department of Financial Institutions
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Emily Fitzgerald	Phone: (360) 902-8780	Date: 01/28/2022
Agency Approval: Emily Fitzgerald	Phone: (360) 902-8780	Date: 01/28/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

This legislation would require agencies to execute and analyze monthly vulnerability scans, ensure all mission critical applications are protected to the maximum extent feasible, perform an assessment of all applications and resources containing data, report to the OCIO the sizing of managed data, and include intent to incorporate data backup and recovery in all technology projects submitted to the OCIO for approval. These tasks are part of work that the Department of Financial Institutions (DFI) is already doing in this area, and complying to these new requirements would not demand additional resources.

This legislation would also require agencies to include an evaluation of electronic public access needs when planning new information systems or major upgrades. While this requirement represents new effort for DFI, the cost of these evaluations is expected to be minimal (approximately 20 hours per year) and will be absorbed by the Department.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 105-Office of Financial Management
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 01/28/2022
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 01/28/2022
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 01/31/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

The bill expands WaTech’s statutory mandate to include the adoption of enterprise technology standards specific to malware and ransomware protection, backup, and recovery.

It also creates much more detailed and in-depth analysis and reporting requirements in the areas of cyber security and technology portfolio be in place by September 1, 2022

It further creates a requirement for immutable data backups be in place by December 31, 2025

The bill states that state agencies must adopt the enterprise technology standards developed by the Office of the State Chief Information Officer.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Without knowing what the Office of the State Chief Information Officer intends to propose for enterprise technology standards, it is extremely difficult to anticipate implementation impacts and ongoing costs.

We do anticipate implementation and increased ongoing costs in the areas of cybersecurity, technology portfolio management, and data backup tools when the enterprise technology standards specific to malware and ransomware protection, backup, and recovery are known.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.
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III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.
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III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 110-Office of Administrative Hearings
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 01/28/2022
Agency Approval: Deborah Feinstein	Phone: 360-407-2717	Date: 01/28/2022
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 2 Subsection 6 may result in additional need for staff and software depending on the implementation of the definition of "maximum extent possible" found in this subsection.

Section 2 Subsection 7 will result in the need for increased research, tracking, and reporting by staff at the Office of Administrative Hearings (OAH).

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Any work for OAH generated by this legislation will not be billable hours of OAH's administrative law judges or legal support staff. As a result, it will not be billed to referring agencies.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Indeterminate expenditure impact.

Section 2 Subsection 6 states "Each state agency must ensure that all mission critical applications, business essential applications, and other resources containing data that requires special handling, as defined in enterprise technology standards developed pursuant to RCW 43.105.054, must be protected to the maximum extent feasible." The definition of "maximum extent possible" generates ambiguity. Depending on this definition, OAH may need to invest in staff and software.

Section 2 Subsection 7 will result in the need for increased research, tracking, and reporting by staff at OAH. The amount of time spent will depend on the scope and definition of that which is to be collected and how it is to be reported.

This bill is assumed effective 90 days after the end of the 2022 legislative session.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 116-State Lottery
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: John Iyall	Phone: 360-810-2870	Date: 01/28/2022
Agency Approval: Josh Johnston	Phone: 360-810-2878	Date: 01/28/2022
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

HB 2044 addresses ransomware protections. There is no fiscal impact to the Lottery.

New Section 1 - The legislature recognizes that action must be taken at each state agency to ensure data backup and disaster recovery practices are consistent with enterprise technology standards and is aware that additional investments in technology, training, and personnel will be needed.

New Section 2 – Adds a new section to chapter 43.105 RCW

- Subsection (1) directs Consolidated Technology Services (CTS) to create standards which protect against malware and ransomware.
- Subsection (2) directs CTS to establish and distribute educational materials about ransomware.
- Subsection (3) directs each state agency to comply with these standards.
- Subsection (4) requires a waiver for any agency which cannot adopt these standards.
- Subsection (5) directs each state agency to take action monthly in support of these standards, make data available to the office of cybersecurity, the office of the state chief information officer, and the office of the state auditor upon request.
- Subsection (6) requires that each state agency ensure resources containing data are protected to the maximum extent feasible.
- Subsection (7) directs each agency to assess, prioritize, and report on all applications and resources containing data.
- Subsection (8) directs CTS to develop a consolidated report and to deliver this report to the Governor and legislature by 10/31/23.
- Subsection (9) requires each agency to ensure category 3 and 4 data are protected in accordance with developed standards.
- Subsection (10) places additional requirements on OFM, DES, and CTS.
- Subsection (11) directs CTS to modify existing portfolio reporting mechanisms to support collection of new data.
- Subsection (12) declares that these reports are confidential and are not to be disclosed under chapter 42.56 RCW.
- Subsection (13) exempts institutions of higher education from Section 2.

New Section 3 describes the required elements an agency must provide to CTS when submitting a technology project to CTS for assessment.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 118-Commission on Hispanic Affairs
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Paul Bitar	Phone: 360-407-8129	Date: 01/28/2022
Agency Approval: Paul Bitar	Phone: 360-407-8129	Date: 01/28/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

This bill would add requirements aimed at protecting data stored on state agency information technology (IT) systems.

Section 2(5) would require agencies to perform monthly vulnerability scans of their IT systems. CHA would use the enterprise tools offered by CTS to fulfill this requirement.

Section 2(6) would require critical/essential applications to be protected to the maximum extent possible. CHA anticipates that its use of WaTech services would bring the agency into compliance with this section. CHA does not use any other applications that would be subject to this section.

Section 2(7) would require agencies to perform an assessment of critical /essential applications and submit a report to the OCIO by September 1, 2022. CHA's critical applications are limited to basic operating system and office suite products, such as Microsoft Windows and Office 365. CHA does not expect this section to have a significant impact on the agency.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 119-Commission on African-American Affairs
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Paul Bitar	Phone: 360-407-8129	Date: 01/28/2022
Agency Approval: Paul Bitar	Phone: 360-407-8129	Date: 01/28/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

This bill would add requirements aimed at protecting data stored on state agency information technology (IT) systems.

Section 2(5) would require agencies to perform monthly vulnerability scans of their IT systems. CAAA would use the enterprise tools offered by CTS to fulfill this requirement.

Section 2(6) would require critical/essential applications to be protected to the maximum extent possible. CAAA anticipates that its use of WaTech services would bring the agency into compliance with this section. CAAA does not use any other applications that would be subject to this section.

Section 2(7) would require agencies to perform an assessment of critical /essential applications and submit a report to the OCIO by September 1, 2022. CAAA's critical applications are limited to basic operating system and office suite products, such as Microsoft Windows and Office 365. CAAA does not expect this section to have a significant impact on the agency.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 120-Human Rights Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
Account					
General Fund-State 001-1	0	13,500	13,500	27,000	27,000
Total \$	0	13,500	13,500	27,000	27,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Diann Lewallen	Phone: 360-407-8121	Date: 01/28/2022
Agency Approval: Laura Lindstrand	Phone: 360-753-6770	Date: 01/28/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Section 2(3) requires state agencies to comply with enterprise technology standards established by Consolidated Technology Services unless they receive a waiver.

Sec. 2(6) requires that all state agencies must ensure all mission critical applications, business essential applications, and other resources containing data that requires special handling (as defined in OCIO policy) are protected to the maximum extent feasible.

Section 2(7) requires agencies to perform an assessment of all their applications and resources containing data and report specific information to the Office of the State Chief Information Officer (OCIO). They must also submit a prioritized list of applications based on mission criticality and impact to constituents to the office by September 1, 2022.

Section 2(9) requires agencies to ensure systems containing level 3 and level 4 data are protected in accordance with enterprise technology standards.

Section 2(11) requires agencies to report relevant information through existing Information Technology Portfolio reporting mechanisms.

In order to comply with these requirements, the WSHRC would need to move its server backup to Consolidated Technology Services. Based on the amount of data needing backup, these costs are estimated at \$1123.20 per month.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

In order to ensure compliance with the requirements of the bill, Human Rights Commission would move their server backup services to Consolidated Technology Services.

The agency assumes it would need approximately 2,880 GB of storage at \$.39 per gigabyte per month. $2,880 \text{ GB} \times \$0.39/\text{GB}/\text{Month} = \$1,123.20$ per month. For 12 months that would total \$13,478.40 per year.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	13,500	13,500	27,000	27,000
Total \$			0	13,500	13,500	27,000	27,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services		13,500	13,500	27,000	27,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	13,500	13,500	27,000	27,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 124-Department of Retirement Systems
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	2.0	1.0	2.0	2.0
Account					
Department of Retirement Systems Expense Account-State 600-1	0	598,929	598,929	668,055	499,530
Deferred Compensation Administrative Account-Non-Appropriated 888 -6	0	23,012	23,012	25,667	19,192
Total \$	0	621,941	621,941	693,722	518,722

In addition to the estimates above, there are additional indeterminate costs and/or savings . Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Jay Walsh	Phone: 360-664-7266	Date: 01/28/2022
Agency Approval: Tracy Guerin	Phone: 360-664-7312	Date: 01/28/2022
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 01/30/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 2(7) identifies that “(a) Each state agency must perform an assessment of all their applications and resources containing data and report to the office the sizing of managed data to include identifying mission critical applications, business essential applications, and categorizing all data attributes, as defined in enterprise technology standards developed pursuant to RCW 43.105.054, and develop a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss and submit the list to the office. (b) Each state agency must submit the sizing of managed data and the list required in (a) of this subsection to the office by September 1, 2022.”

Section 2(10) identifies that “The office of financial management, department of enterprise services, and consolidated technology services agency must ensure that all mission critical and business essential information technology systems, in accordance with enterprise technology standards developed under RCW 43.105.054, are compliant with the provisions of this act and are supported by immutable backups by December 31, 2025.”

Section 7(2)(j) provides a new power or duty for the Office of the State Chief Information Officer “to design, develop, and implement enterprise technology standards specific to malware and ransomware protection, backup, and recovery.”

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Administrative Assumptions:

- NOTE: The following expenditures represent the cost to implement the components that can be estimated at this time. The remaining components, that require additional definition and/or analysis (i.e., those related to Sections 2(10) and 7(2)(j)) will be estimated and included in a future decision package.
- The costs to implement immutable backups for all applicable agency systems is unknown at this time, however, it is anticipated to be substantial based on initial discussions with other agencies. Some of the resources requested in this fiscal note will allow DRS to identify the cost and submit a decision package in the 2023-25 biennial or 2024 supplemental budget process in order to meet the December 31, 2025 due date required in Section 2 (10).
- Any contract with Software as a Service (SaaS) or other IT hosting vendors that host DRS’ mission critical applications will have to undergo analysis to determine if immutable backups are possible.
 - If they are determined to be possible with these vendors, additional costs will result including contract re-negotiation.
 - If a SaaS or third-party hosting vendor is not able to comply with this legislation, substantial work and costs will be associated with replacing and/or re-hosting the applications involved.
- It is anticipated that the new enterprise technology standards specific to malware and ransomware, as directed in Sec. 7(2)(j) of this legislation, will introduce additional operating costs. If the new standards are developed prior to the 2023-25 biennial or 2024 supplemental budget process, DRS will incorporate the cost into the agency’s budget request.

To support implementation of the components of the bill that can be estimated, and to prepare for and estimate the cost of the remaining items, DRS will need to add the following contracted and full-time positions to the agency:

- A contracted data analyst would be brought in for a period of 18 months to assist the agency with its data dictionary, classifying all data attributes, to include data size for the majority of DRS applications. The cost of this resource is estimated at \$525,000 (3,000 hours @ \$175 per hour).
- A full-time senior level System Administrator is required to develop plans and implement all backup and disaster recovery requirements for applicable mission critical and business essential applications. The cost of that FTE is reflected in the tables in Part III below.
- A full time IT Compliance manager (classified as IT Architect – Journey) is required to oversee all compliance and additional IT portfolio efforts required by this bill. The cost of that FTE is also reflected in the tables in Part III. below

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
600-1	Department of Retirement Systems Expense Account	State	0	598,929	598,929	668,055	499,530
888-6	Deferred Compensation Administrative Account	Non-Appropriated	0	23,012	23,012	25,667	19,192
Total \$			0	621,941	621,941	693,722	518,722

In addition to the estimates above, there are additional indeterminate costs and/or savings . Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		2.0	1.0	2.0	2.0
A-Salaries and Wages		196,940	196,940	393,880	393,880
B-Employee Benefits		62,421	62,421	124,842	124,842
C-Professional Service Contracts		350,000	350,000	175,000	
E-Goods and Other Services		12,580	12,580		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	621,941	621,941	693,722	518,722

In addition to the estimates above, there are additional indeterminate costs and/or savings . Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
IT Architect - Journey	90,120		1.0	0.5	1.0	1.0
IT Sys Admin - Snr/Spec	106,824		1.0	0.5	1.0	1.0
Total FTEs			2.0	1.0	2.0	2.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 126-State Investment Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Celina Verme	Phone: (360) 956-4740	Date: 01/28/2022
Agency Approval: Allyson Tucker	Phone: 360-956-4710	Date: 01/28/2022
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 01/30/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

The State Investment Board does not foresee any fiscal impacts related to the proposed legislation. We are on-track to comply with several of the requirements as a component of the Investment Data Enhancements (IDE) project funded by the Information Technology Gated Funding project. The reporting of data sizes requirements can be met with existing staffing levels.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Department of Revenue Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		1.3	0.7	1.1	0.3
Account					
GF-STATE-State 001-1		827,900	827,900	488,000	201,000
Total \$		827,900	827,900	488,000	201,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 60-786-7383	Date: 01/25/2022
Agency Preparation: Melissa Howes	Phone: 60-534-1518	Date: 01/30/2022
Agency Approval: Don Gutmann	Phone: 60-534-1510	Date: 01/30/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/30/2022

Request # 2044-1-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Note: This fiscal note reflects language in HB 2044, 2022 Legislative Session.

This fiscal note only addresses those sections of the bill that impact the Department of Revenue (Department).

CURRENT LAW:

There is no law that specifically addresses malware and ransomware protection.

PROPOSAL:

This bill creates the Ransomware Protection Act which requires the Consolidated Technology Services Agency (WaTech) to create enterprise technology standards specific to malware and ransomware protection, backup, and recovery. State agencies must comply with these standards or obtain a waiver from doing so from WaTech.

Section 2 requires each state agency to:

- Perform monthly vulnerability scans and, upon request, provide the resulting data to the office of cybersecurity, the office of the state chief information officer, and the office of the state auditor.
- Ensure all mission critical applications, business essential applications, and other resources containing category 3 data, category 4 data, or data that requires special handling be protected according to the standards established by WaTech.
- Provide an assessment report to WaTech of all applications and resources containing data by September 1, 2022, which contains the size of managed data and a list of prioritized applications based on mission criticality and impact to the public in the event of system failure or data lost.

The assessment information and reports produced are not subject to public disclosure.

Institutions of higher education are exempt from the Section 2 requirements.

Section 3 requires that each technology project submitted to WaTech for risk assessment include information on the agency's intent to incorporate data backup and recovery for the purposes of data security and continuity of operations within the project scope.

Section 4 creates the Information Technology Security Account in the state treasury to be used for the purpose of protecting critical state agency information technology systems for which data backup and recovery are essential. The funds from this account supplement existing funding to WaTech.

EFFECTIVE DATE:

The bill takes effect 90 days after final adjournment of the session in which it is enacted.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

This legislation results in no revenue impact to taxes administered by the Department.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing

ASSUMPTIONS:

- It will be necessary to enter into a personal services contract with a vendor to design and produce the required backup system.
- The Department will provide staff support to vendor.

FIRST YEAR COSTS:

The Department will not incur costs in Fiscal Year 2022.

SECOND YEAR COSTS:

The Department will incur total costs of \$827,900 in Fiscal Year 2023. These costs include :

Labor Costs – Time and effort equates to 1.3 FTEs.

- Set up, program and test computer systems for new guidelines.
- Modify systems and applications to comply with the new guidelines.
- Project management support and monitoring progress of project.

Object Costs - \$635,000.

- Computer system changes including contract programming.
- Additional hardware and software for required backup solutions.

ONGOING COSTS:

Ongoing costs for the 2023-2025 Biennium equal \$488,000 and include similar activities described in the second year costs. Time and effort equates to 1.05 FTEs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		1.3	0.7	1.1	0.3
A-Salaries and Wages		122,900	122,900	196,200	54,000
B-Employee Benefits		44,200	44,200	70,600	19,400
C-Professional Service Contracts		95,000	95,000	75,000	
E-Goods and Other Services		16,700	16,700	143,600	126,800
J-Capital Outlays		549,100	549,100	2,600	800
Total \$		\$827,900	\$827,900	\$488,000	\$201,000

III. B - Detail: List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
IT PROJ MGT-SR/SPEC	99,144		0.5	0.3	0.3	
IT SYS ADM-JOURNEY	89,916		0.5	0.3	0.5	0.3
IT SYS ADM-SR/SPEC	94,404		0.3	0.2	0.3	
Total FTEs			1.3	0.7	1.1	0.3

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

None.

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 142-Board of Tax Appeals
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Bret Skipworth	Phone: 3608906657	Date: 01/28/2022
Agency Approval: Bret Skipworth	Phone: 3608906657	Date: 01/28/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Sections 2(3) and 2(9) would require the Board of Tax Appeals (BTA) to comply with new technology standards related to ransomware and backups.

Section 2(4) would require BTA to execute and analyze monthly vulnerability scans.

Section 2(7) would require BTA to perform an assessment of all applications and resources containing data and develop a list of prioritized applications based on mission criticality and impact to constituents in the event of a system failure or data loss.

Section 3 of the bill would require BTA to incorporate data backup and recovery plans into each technology project submitted for risk assessment.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The expenditure impact on the Board of Tax Appeals is indeterminate, but less than \$50,000.

The BTA assumes that the reporting/assessment requirements will be incorporated into current information technology (IT) reporting processes, and therefore will generate an incremental increase in workload.

The cost of compliance with the new technology requirements is indeterminate.

The BTA meets its IT requirements in partnership with WaTech Small Agency Services.

The cost of complying with new ransomware and backup/recovery requirements will depend on the level of support the BTA receives from WaTech.

The BTA assumes that it will receive support from WaTech to perform the monthly scans.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 147-Office of Minority and Women's Business Enterprises
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Paul Bitar	Phone: 360-407-8129	Date: 01/28/2022
Agency Approval: Paul Bitar	Phone: 360-407-8129	Date: 01/28/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

The bill adds several requirements relating to protection against ransomware and other malicious cyber activities. Section 2 requires agencies to conduct and analyze monthly vulnerability scans, and to make the data available to certain bodies upon request; to perform an assessment of all applications and other data-containing resources and to then develop a prioritized list of applications based on mission criticality and impact to constituents. State agencies must submit to the office of cybersecurity the size of managed data and the prioritized list of applications by September 1, 2022.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The fiscal impact to OMWBE is indeterminate, as it is unclear which requirements under this bill will be met through WSDOT and/or WATech, and which requirements will need to be met using existing agency resources. OMWBE and WSDOT have an interagency agreement covering some mission critical applications, OMWBE's Information Technology environment running in the WSDOT IT environment, and providing workstation support.

Section 2(7)(a) will require OMWBE to take an inventory count of both the amount of data related to its storage requirements as well as the number of records contained in each of its data-containing systems.

Section 2(7)(a) will require OMWBE to conduct an assessment to identify and prioritize mission critical and business essential applications and our resources that require special handling, using the definition of “mission critical” and “business essential” applications established in OCIO standard 112.10 under the “business criticality” field.

Section 2(5) requires agencies to conduct and analyze monthly vulnerability scans. OWMBE will use enterprise tools offered by CTS to fulfill this requirement.

Section (2)(7)(a) requires agencies to perform an assessment of all applications and other data-containing resources and to then develop a prioritized list of applications based on mission criticality and impact to constituents. To fulfill this requirement, OMWBE will use data submitted as part of its annual application inventory submitted under policy 112 as the starting point for that collection, and then categorize data attributes according to the bill requirements.

Section (3) requirements will be met through the IT Project Assessment OMWBE currently submit for its projects.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 160-Office of Insurance Commissioner
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Simon Casson	Phone: 360-725-7038	Date: 01/28/2022
Agency Approval: Mark Dietzler	Phone: 360-725-7106	Date: 01/28/2022
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 01/30/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Section 2(1) requires the Office of Chief Information Officer (OCIO) to design, develop and implement enterprise technology standards specific to malware and ransomware protection, backup, and recovery, as well as prevention education for state employees and constituents using state technology services, incident reporting, and incident response management and remediation. Section 2(3) requires each state agency to comply with the enterprise technology standards implemented in section 2(1).

Section 2(5) requires each state agency to execute and analyze monthly vulnerability scans and make the data available to the Office of Cybersecurity, the OCIO and the Office of the State Auditor upon request.

Section 2(6) requires each state agency to ensure that all mission critical applications, business essential applications, and other resources containing data that requires special handling is protected to the maximum extent feasible.

Section 2(7) requires each state agency to perform an assessment of all their applications and resources containing data and report to the OCIO the sizing of managed data and develop a list of prioritized applications based on mission criticality. The sizing of managed data and the list of prioritized applications is required to be reported to the OCIO by September 1, 2022.

Section 2(9) requires agencies to ensure that all mission critical applications, business essential applications, and other resources containing category 3 and category 4 data are protected.

The Office of Insurance Commissioner (OIC) already complies with the requirements of this bill, including reporting data to the OCIO on an annual basis. If the OCIO adds or modifies the existing standards specific to malware and ransomware protection, backup, and recovery, the OIC will incorporate the required changes as part of its regular review of processes and procedures relating to protected data. Therefore, there is no fiscal impact to the OIC.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 163-Consolidated Technology Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Consolidated Technology Services Revolving Account-State 458-1		6,241,600	6,241,600	11,983,200	11,883,200
Consolidated Technology Services Revolving Account-Non-Appropriated 458-6		2,076,600	2,076,600	4,153,200	4,153,200
Total \$		8,318,200	8,318,200	16,136,400	16,036,400

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	5.0	2.5	5.0	5.0
Account					
General Fund-State 001-1	0	12,800	12,800	25,600	25,600
Consolidated Technology Services Revolving Account-State 458-1	0	6,241,600	6,241,600	11,983,200	11,883,200
Consolidated Technology Services Revolving Account-Non-Appropriated 458-6	0	2,076,600	2,076,600	4,153,200	4,153,200
Total \$	0	8,331,000	8,331,000	16,162,000	16,062,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Nenita Ching	Phone: 360-407-8878	Date: 01/28/2022
Agency Approval: Tim Gallivan	Phone: (360) 407-8215	Date: 01/28/2022
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 01/31/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

HB 2044 introduces several new requirements for both the Consolidated Technology Services (WaTech) and state agencies related to data that is captured about applications in their IT portfolios. This includes additional attributes about the type of data collected by agencies in their various systems, including data that must be provided to WaTech as part of that collection. The bill further directs WaTech to implement various changes to policy related to ransomware, incident reporting education, and data residing in applications. Lastly, WaTech also has additional reporting requirements, both one time and ongoing, related to data collected under the chapter.

Sec. 2 contains many new requirements for WaTech.

Sec. 2(1) directs the Office of the Chief Information Officer (OCIO) to design, develop, and implement enterprise technology standards specific to malware and ransomware protection, backup, and recovery. It also directs OCIO to provide prevention education related to ransomware and malware protection for state employees and constituents using state technology services. There are also additional requirements around designing, developing, and implementing policies around incident reporting and incident response management and remediation.

Sec. 2(2)(a) requires a ransomware education and outreach program dedicated to educating public agencies on prevention, response, and remediation of ransomware. Public agencies as defined in RCW 43.105 includes state agencies, local governments, municipal corporations, public utility districts, local service districts, public benefit nonprofits, tribal entities, and any federal agency.

Sec. 2(2)(b) directs the OCIO to document, publish, and distribute ransomware response educational materials for agency directors, agency CFOs, agency CIOs, and agency CISOs that outlines specific steps to take in the event of a malware attack. These materials can be distributed at the agency's discretion.

Sec. 2(3) requires that agencies must comply with enterprise technology standards implemented in subsection 2 (1).

Sec. 2(4) provides for waivers from subsection 2(3), if an agency is unable to meet the requirements of policy directed under subsection 2(3) that is created under subsection 2(1).

Sec. 2(5) requires agencies to execute monthly vulnerability scans and make the data available to Office of Cybersecurity, OCIO, and Office of the State Auditor upon request.

Sec. 2(6) requires that all state agencies must ensure all mission critical applications, business essential applications, and other resources containing data that requires special handling (as defined in OCIO policy) are protected to the maximum extent feasible.

Sec. 2(7)(a) requires all state agencies to perform an assessment of all their applications and resources containing data and report to the OCIO the sizing of managed data to include identifying mission critical applications, business essential applications, and categorizing all data attributes, as defined in enterprise technology standards developed by the OCIO. The agencies must also develop a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure/data loss and submit that list to the OCIO.

Sec. 2(7)(b) requires that this list from agencies be submitted by September 1, 2022.

Sec. 2(8)(a) requires the OCIO to analyze and aggregate the data provided in subsection 2 (7) and prepare a report to the governor and legislature on its contents by October 31, 2023.

The report must contain the following elements, as described in subsection 2 (8)(b)(i-vi):

- (i): total number of mission critical applications, total amount of data associated with each mission critical application, the percentage of mission critical applications with immutable backups, estimated annual data change and growth rates for each mission critical application, and the percentage of mission critical applications that undergo annual COOP exercises, and the percentage meeting enterprise technology standards.
- (ii): The total number of business essential applications and the same information described in requirement (i),
- (iii): The percentage of applications with catalogued and categorized data,
- (iv): Each state agency that received waivers as described in subsection 2 (4),
- (v): Prioritized applications identified by each state agency as required in subsection 2 (7)(a), and
- (vi): Recommendations for additional legislation, rules, and policy to increase against ransomware protections.

Sec. 2(9) require all mission critical and business essential applications and other resources containing category 3 or 4 data are protected in accordance with OCIO standards developed under RCW 43.105.054.

Sec. 2(10) directs the Office of Financial Management, Department of Enterprise Services, and WaTech to ensure all mission critical and business essential IT systems, as defined in OCIO policy, are compliant with the provisions of this act and have immutable backups by December 31, 2025.

Sec. 2(11) directs the OCIO to modify existing portfolio reporting mechanisms in place to support the data collection efforts defined in the bill. The data collected must be analyzed for risk and must be used to prioritize the list of mission critical applications that need additional protections, which may require additional funding by the legislature in future biennia.

Sec. 2(12) notes that the report developed in subsection 2 (8) is exempt from public disclosure under RCW 42.56.

Sec. 2(13) exempts higher education from these requirements.

Sec. 3 adds new language to RCW 43.105 that notes that ransomware protection, data security, and continuity of operations are considered critical success factors of state managed technology projects, and each project which submits a risk assessment to the office must include the agency's plan around data backup and recovery. Technology budgets must include discreet separate line items for these costs. Exit criteria for projects must include confirmation of immutable backups.

Sec. 4 creates a new account called the information technology security account, which allows for expenditures for the purposes of ransomware protections and data backups. Moneys in the account must supplement and may supplant existing funding for WaTech/OCIO.

Sec. 5 creates a new exemption within the public records act for the reports described above.

Sec. 6 amends definitions in RCW 43.105.020 to add definitions for "immutable" as it applies to a backup system's files. Definitions for "malicious cyber activities" and "ransomware" are also included.

Sec. 7 amends RCW 43.105.054 to add a new section requiring the design, development, and implementation of enterprise technology standards specific to malware and ransomware protection, backup, and recovery.

Sec. 8 amends RCW 43.105.220 to add additional biennial reporting requirements (as the proposed section (3)(a)) for the OCIO, beginning on December 31, 2024.

These requirements take data from agency reports and must include:

- The number of mission critical applications.
- The number of mission critical applications with immutable backups.
- The number of business essential applications.
- The number of business essential applications with backups meeting enterprise technology standards.

- The number of applications containing either category 3, category 4 data, or both.
- The number of applications containing data described in (v) that also have immutable backups.
- The breadth of threat landscape.
- A prioritized list of systems within the enterprise requiring immutable backups.
- The cost of implementing immutable backups for each prioritized application.
- The number of full-time equivalents required to manage malware prevention and response policies and agency incident response assistance.
- Progress toward protection from the last submitted report; and
- Recommendations for further work to protect critical state systems.

These additional biennial reporting requirements are exempt from disclosure under RCW 42.56.

Sec. 9 directs the OCIO to apply for federal grant or other financial assistance programs that meet the purposes of this act. The revenues must be deposited into the information technology security account created under this bill and may be used to provide security and protection of critical state systems.

Sec. 10 provides an initial appropriation for the first fiscal year into the information technology security account.

Sec. 11 denotes the bill’s short title as the Washington state ransomware protection act.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

The Office of the Chief Information Officer (OCIO) is funded by an appropriation from the Consolidated Technology Services Revolving Account (458-1.) Revenues for the OCIO are collected from state agencies who receive allocations through the central services model. It is assumed that the allocations in the central services model will be adjusted by the Legislature to ensure WaTech revenues are sufficient to support the required expenditures.

Office of Cybersecurity (OCS) is funded by an appropriation from the Consolidated Technology Services Revolving Account (458-1). Revenues for the OCS are collected from state agencies who receive allocations through the central services model. It is assumed that the allocations in the central services model will be adjusted by the Legislature to ensure WaTech revenues are sufficient to support the required expenditures.

Microsoft Office 365 (M365) is funded by an appropriation from the Consolidated Technology Services Revolving Account (458-1). Revenues for M365 are collected from state agencies who receive allocations through the central services model. It is assumed that the allocations in the central services model will be adjusted by the Legislature to ensure WaTech revenues are sufficient to support the required expenditures.

Backup for new servers (as outlined in the Operation Expenses) are charged to various WaTech programs. WaTech is funded by expenditure authority from the Consolidated Technology Services Revolving Account (458). The portions that are associated with fee for service programs are approximately 44% (\$486,500 annually); therefore, WaTech may have to increase rates for fee for service lines of business to generate additional fee for service revenues. Approximately 1.2% are associated with General Fund State (GF-S) services (JINDEX and Natural Hazard Data Portal). The remaining revenues (54.8%) are from charges allocated to agencies through the central services model. It is assumed allocations in the central services model will be adjusted by the Legislature.

Funding Source	FY 2022	FY 2023	2021-23	2023-25	2025-27
OCS CSM (458-1)	0	415,300	415,300	330,600	230,600
OCIO CSM (458-1)	0	1,139,900	1,139,900	2,279,800	2,279,800
M365 CSM (458-1)	0	4,680,000	4,680,000	9,660,000	9,360,000
Small Agency CSM (458-1)	0	6,400	6,400	12,800	12,800
Network CSM (458-6)	0	37,700	37,700	75,400	75,400

Gateway CSM (458-6)	0	423,100	423,100	846,200	846,200
Security Infrastructure CSM (458-6)	0	1,107,400	1,107,400	2,214,800	2,214,800
Location Based CSM (458-6)	0	30,900	30,900	61,800	61,800
General Fund (GF-S 001)	0	12,800	12,800	25,600	25,600
Fee for Service	0	477,500	477,500	955,000	955,000
Total	0	8,331,000	8,331,000	16,162,000	16,062,000

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Policy:

There are direct policy and enterprise impacts associated with this bill.

Sec. 2(1). The Office of Cybersecurity (OCS) in coordination with the Office of the Chief Information Officer (OCIO) will design, develop, and implement enterprise standards for malware and ransomware and incident reporting and response within existing resources.

Sec. 2(2)(a)(b) requires an outreach program to educate public agencies, which is defined in RCW 43.105.020 as state and federal agencies, local governments/districts, public benefit nonprofits, tribal entities, etc. on the prevention, response, and remediation of ransomware; and to document and distribute ransomware response materials. OCS will contract with consultants to create and execute an educational program. The costs cannot be estimated until the volume and extent of the statement of work are identified. Expenses related to this effort are indeterminate.

Sec. 2(5) requires agencies to execute monthly vulnerability scans and make the data available to Office of Cybersecurity, OCIO, and Office of the State Auditor upon request. WaTech will require sustainable funding for the enterprise vulnerability scanning tool, which is estimated at \$1,015,000 annually. OCS requires an IT Security Senior Specialist, working 50% of time, to request the sample data from agencies, analyze it, and evaluate the remedies for appropriateness. The annual costs are estimated to be \$115,000 (\$73,000 salary and benefits, \$1,000 for goods and services, training, and travel, and \$41,000 for agency overhead and shared services).

Sec. 2(6) and 2(7) updates existing IT Portfolio policies and standards and the OCIO will need to educate agencies on the new IT Portfolio reporting requirements. Sec. 2(8), 2(9), 2(10), 2(11) requires developing or updating a solution to capture the new reporting requirements and educating agencies on the new application reporting requirements.

OCIO anticipates receiving requests for policy waivers from up to 80 agencies while they develop and implement compliance plans to meet IT Portfolio reporting requirements in the bill. The anticipated volume is 400 applications for waivers (assuming five applications per agency).

Two IT Policy and Planning Expert positions at WMS 2 level are necessary to meet these requirements, to register, review/analyze, and track waiver requests and compliance plans for IT Portfolio and security policies. The duration of each agency's waiver process will depend on the size of the agency and the complexity of their path to compliance. Historically, larger agencies trying to perform this type of complex work using existing resources take 2-5 years and require multiple waiver extensions.

OCIO estimates spending approximately 4,224 hours to support the following activities :

Activity	Hours	~ Multiplier	Total Estimated Hours
Request initiation activities	1.5	400 Applications	600
Negotiate compliance plan with agency	2.0	400 Applications	800

Waiver disposition reason and approval process	2.0	400 Applications	800
Capture/track agency monthly status report	5.0	400 Applications	2,000
Produce and publish monthly report.	24.0	1 Report	24
Total Hours	34.5		4,224

The annual cost for the two IT Policy and Planning Expert (WMS 2) is estimated to be \$457,800 (\$287,600 salary and benefits, \$6,200 for goods and services, training, and travel, and \$164,000 for agency overhead and shared services).

Sec. 2(8) requires a report to the governor and legislature by October 31, 2023, providing data on mission critical applications, as itemized in Sec. 2(8)(b)(i-vi). A consultant will be necessary to develop processes and procedures for data collection and analysis, and to perform the data collection and analysis, and to compile the report. Professional services are estimated at \$400,000 (16 months X 125 hour per month X \$200 per hour).

Sec. 4 creates a new account called the information technology security account. It is unclear which agency will manage this account based on the how the bill is written. Assuming WaTech manages the account, a Fiscal Analyst 4 working at 25% of time will be necessary to track various sources of revenues and expenditures and reconcile the fund. The annual costs are estimated to be \$43,800 (\$22,500 salary and benefits, \$800 for goods and services, training, and travel, and \$20,500 for agency overhead and shared services).

Sec. 8. Additional requirements to OCIO’s biennial reporting will be met by incorporating processes and procedures from the contractor procured to comply with the other reporting provisions of Sec. 2 (8) in this bill. Because those processes and procedures will be implemented for ongoing reporting requirements, the additional reporting requirements in Sec. 8 can be met with existing resources.

Sec. 9 directs the OCIO to apply for federal grant or other financial assistance programs. To meet the requirements of this section, the following employee support are necessary :

1. One Grant Program Manager at WMS2 level to research grants, write proposals, communicate with granting entities, and to manage the grant requirements. The annual costs are estimated to be \$228,900 (\$143,800 salary and benefits, \$3,100 for goods and services, training, and travel, and \$82,000 for agency overhead and shared services).
2. One Grant Fiscal Manager at WMS2 level to provide cost analysis, financial reporting, grant reconciliation, and coordinate the grant audits. The annual costs are estimated to be \$228,900 (\$143,800 salary and benefits, \$3,100 for goods and services, training, and travel, and \$82,000 for agency overhead and shared services).
3. Fiscal Analyst 4 working 25% of time to complete the drawing of federal funds or other grant programs. The annual costs are estimated to be \$23,300 (\$22,500 salary and benefits, \$800 for goods and services, training, and travel).

The sum of the expenses itemized above is \$2,413,000 in FY23, \$2,213,000 in FY24, and \$2,113,000 in FY25 and after.

Operations:

WaTech and Small Agency IT Support will be required to comply with the new requirements of this bill or obtain a waiver.

Sec. 2(3)(4) requires that agencies must comply with enterprise technology standards implemented in section 1 or obtain a waiver per Sec. 2(4). This effort will be undertaken with existing resources.

Sec. 2(5) Requires vulnerability scans for agencies. Currently, WaTech and IT Small Agency Support conduct the analysis monthly using the enterprise vulnerability tool and meet the requirements in this section, however, as noted in the policy section, the agency will need sustainable funding to finance this in outgoing years.

Sec. 2(10) directs the Office of Financial Management, Department of Enterprise Services, and WaTech to ensure all mission critical and business essential IT systems are compliant with the provisions of this act and have immutable backups.

Compliance for immutable backups require :

- Backups for the Enterprise Microsoft Office 365 (M365): We estimate the listing price for unlimited licenses for M365 hosted storage at \$6 per user per month. The annual costs are estimated to be \$4,680,000 (\$6.00 X 12 months X 65,000 users).
- Backups for new servers in Washington Cloud: Currently, WaTech provides the backup services that are already in compliance with this requirement at \$.39 per gigabyte (GB) per month. Current data shows that there are approximately 226,435 GB of WaTech’s mission critical and business essential data (in various areas) that are not being backup with immutable backups. The annual costs to comply with this requirement is approximately \$1,059,716 (226,435 GB X \$0.39 X 12 Months).
- Backups for critical applications for OCIO outside of Washington Cloud: Annual expenses for 7 applications requiring immutable backups are \$178,000.

The sum of expenses for immutable backup is \$5,918,000 in FY23; \$11,836,000 biennially.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	12,800	12,800	25,600	25,600
458-1	Consolidated Technology Services Revolving Account	State	0	6,241,600	6,241,600	11,983,200	11,883,200
458-6	Consolidated Technology Services Revolving Account	Non-Appropriated	0	2,076,600	2,076,600	4,153,200	4,153,200
Total \$			0	8,331,000	8,331,000	16,162,000	16,062,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		5.0	2.5	5.0	5.0
A-Salaries and Wages		513,500	513,500	1,027,000	1,027,000
B-Employee Benefits		179,500	179,500	359,000	359,000
C-Professional Service Contracts		300,000	300,000	100,000	
E-Goods and Other Services		6,947,500	6,947,500	13,895,000	13,895,000
G-Travel		1,000	1,000	2,000	2,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		389,500	389,500	779,000	779,000
9-					
Total \$	0	8,331,000	8,331,000	16,162,000	16,062,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Fiscal Analyst 4	63,700		0.5	0.3	0.5	0.5
IT Security Sr Specialist	99,300		0.5	0.3	0.5	0.5
WMS2 - Grant Fiscal Manager	108,000		1.0	0.5	1.0	1.0
WMS2 - Grant Program Manager	108,000		1.0	0.5	1.0	1.0
WMS2 - IT Policy & Planning Expert	108,000		2.0	1.0	2.0	2.0
Total FTEs			5.0	2.5	5.0	5.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 165-Board of Accountancy
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Paul Bitar	Phone: 360-407-8129	Date: 01/28/2022
Agency Approval: Paul Bitar	Phone: 360-407-8129	Date: 01/28/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/29/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

2044 HB would result in a fiscal impact to the Board of Accountancy (ACB), but costs are indeterminate at this time.

The bill would add requirements aimed at protecting data stored on state agency information technology (IT) systems.

Section 2(5) would require agencies to perform monthly vulnerability scans of their IT systems. ACB would use the enterprise tools offered by CTS to fulfill this requirement.

Section 2(6) would require critical/essential applications to be protected to the maximum extent possible. ACB anticipates that its use of WaTech services would bring some of its applications into compliance with the requirements of this section. ACB is part of the WaTech M365 Shared Tenant, so these costs are included in WaTech's fiscal note.

ACB anticipates that it may incur costs to bring the agency into compliance with the storage requirements imposed under this bill. ACB will need to work with the vendors that support the agency's electronic content management and licensing systems to determine whether the current storage solutions meet the requirements set forth in Section 2 (6). For any data not currently in compliance, the agency will use a rate of \$0.39 /GB to calculate the cost to move to a secure option.

Section 2(7) would require agencies to perform an assessment of critical /essential applications and submit a report to the OCIO by September 1, 2022. ACB has several mission critical applications, including its electronic content management system and CPA licensing system. The agency expects that staff will spend time on the assessment and report, but cannot estimate hours at this time.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

STORAGE COSTS

ACB is in the process of evaluating whether its current storage solutions meet the requirements of Section 2 (6). Applicable costs will be reported when the info becomes available.

ASSESSMENT/REPORTING COSTS

ACB will incur staff costs associated with the assessment and reporting requirement imposed under Section 2 (7). The agency expects that estimating these costs will be possible once assessment and reporting guidelines are published.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 166-Board of Registration for Professional Engineers & Land Surveyors
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Paul Bitar	Phone: (360) 407-8129	Date: 01/28/2022
Agency Approval: Paul Bitar	Phone: (360) 407-8129	Date: 01/28/2022
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/31/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

2044 HB bill would add requirements aimed at protecting data stored on state agency information technology (IT) systems.

Section 2(5) would require agencies to perform monthly vulnerability scans of their IT systems. BRPELS would use the enterprise tools offered by CTS to fulfill this requirement.

Section 2(6) would require critical/essential applications to be protected to the maximum extent possible. BRPELS anticipates that its use of WaTech services would bring some of its applications into compliance with this section. BRPELS is part of the WaTech M365 Shared Tenant, so these costs are included in WaTech's fiscal note. BRPELS' professional licensing system is administered by DOL, so BRPELS does not expect to directly incur costs to comply with the storage requirements. BRPELS would reimburse DOL for any costs DOL incurs bringing BRPELS' licensing system into compliance with this section.

Section 2(7) would require agencies to perform an assessment of critical /essential applications and submit a report to the OCIO by September 1, 2022. BRPELS does not expect this section to result in a significant impact to staff.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 167-Forensic Investigations Council
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Bret Skipworth	Phone: 3608906657	Date: 01/28/2022
Agency Approval: Bret Skipworth	Phone: 3608906657	Date: 01/28/2022
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Sections 2(3) and 2(9) would require the Forensic Investigations Council (FIC) to comply with new technology standards related to ransomware and backups.

Section 2(4) would require FIC to execute and analyze monthly vulnerability scans.

Section 2(7) would require FIC to perform an assessment of all applications and resources containing data and develop a list of prioritized applications based on mission criticality and impact to constituents in the event of a system failure or data loss

Section 3 of the bill would require FIC to incorporate data backup and recovery plans into each technology project submitted for risk assessment.

FIC does not possess it's own servers and all members of FIC are on a volunteer basis using emails and contact information from other organizations. FIC also does not have any access to statewide systems or systems provided by the state as they are serviced by the Washington State Patrol and the Department of Enterprise Services. With this, FIC believes there would be no fiscal impact to the agency.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 179-Department of Enterprise Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Ivy Huynh	Phone: (360) 407-8763	Date: 01/26/2022
Agency Approval: Ashley Howard	Phone: (360) 407-8159	Date: 01/26/2022
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Section 2 (subsection 3 through 7) requires each state agency to :

- comply with the enterprise technology standards implemented by the Office of the State Chief Information Officer (OCIO) within the Consolidated Technology Services (CTS).
- submit a waiver to the OCIO if the agency is precluded from complying with the enterprise technology standards.
- execute and analyze monthly vulnerability scans, making data available to the office of cybersecurity (OCS), the OCIO and the Office of the State Auditor upon request.
- ensure that all mission critical applications, business essential applications, and other resources containing data that requires special handling are protected to the maximum extent feasible.
- perform an assessment of applications and resources containing data and report to the office the sizing of managed data and develop a list of prioritized applications based on mission criticality and impact.
- submit the sizing of managed data and the list required of this subsection to the office by September 1, 2022.

These requirements can be incorporated into Department of Enterprise Services (DES)'s routine business process. Therefore, there is no fiscal impact to DES.

Section 2 (10) also requires the Office of Financial Management (OFM), DES, and CTS to ensure that all mission critical and business essential information technology systems, in accordance with enterprise technology standards are compliant with the provisions of this act and are supported by immutable backups by December 31, 2025. This can also be incorporated into DES's routine business process. Therefore, it has no fiscal impact to DES.

Section 5 is the new section stating the reports and information compiled pursuant to section 2 (7) and 8(b) of this bill are confidential and may not be disclosed under this chapter. This has no fiscal impact to DES as this is our routine business process.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 195-Liquor and Cannabis Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Colin O Neill	Phone: (360) 522-2281	Date: 01/27/2022
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 01/27/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/27/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The fiscal impact to the agency is minimal and can be absorbed. The reporting requirements of this bill are estimated at 80 hours (\$5,768) in staff costs per year.

Section 2(1): The Office of the Chief Information Officer (OCIO) shall design, develop, and implement enterprise technology standards specific to malware and ransomware protection, backup, and recovery, as well as prevention education for state employees and constituents using state technology services, incident reporting, and incident response management and remediation.

Section 2(3): Except as provided in subsection (4) of this section, each state agency as defined within enterprise technology standards developed pursuant to RCW 43.105.054 must comply with the enterprise technology standards implemented pursuant to subsection (1) of this section.

Section 2(4): A state agency with a requirement that precludes it from complying with subsection (3) of this section must receive a waiver from the OCIO.

Section 2(5): Each state agency must execute and analyze monthly vulnerability scans, making data available to the office of cybersecurity, the OCIO, and the office of the state auditor upon request.

Section 2(6): Each state agency must ensure that all mission critical applications, business essential applications, and other resources containing data that requires special handling, as defined in enterprise technology standards developed pursuant to RCW 43.105.054, must be protected to the maximum extent feasible.

Section 2(7)

(a): Each state agency must perform an assessment of all their applications and resources containing data and report to the OCIO the sizing of managed data to include identifying mission critical applications, business essential applications, and categorizing all data attributes, as defined in enterprise technology standards developed pursuant to RCW 43.105.054, and develop a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss and submit the list to the OCIO.

(b) Each state agency must submit the sizing of managed data and the list required in (a) of this subsection to the office by September 1, 2022.

Section 2(9): Agencies must ensure that all mission critical applications, business essential applications, and other resources containing category 3 and category 4 data are protected in accordance with enterprise technology standards developed under RCW 43.105.054.

Section 3: Ransomware protection, data security, and continuity of operations are considered critical success factors of state managed technology projects. Each technology project submitted for risk assessment by the office must include an indication of the agency's intent to incorporate data backup and recovery for the purposes of data security and continuity of operations within the project scope. Technology budgets analyzed as part of gated funding must include discreet separate line items for backup and recovery services where applicable. Exit criteria for each applicable project must include confirmation of an immutable backup solution as well as a successful test of application and data recovery.

Section 6: adds definitions of "Immutable," "malicious cyber activities," and "ransomware."

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 205-Board of Pilotage Commissioners
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Bret Skipworth	Phone: 3608906657	Date: 01/28/2022
Agency Approval: Bret Skipworth	Phone: 3608906657	Date: 01/28/2022
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Sections 2(3) and 2(9) would require the Board of Pilotage Commissioners (BPC) to comply with new technology standards related to ransomware and backups.

Section 2(4) would require BPC to execute and analyze monthly vulnerability scans.

Section 2(6) would require critical/essential applications to be protected to the maximum extent possible.

Section 2(7) would require BPC to perform an assessment of all applications and resources containing data and develop a list of prioritized applications based on mission criticality and impact to constituents in the event of a system failure or data loss.

Section 3 of the bill would require BPC to incorporate data backup and recovery plans into each technology project submitted for risk assessment.

BPC receives it's IT support through the Department of Transportation and does not anticipate any fiscal impact from these requirements.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 215-Utilities and Transportation Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	0.1	0.1	0.4	0.0
Account					
Public Service Revolving Account-State 111-1	0	16,138	16,138	94,317	0
Total \$	0	16,138	16,138	94,317	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Kim Anderson	Phone: 360-664-1153	Date: 01/28/2022
Agency Approval: Amy Andrews	Phone: 360-481-1335	Date: 01/28/2022
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill requires the UTC's Critical and Business Essential applications be compliant with OCIO's proposed enterprise technology standards specific to malware and ransomware protection, backup, and recovery by December 31, 2025.

Section 2(7):

Requires each state agency to perform an assessment of all their applications and resources containing data and report to the office the sizing of managed data to include identifying mission critical applications, business essential applications, and categorizing all data attributes, as defined in enterprise technology standards developed pursuant to RCW 43.105.054, and develop a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss and submit the list to the office.

It also requires each state agency to submit the sizing of managed data and the list to the office by September 1, 2022.

The UTC assumes its Information Services staff will be required to report to the OCIO a complete list of the commission's mission critical and business essential applications and the sizes of their data stores by September 1, 2022.

Section 2(10):

Requires the office of financial management, department of enterprise services, and consolidated technology services agency to ensure that all mission critical and business essential information technology systems, in accordance with enterprise technology standards developed under RCW 43.105.054, are compliant with the provisions of this act and are supported by immutable backups by December 31, 2025.

The UTC assumes this section requires the commission to ensure that all mission critical and business essential applications are supported by immutable backups. For internal, custom applications (those where WaTech stores our data), the UTC currently has immutable backups through WaTech, and therefore assume no significant additional costs would be incurred. However, the UTC assumes the agency will need to conduct an assessment to ensure those backup solutions are compliant. For cloud applications, there are too many unknowns and variables to reasonably estimate the time or costs associated, so we are declaring those potential costs indeterminate at this time.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 2(7):

Assess mission-critical and business-essential applications for compliance with OCIO standards and to determine sizing of managed data by Sept. 1, 2022

\$5,573

FY2023

(Chief Information Officer, 0.01 FTE; Application Development Supervisor, 0.01 FTE; IT Application Development, Journey, 0.01 FTE; IT Project Manager, 0.01 FTE)

\$11,145 annually

FY24 and FY25 \$11,145

(Chief Information Officer, 0.02 FTE; Application Development Supervisor, 0.02 FTE; IT Application Development, Journey, 0.02 FTE; IT Project Manager, 0.02 FTE)

Section 2(10):

Remediate cloud-hosted applications that do not meet OCIO enterprise technology standards specific to malware and ransomware protection, backup, and recovery by Dec. 31, 2025

\$7,519

FY23

(Application Development Supervisor, 0.02 FTE; IT Application Development, Journey, 0.04 FTE)

FY2024 and FY2025 \$30,077 annually

(Application Development Supervisor, 0.08 FTE; IT Application Development, Journey, 0.15 FTE)

Ensure immutability of backups for critical on-premises applications by Dec. 31, 2025

\$3,047

FY23

(Chief Information Officer, 0.01 FTE; IT System Administration, Senior, 0.02 FTE)

\$6,093

FY24

(Chief Information Officer, 0.01 FTE; IT System Administration, Senior, 0.02 FTE)

Ensure immutability of backups for cloud-hosted applications by Dec. 31, 2025

Indeterminate.

Develop new or update existing disaster recovery and annual recovery testing procedures

\$5,780

FY24

(Chief Information Officer, 0.01 FTE; Application Development Supervisor, 0.01 FTE; IT System Administration, Senior, 0.01 FTE; IT Project Manager, 0.01 FTE)

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
111-1	Public Service Revolving Account	State	0	16,138	16,138	94,317	0
Total \$			0	16,138	16,138	94,317	0

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		0.1	0.1	0.4	
A-Salaries and Wages		11,954	11,954	69,864	
B-Employee Benefits		4,184	4,184	24,453	
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	16,138	16,138	94,317	0

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Application Development Supervisor	96,828		0.0	0.0	0.1	
Chief Information Officer	114,768		0.0	0.0	0.0	
IS Project Manager	104,292		0.0	0.0	0.0	
IT App Development - Journey	96,888		0.1	0.0	0.2	
IT App Development - Senior/Specialist	112,176		0.0	0.0	0.0	
Total FTEs			0.1	0.1	0.4	0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 240-Department of Licensing
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Maria Thomas	Phone: 360-902-0113	Date: 01/28/2022
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 01/28/2022
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

This bill would create a Washington State Ransomware Protection Act. The act would require Department of Licensing (DOL) to comply with OCIO established standards, or receive a waiver. In addition, DOL would be required to:

- Execute and analyze monthly vulnerability scans.
- Ensure mission critical and business essential applications, and other resources containing data that requires special handling is protected to the maximum extent feasible.
- Perform an assessment of all applications and resources containing data and report to the OCIO.
- Submit a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.
- Submit the size of managed data.
- Ensure all mission critical applications, business essential applications, and other resources containing category 3 and category 4 data are protected.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

No cash receipts are expected from this legislation.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Please see the attached Fiscal Note.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Agency 240 – Department of Licensing

Bill Number: 2044 HB

Bill Title: Protection of critical constituent and state operational data

Part 1: Estimates

No Fiscal Impact

Estimated Cash Receipts:

No cash receipts are expected from this legislation.

Estimated Expenditures:

Indeterminate fiscal impact.

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions.

- If the fiscal impact is **less than \$50,000** per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- If fiscal impact is **greater than \$50,000** per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Steven Puvogel	Phone: (360) 701-6459	Date: 01-25-22
Agency Preparation: Maria Thomas	Phone: (360) 902-3615	Date: 01-28-22
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date: 01-28-22

Request #	1
Bill #	

Part 2 – Explanation

2.A – Brief Description Of What The Measure Does That Has Fiscal Impact

This bill would create a Washington State Ransomware Protection Act. The act would require Department of Licensing (DOL) to comply with OCIO established standards or receive a waiver. In addition, DOL would be required to:

- Execute and analyze monthly vulnerability scans.
- Ensure mission critical and business essential applications, and other resources containing data that requires special handling is protected to the maximum extent feasible.
- Perform an assessment of all applications and resources containing data and report to the OCIO.
- Submit a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.
- Submit the size of managed data.
- Ensure all mission critical applications, business essential applications, and other resources containing category 3 and category 4 data are protected.

2.B - Cash receipts Impact

No cash receipts are expected from this legislation.

2.C – Expenditures

The fiscal impact of this bill is indeterminate.

DOL collects, manages, and protects a variety of highly sensitive data and is dependent on data back up and disaster recovery standards and practices to ensure safety of critical, sensitive, and confidential data. The extent to which existing data backup and disaster recovery practices would be impacted by the provisions of this bill is unknown, and while DOL is unable to provide an exact cost estimate of HB 2044, we would like to provide the breakdown of our assumptions.

Section 2(5) requires DOL to either use enterprise tools offered by CTS to fulfill this requirement or have an existing solution that can import information into the enterprise solution offered by CTS.

- DOL estimates 0.2 FTE of IT Security - Senior Specialist will be needed for 24 months and ongoing to set up, execute and analyze monthly vulnerability scans.
- Impact to DOL’s business areas from Sec 2(5) is indeterminate and will be based on results of vulnerability scans.

Section 2(6) requires DOL to ensure all mission critical applications, business essential applications, and other resources containing data that requires special handling is protected to the maximum extent feasible.

- DOL will need to review and identify all mission critical applications and data – it is estimated to involve significant effort from the enterprise architecture team to identify applications and infrastructure that fall within the provisions of Sec 2(6).
- In addition, 0.2 FTE of IT Security - Senior Specialist will be needed for 24 months to perform reviews.

- DOL's Data Management Office estimates 0.1 FTE of Management Analyst 4 will be needed for 12 months to identify the types and location of data collected by DOL.
- In the event DOL IT Security team identifies areas that do not meet the requirements set forth in Sec 2(6), DOL will need an additional 1.0 FTE of IT Data Management - Journey to ensure DOL is meeting OCIO data security requirements, as well as restrictions.

Section 2(7) requires DOL to perform an assessment of all applications and resources containing data and report to the OCIO the sizing of managed data to include mission critical applications, business essential applications, and categorizing all data attributes, as defined by enterprise technology standards developed pursuant to RCW 43.105.054; and develop and submit to the OCIO, a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss; and submit the sizing of managed data and the list required in (a) of this subsection to the office by September 1, 2022.

- DOL currently conducts an annual inventory of applications and infrastructure but not an assessment as required by Section 2(7) of this bill. DOL estimates 0.2 FTE of IT Security - Senior Specialist will be needed for 24 months to perform an assessment, categorize data attributes, and develop and submit to the OCIO a list of prioritized applications.

Section 2(9) requires DOL to ensure that all mission critical applications, business essential applications, and other resources containing category 3 and category 4 data are protected in accordance with enterprise technology standards developed under RCW 43.105.054.

- DOL estimates 0.2 FTE of IT Architect - Senior Specialist will be needed for 24 months to ensure all DOL databases and applications and other resources are identified, documented, and protected, and to implement enterprise technology standards.
- DOL also estimates 0.2 FTE of IT Security - Senior Specialist will be needed for 24 months to implement and oversee enterprise technology standards relating to security of category 3 and 4 data.
- DOL's Server Support group will need additional 1.0 FTE of IT Data Management to identify, document and implement technology standards on category 3 and 4 data.
- DOL will need 0.5 FTE of Management Analyst 4 for 10 months to identify category 3 and 4 information in resources other than mission critical and business essential applications. This work will include content analysis of little-used and obsolete applications, shared drive resources, M365 online resources, and accounts of former employees retained for legal or HR purposes.

Section 2(10) requires office of financial management, department of enterprise services, and consolidated technology service to ensure all mission critical and business essential information technology systems are compliant with the provisions of this act and are supported by immutable backups by December 31, 2025.

- DOL estimates 0.2 FTE of IT Security - Senior Specialist will be needed for 24 months to validate the data.

Without established data backup and disaster recovery criteria by the OCIO, the preliminary cost estimate exceeds \$700,000 in FY 2023 and \$550,000 FY 2024. However, if existing DOL data backup and disaster recovery practices will be found vulnerable to ransomware and other malicious cyber activities and require changes to be in compliance and maintain business process, this estimate will go up.

Part 3 – Expenditure Detail

Non-zero but indeterminate costs and/or savings. Please see discussion.

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 245-Military Department
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	1.0	0.5	1.0	1.0
Account					
General Fund-State 001-1	0	224,995	224,995	449,990	449,990
Total \$	0	224,995	224,995	449,990	449,990

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Melanie Rogers	Phone: 253-512-8555	Date: 01/28/2022
Agency Approval: Regan Hesse	Phone: 253-512-8115	Date: 01/28/2022
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Creates a requirement for agencies to have immutable backups of data and critical applications, for agencies to conduct security analysis and reporting, and for the Office of the Chief Information Officer to be the data collection point for the progress and situation of each agency. The increased cost for the agency is to purchase a backup solution that is immutable and fund an IT Security - Journey FTE.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 2 (2) adds education and outreach for malware and ransomware. Section 2 (5-8) adds security scans, analysis, corrective actions and reporting requirements to the Office of the State Chief Information Officer and Office of the State Auditor. A true “immutable” solution, to meet the intent of Section 2 (10) may be needed, which would cost a minimum of \$75,000 a year for the data and applications at the Military Department. This is mainly for the records from Emergency Management and the WA Youth Challenge Academy. The purchase of an extended solution on top of what the agency currently utilizes from the same vendor would be \$125 per terabyte per month. Our agency would utilize 50 terabytes minimum per month. This equates to \$75,000 per year. If our agency utilized the WaTech solution at \$407 per terabyte at 50 terabytes the agency cost would be \$244,200 per year, just for critical data and applications.

The Military Department is currently overwhelmed with security analysis, reporting requirements, and corrective actions to mitigate security risks. In order to properly implement the intent, the department requires one FTE (IT Security - Journey).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	224,995	224,995	449,990	449,990
Total \$			0	224,995	224,995	449,990	449,990

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		1.0	0.5	1.0	1.0
A-Salaries and Wages		99,312	99,312	198,624	198,624
B-Employee Benefits		45,683	45,683	91,366	91,366
C-Professional Service Contracts					
E-Goods and Other Services		80,000	80,000	160,000	160,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	224,995	224,995	449,990	449,990

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
IT Security - Journey	99,312		1.0	0.5	1.0	1.0
Total FTEs			1.0	0.5	1.0	1.0

III. D - Expenditures By Program (optional)

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
Administrative Services - Information Technology (020)		224,995	224,995	449,990	449,990
Total \$		224,995	224,995	449,990	449,990

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 305-Department of Veterans Affairs
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	3.5	1.8	3.5	3.5
Account					
General Fund-State 001-1	480,153	480,153	960,306	1,480,198	960,306
Total \$	480,153	480,153	960,306	1,480,198	960,306

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Troy Cerny	Phone: 3607252661	Date: 01/28/2022
Agency Approval: Yacob Zekarias	Phone: 253-545-1942	Date: 01/28/2022
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 01/30/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Section 2 identifies capacity impacts to Washington Department of Veterans Affairs (WDVA) for new data aggregation, classification, executing and reinforcing of data protections, and reporting accountability back to WaTech.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 2, Subsection 3 requires WDVA to comply with the enterprise technology standards outlined in this bill to include reporting outcomes annually of the response and remediation of ransomware. WaTech is to provide training and education materials to be disseminated and applied at the state agency level.

WDVA assumes 0.2 FTE impact to accept and deliver training and education coordination for WDVA staff.

Section 2, Subsection 4 allows WDVA a waiver option based on written business justification when compliance is not permissible or able to be enacted within the required timeframes.

WDVA assumes 0.1 FTE impact to support the waiver documentation and process for security, data, and application compliance.

Section 2, Subsection 5 requires WDVA to execute and analyze monthly vulnerability scans and make the data available to the Cybersecurity office, WaTech, and the state auditor office upon request.

WDVA assumes a total of 0.6 FTE impact for this requirement: 0.2 FTE to support requests of data to authorized entities, 0.3 FTE to execute, analyze, and transform analysis of vulnerability scans into corrective actions, and 0.1 FTE to collect outcomes and completion of corrective actions.

Section 2, Subsection 6 requires WDVA to ensure all mission critical applications, business essential applications, and other applicable resources containing data requiring special handling to be protected as specified in Sections 1 and 2.

WDVA assumes 1 FTE impact to regularly assess and categorize prioritized mission critical and business essential applications, determine gaps, identify solutions, execute the changes, and determine where a waiver exception may be required. WDVA also assumes a \$519,892 infrastructure impact across FYs 2024-2025, broken out as follows :

- Mission Critical Backup Servers (qty: 10, 10 TB each): \$490,464
- EVCMS storage: \$19,618
- Point Click Care contract: \$9,810

Section 2, Subsection 7 requires WDVA to perform an assessment of all applications and resources containing data and develop a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.

WDVA assumes 0.6 FTE impact to meet this requirement.

Section 2, Subsection 9 requires WDVA to ensure all applications outlined in the bill that contain category 3 and 4 data are protected in accordance with the standards in RCW 43.105.054.

WDVA assumes 1 FTE impact to support data management activities in accordance with the RCW and to assess and define data classification categories supporting the prioritization of applications in Section 2, Subsection 7.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	480,153	480,153	960,306	1,480,198	960,306
Total \$			480,153	480,153	960,306	1,480,198	960,306

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		3.5	1.8	3.5	3.5
A-Salaries and Wages	297,168	297,168	594,336	594,336	594,336
B-Employee Benefits	100,485	100,485	200,970	200,970	200,970
C-Professional Service Contracts					
E-Goods and Other Services	6,300	6,300	12,600	532,492	12,600
G-Travel	8,400	8,400	16,800	16,800	16,800
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	67,800	67,800	135,600	135,600	135,600
9-					
Total \$	480,153	480,153	960,306	1,480,198	960,306

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
481D: IT SUPPORT TECHNICIAN 2	56,856		1.0	0.5	1.0	1.0
482AD: IT APPLICATION DEVELOPMENT - ENTRY	90,120		1.0	0.5	1.0	1.0
483DM: IT DATA MANAGEMENT JOURNEY	101,748		1.0	0.5	1.0	1.0
483S: IT SECURITY - JOURNEY	96,888		0.5	0.3	0.5	0.5
Total FTEs			3.5	1.8	3.5	3.5

III. D - Expenditures By Program (optional)

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
DVA Headquarters (010)	480,153	480,153	960,306	1,480,198	960,306
Total \$	480,153	480,153	960,306	1,480,198	960,306

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Rollup/Setup

HB2044

Fiscal Impact Rulemaking Impact

Enter Preparer Name(s) Below:

INSTRUCTIONS

None

None

Troy Cerny

funds/objects in balance: YES

Indeterminate

New or Revised

Rollup			FY22	FY23	FY24	FY25	FY26	FY27
Cash Receipts	<u>Fund#</u>	<u>Type</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
-			0	0	0	0	0	0
-			0	0	0	0	0	0
-			0	0	0	0	0	0
-			0	0	0	0	0	0
Estimated Expenditure By Fund	<u>Fund#</u>	<u>Type</u>	<u>480,153</u>	<u>480,153</u>	<u>740,099</u>	<u>740,099</u>	<u>480,153</u>	<u>480,153</u>
General Fund State	001	1	480,153	480,153	740,099	740,099	480,153	480,153
-			0	0	0	0	0	0
-			0	0	0	0	0	0
-			0	0	0	0	0	0
Estimated Expenditure By Object			<u>480,153</u>	<u>480,153</u>	<u>740,099</u>	<u>740,099</u>	<u>480,153</u>	<u>480,153</u>
A - Salaries and Wages			297,168	297,168	297,168	297,168	297,168	297,168
B - Employee Benefits			100,485	100,485	100,485	100,485	100,485	100,485
C - Professional Service Contracts			0	0	0	0	0	0
E - Goods and Services			6,300	6,300	266,246	266,246	6,300	6,300
G - Travel			8,400	8,400	8,400	8,400	8,400	8,400
J - Capital Outlays (Equipment)			0	0	0	0	0	0
M - Inter-agency/Fund Transfers			0	0	0	0	0	0
N - Grants, Benefits & Client Services			0	0	0	0	0	0
P - Debt Service			0	0	0	0	0	0
S - Inter-agency Reimbursements			0	0	0	0	0	0
T - Intra-agency Reimbursements			67,800	67,800	67,800	67,800	67,800	67,800
Expenditure All Programs	<u>Prog#</u>		<u>480,153</u>	<u>480,153</u>	<u>740,099</u>	<u>740,099</u>	<u>480,153</u>	<u>480,153</u>
DVA Headquarters	010		480,153	480,153	740,099	740,099	480,153	480,153
FTE	<u>Annual Salary</u>		<u>3.50</u>	<u>3.50</u>	<u>3.50</u>	<u>3.50</u>	<u>3.50</u>	<u>3.50</u>
IT Security Journey	96,888		0.50	0.50	0.50	0.50	0.50	0.50
IT Support Technician 2	56,856		1.00	1.00	1.00	1.00	1.00	1.00
IT App Dev Entry	90,120		1.00	1.00	1.00	1.00	1.00	1.00
IT Data Management Journey	101,748		1.00	1.00	1.00	1.00	1.00	1.00
	0		0.00	0.00	0.00	0.00	0.00	0.00
	0		0.00	0.00	0.00	0.00	0.00	0.00
	0		0.00	0.00	0.00	0.00	0.00	0.00
	0		0.00	0.00	0.00	0.00	0.00	0.00
	0		0.00	0.00	0.00	0.00	0.00	0.00
	0		0.00	0.00	0.00	0.00	0.00	0.00
	0		0.00	0.00	0.00	0.00	0.00	0.00
	0		0.00	0.00	0.00	0.00	0.00	0.00
Standard Costs Subtotal			82,500	82,500	342,446	342,446	82,500	82,500

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 307-Department of Children, Youth, and Families
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Renee Slaybaugh	Phone: 360-688-8714	Date: 01/28/2022
Agency Approval: Crystal Lester	Phone: 360-628-3960	Date: 01/28/2022
OFM Review: Robyn Williams	Phone: (360) 704-0525	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

HB 2044 establishes protocols for handling ransomware attacks and providing training to employees to prevent such attacks. It requires that the Consolidated Technology Services agency design, develop, and implement enterprise technology standards specific to malware and ransomware protection, backup, and recovery, as well as develop prevention education for state employees. Agencies are required to comply with the enterprise technology standards implemented or receive a waiver. The bill also establishes data analysis and reporting related to the enterprise technology standards implemented.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

No fiscal impact. The Department of Children, Youth and Families (DCYF) assumes no fiscal impact from HB 2044.

Sec. 2(6) requires that all state agencies must ensure all mission critical applications, business essential applications, and other resources containing data that requires special handling (as defined in Office of Chief Information Officer (OCIO) policy) are protected to the maximum extent feasible. DCYF, Information Technology (IT), currently implements state requirements for handling ransomware. IT costs for implementing training is minimal.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 351-State School For The Blind
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Mary Sarate	Phone: (360) 696-6321	Date: 01/26/2022
Agency Approval: Mary Sarate	Phone: (360) 696-6321	Date: 01/26/2022
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 01/27/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

2044 HB relates to the protection of critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities. Any training and reporting requirements will be absorbed by current staff. Fiscal impact would be if the office of cybersecurity, the office of the state chief information officer, and the office of the state auditor design, develop, and implement enterprise technology standards that would require additional resources.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 353-Washington State Center for Childhood Deafness and Hearing Loss
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: April Burns	Phone: 360-418-4326	Date: 01/27/2022
Agency Approval: April Burns	Phone: 360-418-4326	Date: 01/27/2022
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 01/27/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

At this time CDHY can absorb any costs associated with training and reporting requirements. If additional resources are required, the agency might have a fiscal impact depending on the actual costs.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 354-Workforce Training and Education Coordinating Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Dave Pavelchek	Phone: 360-709-4630	Date: 01/28/2022
Agency Approval: Nova Gattman	Phone: 360-709-4612	Date: 01/28/2022
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 01/29/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Sec 2 (1) Requires OCIO to develop and implement enterprise technology standards specific to malware and ransomware protection, backup, and recovery, and review them annually.

Sec 2 (3) Each state agency as defined pursuant to RCW 43.105.054 must comply with the new standards unless they obtain a waiver from CTS.

Sec 2 (5) Each state agency must execute and analyze monthly vulnerability scans, making data available to the office of cybersecurity, OCIO, and SAO upon request.

Sec 2 (6) Each state agency must ensure that all mission critical applications, business essential applications, and other resources containing data that requires special handling, as defined in enterprise technology standards, are protected to the maximum extent feasible.

Sec 2 (7) Each state agency must perform an assessment of all applications and resources containing data, and report to OCIO the sizing of managed data: to include identifying mission critical applications, business essential applications, and categorizing all data attributes, and provide to OCIO by September 1, 2022. Each state agency must develop a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss, and submit the list to OCIO by September 1, 2022

Sec 2 (9) State agencies must ensure that all mission critical applications, business essential applications, and other resources containing category 3 and category 4 data are protected in accordance with enterprise technology standards.

Sec 2 (10) All mission critical and business essential information technology systems must be compliant with the provisions of this act and supported by immutable backups by December 31, 2025.

Sec 2 (11) OCIO shall modify existing portfolio reporting mechanisms to support the collection of relevant data necessary to baseline and monitor risk associated with malware and ransomware protections. OCIO shall use this data to analyze risk and to prioritize a list of mission critical applications that need additional protections, which may require additional investment by the legislature in future biennia.

Sec 3 Each technology project submitted for OCIO risk assessment must include an indication of the agency's intent to incorporate data backup and recovery for the purposes of data security and continuity of operations within the project scope. Technology budgets analyzed as part of gated funding must include discrete separate line items for backup and recovery services where applicable. Exit criteria for each applicable project must include confirmation of an immutable backup solution as well as a successful test of application and data recovery.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

NONE

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Indeterminate. For the reasons below, the Workforce Board is not able to estimate potential costs for implementation of this bill.

First-year impacts are expected to be small, requiring additional work on assessment and reporting to OCIO.

However, as new mandates become clearly defined, resource requirements will ramp up, particularly during the 18 months remaining until the deadline of Dec 25, 2025. Workforce Board has three major data contractors which are very likely to require renegotiation and price increases.

Mandated security measures will likely become more detailed and sophisticated as privacy and security issues and challenges evolve rapidly. It is not possible to make an estimate of the costs with any accuracy for the next biennium or beyond, even to the extent of confidence that the annual cost will not exceed \$50,000 for contracted services and staff.

The required frequency of immutable backups will have a significant effect on the eventual costs.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 355-Department of Archaeology and Historic Preservation
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Diann Lewallen	Phone: 360-407-8121	Date: 01/28/2022
Agency Approval: Diann Lewallen	Phone: 360-407-8121	Date: 01/28/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Section 2 (3) requires state agencies to comply with enterprise technology standards established by Consolidated Technology Services unless they receive a waiver.

Section 2 (6) Requires agencies to ensure the maximum feasible level of protection for mission critical applications, business essential applications, and other resources containing data that requires special handling.

Section 2 (7) Requires agencies to perform an assessment of all their applications and resources containing data and report specific information to the Office of the State Chief Information Officer (OCIO). They must also submit a prioritized list of applications based on mission criticality and impact to constituents to the office by September 1, 2022.

Section 2 (9) Requires agencies to ensure systems containing level 3 and level 4 data are protected in accordance with enterprise technology standards.

Section 2 (9) Requires agencies to report relevant information through existing Information Technology Portfolio reporting mechanisms.

Consolidated Technology Services (CTS) provides IT support to the Department of Archaeology and Historic Preservation (DAHP). CTS would assist DAHP in complying with the reporting needed and any changes in policy established by the OCIO. There is minor workload required to coordinate with CTS during the implementation. The anticipated workload closely aligns with current Information Technology coordination and would not require additional resources for the agency.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 360-University of Washington
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Kelsey Rote	Phone: 2065437466	Date: 01/28/2022
Agency Approval: Kelsey Rote	Phone: 2065437466	Date: 01/28/2022
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 01/29/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

HB 2044 relates to the protection of critical data from ransomware and malware threats. It requires state agencies to identify "mission critical applications, business essential applications", implement technology standards to protect those assets "to the maximum extent feasible", ensure they are "supported by immutable backups", and perform "monthly vulnerability scans".

The bill contains an exemption for higher education.

If the higher education exemption is maintained, the University may still be required to show through external audit (every three years) that it meets the intention of the bill. This will require UW-IT senior leadership support, as well as prioritized time and effort from the Office of the CISO and UW-IT Service Owners/Service Managers. No additional FTEs are expected, and this work could be absorbed within existing resources. If the exemption for higher education were removed, there would be additional and significant staffing and backup related costs.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 370-Eastern Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
Account					
General Fund-State 001-1	0	100,000	100,000	200,000	200,000
Total \$	0	100,000	100,000	200,000	200,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 01/28/2022
Agency Approval: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 01/28/2022
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 01/29/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Proposed HB 2044 amends RCW 43.105 and adds a new section to RCW 43.105.

New Section 1 Washington state governments manage and protect highly sensitive data. The legislature recognizes that action must be taken at each state agency to ensure data backup and disaster recovery practices are consistent with enterprise technology standards and is aware that additional investments in technology, training and personnel will be needed.

New Section 2 added to RCW 43.105 state chief information officer (consolidated technology services agency) shall design, develop and implement enterprise technology standards specific to malware and ransomware protection, backup and recovery, as well as prevention education for state employees. (13) states that the requirement in this section does not apply to institutions of higher education.

New Section 3 added to RCW 43.105 Ransomware protection, data security and continuity of operations are considered critical success factors of state managed technology projects.

New Section 4 added to RCW 43.105 creates the information technology security account.

New Section 5 added to RCW 42.56 The reports and information compiled pursuant to section 2 (7) and (8) are confidential and may not be disclosed.

Section 6 definitions are amended to define “Immutable”, “Malicious cyber activities” and “Ransomware”.

Section 7 amends RCW 43.105.054 (2)(j) To design, develop and implement enterprise technology standards specific to malware and ransomware protection, backup and recovery.

Section 8 amends RCW 43.105.220 (3)(a) By December 31, 2024, the office shall initiate a biennial report to the legislature, governor and technology services board sharing information garnered from the agency reports that include the information listed. (b)The additional reporting requirements are not subject to public disclosure under RCW 42.56.

New Section 9 added to RCW 43.105 requires the office to apply for any federal grants or other financial assistance programs that meet the purposes of this act.

New Section 10 The sum of \$5,000,000 or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2023 from the general fund to the information technology security account.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 3 requires each applicable project must include confirmation of an immutable backup solution as well as a successful test of application and data recovery.

Eastern would need to add additional backup services to most of our SaaS applications, including Banner, Office 365, Google, and IaaS and on-premises servers. We currently maintain backups but not indefinite immutable backups. Eastern anticipates the cost for Storage, Service and/or software for performing backups and data in/out costs to be approximately \$100,000 per year.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	100,000	100,000	200,000	200,000
Total \$			0	100,000	100,000	200,000	200,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts		100,000	100,000	200,000	200,000
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	100,000	100,000	200,000	200,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 375-Central Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Erin Sargent	Phone: 509-963-2395	Date: 01/28/2022
Agency Approval: Lisa Plesha	Phone: (509) 963-1233	Date: 01/28/2022
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 01/29/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Section 1: New Section – The legislature recognizes the need for each state agency to take action to ensure data backup and disaster recovery practices are up to standards and are aware that additional investments in technology, training, and personnel will be needed.

Section 2: New Section - (13) This section does not apply to higher education.

Section 3: New Section - Each technology project submitted for risk assessment by the office must include an indication of the agency's intent to incorporate data backup and recovery for the purposes of data security and continuity of operations within the project scope. Technology budgets analyzed as part of gated funding must include discreet separate line items for backup and recovery services where applicable. Exit criteria for each applicable project must include confirmation of an immutable backup solution as well as a successful test of application and data recovery.

Section 4: New Section – Establishes the Information Technology Security Account.

Section 5: New Section – Nondisclosure of reports compiled pursuant to section 2.

Section 6: Amended Section – Adds definitions for “immutable”, “malicious cyber activities”, and “ransomware”.

Section 7: Amended Section – Adds the design, development, and implementation of standards specific to malware and ransomware protection, backup, and recovery to the duties of the office.

Section 8: Amended Section – Reporting requirements of the office.

Section 9: New Section – Adds requirements to the office regarding grants and other federal revenues.

Section 10: New Section – Appropriates \$5,000,000 from the general fund to the Information Technology Security Account

Section 11: New Section – The act may be known as the Washington State Ransomware Protection Act.

Since section 2 (13) excludes institutions of higher education, and nothing else in the bill that pertains to CWU would require additional effort, we conclude there is no fiscal impact.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 380-Western Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Kimberley Ayre	Phone: 3606503377	Date: 01/27/2022
Agency Approval: Faye Gallant	Phone: 3606504762	Date: 01/27/2022
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 01/29/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

HB 2044 establishes a new initiative for Consolidated Technical Services to develop and implement enterprise technology standards specific to malware and ransomware protection with new biannual reporting requirements. The new reporting requirements include information gathered from agencies about our enterprise applications and number of "immutable backups" associated with the systems.

WWU already provides an annual listing of mission critical, business essential, Category 3 and 4 data applications to the State OCIO as part of their IT attestation and reporting conducted each fall. While the current report does not include the number of "immutable backups" as required by this bill, the additional information could be reported with minimal additional effort.

No anticipated fiscal impact to WWU.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

No impact to cash receipts.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

No anticipated fiscal impacts.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 387-Washington State Arts Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Deane Shellman	Phone: 3606221743	Date: 01/27/2022
Agency Approval: Karen Hanan	Phone: 360-586-2423	Date: 01/27/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Section 2 (3) requires state agencies to comply with enterprise technology standards established by Consolidated Technology Services unless they receive a waiver.

Section 2 (6) Requires agencies to ensure the maximum feasible level of protection for mission critical applications, business essential applications, and other resources containing data that requires special handling.

Section 2 (7) Requires agencies to perform an assessment of all their applications and resources containing data and report specific information to the Office of the State Chief Information Officer (OCIO). They must also submit a prioritized list of applications based on mission criticality and impact to constituents to the office by September 1, 2022.

Section 2 (9) Requires agencies to ensure systems containing level 3 and level 4 data are protected in accordance with enterprise technology standards.

Section 2 (9) Requires agencies to report relevant information through existing Information Technology Portfolio reporting mechanisms.

Consolidated Technology Services (CTS) provides IT support to the Washington Arts Commission (ARTS). CTS would assist ARTS in complying with the reporting needed and any changes in policy established by the OCIO. The minor workload required to coordinate with CTS during the implementation is estimated at less than 30 hours during FY2023. The anticipated workload closely aligns with current Information Technology coordination and would not require additional resources for the agency. Rather, this bill would shift our IT priorities to implementation of the policies required by the bill.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 390-Washington State Historical Society
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
Account					
General Fund-State 001-1	10,930	10,930	21,860	21,860	21,860
Total \$	10,930	10,930	21,860	21,860	21,860

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Teresa Mattson	Phone: (360) 798-5906	Date: 01/27/2022
Agency Approval: Jennifer Kilmer	Phone: 253-798-5900	Date: 01/27/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/27/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Section 2.5 requires monthly vulnerability scans that are not currently conducted by BlackPoint or another provider, and this is not currently included as part of the managed service agreement between BlackPoint and Washington State Historical Society. As such, we would anticipate that additional labor will be required to meet this requirement. We are unable to give an accurate budgetary estimate without prior knowledge of the scope of these scans. However, we have tools in place that should facilitate this effort and we do not anticipate that excessive monthly labor will be required. Alternatively, we may rely on the toolset offered by CTS after evaluation.

Section 2.7a requires assessment of all applications with categorization or all data attributes that Blackpoint will require WSHS staff to perform/assist in determining appropriate categories

Labor from staff would be required to determine how to categorize the data and as host of our cloud environment Blackpoint would be needed to scan/pull the data monthly

For the purposes of this note, we will estimate 5 hours of staff time per month and 5 hours of contractor time per month to comply with requirements as they are defined and put forth.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

BlackPoint IT Services hosts Washington State Historical Society's server infrastructure in our colocation in Kent, Washington including the fileserver as well as key applications.

The current environment is configured to comply with NIST standards, and we do not anticipate significant monetary investment will be required to comply with upcoming cybersecurity standards as they are developed and put forth by "the Office".

Monthly vulnerability scans (2.5) are not currently conducted by BlackPoint or another provider, and this is not currently included as part of the managed service agreement between BlackPoint and Washington State Historical Society. As such, we would anticipate that additional labor will be required to meet this requirement. We are unable to give an accurate budgetary estimate without prior knowledge of the scope of these scans. However, we have tools in place that should facilitate this effort and we do not anticipate that excessive monthly labor will be required. Alternatively, we may rely on the toolset offered by CTS after evaluation.

For the purposes of this note, we will estimate 5 hours of staff time per month and 5 hours of contractor time per month to comply with requirements as they are defined and put forth.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	10,930	10,930	21,860	21,860	21,860
Total \$			10,930	10,930	21,860	21,860	21,860

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years					
A-Salaries and Wages	2,620	2,620	5,240	5,240	5,240
B-Employee Benefits	810	810	1,620	1,620	1,620
C-Professional Service Contracts					
E-Goods and Other Services	7,500	7,500	15,000	15,000	15,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	10,930	10,930	21,860	21,860	21,860

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*
 NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 395-Eastern Washington State Historical Society
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Flory Seth	Phone: 360-407-8165	Date: 01/28/2022
Agency Approval: Flory Seth	Phone: 360-407-8165	Date: 01/28/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

HB 2044, the Washington state ransomware protection act, relates to the protection of private personal information and state operational data against ransomware and other malicious cyber activities.

Specific to state agencies including the Eastern Washington State Historical Society (EWSHS) are the following sections:

Section 2(4) allows for waivers for certain enterprise technology policies. EWSHS does not anticipate requesting waivers in meeting the requirements developed from this bill.

Section 2(5) allows agencies to use CTS-provided tools or an existing solution when conducting monthly vulnerability scans. EWSHS utilizes a private vendor for management of IT systems, depending on the exact requirements for vulnerability scanning, this legislation could result in additional costs from this vendor. Until those specification are know this remains an indeterminate cost.

Section 2(7) sets forth requirements for agencies to submit annual application inventories to include consideration of data storage size, quantity of system records, and meeting business criticality as defined by OCIO standard 112.10. EWSHS received data management and back-up services from a private vendor. There may be a fiscal impact to the agency if the new CTS guidelines resulting from this bill force EWSHS to amend their existing data contract or seek out a different vendor. Until such guidelines are published this remains an indeterminate cost.

Section 3 requires agencies, when making a technology project request, to ensure that the risk assessment includes a line item to identify the incorporation of data backup and recovery for the purposes of data security. EWSHS does not plan on making any IT project requests in the near future, so no impact is anticipated.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

It is difficult to determine the exact impact of this legislation until CTS has published clear guidelines regarding vulnerability scan, inventory requirements, and data storage/management. It is possible EWSHS may have make changes to their manage IT services in order to satisfy the requirements of this legislation. Fiscal impact could range from \$0 to \$2500 each fiscal year in additional IT services costs.

Additionally, there may be one-time costs if the agency has to reconfigure or replace existing systems. One-time costs could range from \$0 to \$20,000.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 406-County Road Administration Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Drew Woods	Phone: 360-753-5989	Date: 01/26/2022
Agency Approval: Drew Woods	Phone: 360-753-5989	Date: 01/26/2022
OFM Review: Ruth Roberson	Phone: (360) 995-3826	Date: 01/26/2022

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 407-Transportation Improvement Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Paul Bitar	Phone: 360-407-8129	Date: 01/28/2022
Agency Approval: Paul Bitar	Phone: 360-407-8129	Date: 01/28/2022
OFM Review: Ruth Roberson	Phone: (360) 995-3826	Date: 01/31/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

This bill would add requirements aimed at protecting data stored on state agency information technology (IT) systems.

Section 2(5) would require agencies to perform monthly vulnerability scans of their IT systems. TIB would use the enterprise tools offered by CTS to fulfill this requirement.

Section 2(6) would require critical/essential applications to be protected to the maximum extent possible. TIB anticipates that its use of WaTech services would bring the agency into compliance with this section. TIB is part of the WaTech M365 Shared Tenant, so costs are included in WaTech's fiscal note. TIB does not expect costs associated with backing up its data, because the agency is currently in the middle of a "Move to the Cloud" project and will use WaTech's backup services. The initial backups of the servers have been completed for TIBWEB and TIBAPP (TIBFLOLY01 is stage 2) and will be moved within about one week. These steps will bring TIB into compliance with Section 2 (6) prior to the effective date of the bill.

Section 2(7) would require agencies to perform an assessment of critical /essential applications and submit a report to the OCIO by September 1, 2022. TIB has a limited number of critical applications and does not expect this requirement to have a significant impact to staff.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 410-Transportation Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Carl See	Phone: 360-705-7934	Date: 01/27/2022
Agency Approval: Reema Griffith	Phone: 360-705-7070	Date: 01/27/2022
OFM Review: Ruth Roberson	Phone: (360) 995-3826	Date: 01/27/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

HB 2044 directs Consolidated Technology Services (CTS) to adopt enhanced enterprise technology standards to specifically address malware and ransomware protection.

Each state agency is required to comply with enterprise technology standards related to malware and ransomware protection or receive a waiver from compliance. Each state agency must conduct monthly vulnerability scans and ensure that all mission critical applications are protected to the maximum extent feasible. State agencies are further required to assess all applications and resources containing data and report the sizing and prioritization of managed data in the event of system failure or data loss.

This bill has no fiscal impact for the WSTC because the agency information technology services are provided by WSDOT. Requirements in this bill for compliance with malware and ransomware technology standards, vulnerability scans, and assessment and prioritization of managed data do not impact WSTC costs.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

NONE

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

NONE

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 411-Freight Mobility Strategic Investment Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Brian Ziegler	Phone: (360) 586-9695	Date: 01/26/2022
Agency Approval: Doug Clouse	Phone: 360-705-7535	Date: 01/26/2022
OFM Review: Erik Hansen	Phone: (360) 810-0883	Date: 01/26/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Section 2 requires state agencies to execute and analyze monthly vulnerability scans, ensure all mission critical applications be protected to the maximum extent feasible, and perform an assessment of all applications and resources containing data. Section 2 also contains reporting requirements associated with the above activities.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

There is no fiscal impact to the Freight Mobility Strategic Investment Board (FMSIB). FMSIB relies on the Washington State Department of Transportation (WSDOT) for all information technology systems, so WSDOT's fiscal note in response to this legislation will include FMSIB's obligations as well.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 460-Columbia River Gorge Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
Account					
General Fund-State 001-1	12,250	24,500	36,750	49,000	49,000
General Fund-Private/Local 001-7	12,250	24,500	36,750	49,000	49,000
Total \$	24,500	49,000	73,500	98,000	98,000

In addition to the estimates above, there are additional indeterminate costs and/or savings . Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Connie Acker	Phone: (509) 493-3323	Date: 01/28/2022
Agency Approval: Connie Acker	Phone: (509) 493-3323	Date: 01/28/2022
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/31/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Section 2: Requires agencies to comply with new technology standards related to ransomware and backups, execute and analyze monthly vulnerability scans, and perform an assessment of all applications currently used.

Section 3: Requires agencies to incorporate data backup and recovery plans into each technology project submitted for risk assessment.

The Columbia River Gorge Commission currently has 9 FTE with no in-house IT staff. All IT support is contracted. We are unsure what range of costs could stem from the policy impact and what it would take to assess our current systems, as well as any potential additional costs to perform the monthly scans and perform the assessment of current applications. Some of the standards to be established under this bill may fall within the scope of the agency's existing IT contract but without additional, more specific information and time to calculate these costs, it is impossible to determine, at this time, the exact cost to the agency.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	12,250	24,500	36,750	49,000	49,000
001-7	General Fund	Private/Local	12,250	24,500	36,750	49,000	49,000
Total \$			24,500	49,000	73,500	98,000	98,000

In addition to the estimates above, there are additional indeterminate costs and/or savings . Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts	12,500	25,000	37,500	50,000	50,000
E-Goods and Other Services	12,000	24,000	36,000	48,000	48,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	24,500	49,000	73,500	98,000	98,000

In addition to the estimates above, there are additional indeterminate costs and/or savings . Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*
NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 462-Pollution Liability Insurance Program
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Phi Ly	Phone: 360-407-0517	Date: 01/27/2022
Agency Approval: Cassandra Garcia	Phone: 360-407-0520	Date: 01/27/2022
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/31/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

HB 2044, the Washington state ransomware protection act, relates to the protection of private personal information and state operational data against ransomware and other malicious cyber activities. Specific to state agencies including the Pollution Liability Insurance Agency (PLIA) are the following sections.

Section 2(4) allows for waivers for certain enterprise technology policies. PLIA does not anticipate requesting waivers in meeting the requirements developed from this bill.

Section 2(5) allows PLIA to use CTS-provided tools or an existing solution when conducting monthly vulnerability scans.

Section 2(7) sets forth the requirements of the agency's annual application inventory submission which needs to include consideration of data storage size, quantity of system records, and meeting business criticality as defined by OCIO standard 112.10.

PLIA is part of the M365 shared tenant administered by WaTech, but contracts with a private vendor for desktop support services. PLIA anticipates indeterminate costs in paying for an outside contractor to assist PLIA with assessment of inventory submission. To meet the requirements of immutable backups PLIA anticipates further indeterminate costs because the agency will need to purchase additional services to meet the backup requirements. PLIA's data are currently maintained in a Software as a Service (SaaS) solution that is not likely to meet the specific backup requirements.

Section 3: When making a technology project request, PLIA will ensure that the risk assessment includes a line item to identify the incorporation of data backup and recovery for the purposes of data security.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

PLIA anticipates some indeterminate costs associated with these requirements, but costs should be less than \$50,000 per fiscal year and will be limited to any necessary system configurations. PLIA utilizes a contracted data system that complies with the OCIO's current technological and security standards.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 465-State Parks and Recreation Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Harley Graves	Phone: (360) 902-8586	Date: 01/28/2022
Agency Approval: Kimberly Marshall	Phone: (360) 902-8621	Date: 01/28/2022
OFM Review: Jim Cahill	Phone: (360) 790-2630	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

This bill proposes a new section be added to 43.105 RCW relating to protection of critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities.

The bill provisions Consolidated Technology Services (CTS) as the lead agency to develop and implement standards and practices specific to malware and ransomware protection, backup and recovery. Agencies are to comply with those standards, develop internal policies, conduct monthly vulnerability scans on systems, and provision/procure immutable data backup solutions for mission critical and business essential systems or those requiring special handling.

While high impacts are apparent for compliance, State Parks has some resources with a budget to hire a Chief Information Security Officer (CISO) whose defined job duties include some compliance steps outlined in this bill. IT staff can assist with the inventory and software scanning requirements (with existing tools). However, the highest impact to the agency is the requirement for immutable (data that is stored unchanged over time or unable to be changed) backups of data.

Current systems and vendor Software as a Service (SaaS) or vendor hosted services would need to make data backups immutable. Contracts would need to be reassessed and likely amended if vendors are agreeable to perform the work and allocate resources to stand up immutable backups. If agreements cannot be reached, then third-party backup services must be procured, and data ported from current vendor systems to the third-party management services. The same would apply for future system acquisitions and those currently in review.

Therefore, this legislation would result in fiscal impact to State Parks for compliance to the requirements for immutable backups of data.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

NONE

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

There are unknown financial variables about the scope of contract renegotiations, vendor costs and redirected costs for the management of immutable data backups to third-party providers if our software vendors are not agreeable to perform the work.

The costs associated with immutable backups is “indeterminant” with an estimate of between \$18,300 and \$30,000 per fiscal year.

Standard rule-making costs resulting from the bill, in the amount of \$4,000, include costs for postage and mailings, staff time, Attorney General Consultation and amendments to contracts for updated policies.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules .

As with similarly written legislation, Parks may be required to create new internal policies to align with the new OCIO standards, policies and procedures.

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 467-Recreation and Conservation Funding Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Mark Jarasitis	Phone: 360-902-3006	Date: 01/26/2022
Agency Approval: Brock Millierin	Phone: 360-789-4563	Date: 01/26/2022
OFM Review: Jim Cahill	Phone: (360) 790-2630	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

With the exception of Information Technology security and Human Resources in Department of Enterprise Services systems, the Recreation and Conservation Office (RCO) does not have data that is Category 3 – confidential, or Category 4 – confidential requiring special handling procedures. Most of our data is Category 1 – public information, freely available from the RCO PProject Information System (PRISM). The remaining data/information is Category 2 – sensitive (government decision-making), but still available through public records request.

RCO currently provides inventories of all applications /software and infrastructure/hardware annually to Office of the Chief Information Officer (OCIO). Internally, we prioritize these inventories for protection and recovery based on application/data owners feedback.

RCO currently has an immutable backup system, and Microsoft M365 and Box systems are likewise backed up by the vendors.

RCO does not see a fiscal impact on current practices. RCO reviews our security practices annually and make /accept recommendations when needed.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 468-Environmental and Land Use Hearings Office
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV .
- Requires new rule making, complete Part V .

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 01/28/2022
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 01/28/2022
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/28/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 2 – New Section requires CTS to create malware and ransomware protection standards, training, and incident response systems. Agencies are required to comply with those standards and on a monthly basis, execute and analyze vulnerability scans and provide the data to various offices. Agencies must assess applications and resources to ensure they comply with the standards and submit prioritized lists to CTS by September 1, 2022. Agencies must ensure that applications and resources with category 3 and 4 data are protected according to the new standards.

ELUHO uses CTS for Small Agency IT Support services. This bill would require initial and regular, ongoing staff resources to meet the standards that are not yet developed by CTS. It is unclear how extensive the new standards will be, the amount of work that will be required to comply, and whether ELUHO will be assisted by CTS staff in complying, however we assume the fiscal impacts will be limited to less than 0.1 FTE per year. We assume new duties would be performed by the ELUHO Administrative Services Director

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

No Cash Receipts.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

No Capital Budget Impact.

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2044 HB	Title: Ransomware protection	Agency: 477-Department of Fish and Wildlife
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.3	1.5	0.9	1.5	1.5
Account					
General Fund-State 001-1	53,000	274,000	327,000	588,000	588,000
Total \$	53,000	274,000	327,000	588,000	588,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7383	Date: 01/25/2022
Agency Preparation: Matt Hunter	Phone: 360-522-0944	Date: 01/28/2022
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Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Section 2 has a broad scope of work for the Department to comply with new technology standards :

Section 2(3) requires the Department to comply with enterprise technology standards implemented specific to malware and ransomware protection, backup, and recovery.

Section 2(5) requires the Department to execute and analyze monthly vulnerability scans, make the data available to the Office of Cyber Security, the Office of the State Chief Information Officer, and the Office of the State Auditor upon request.

Section 2(6) requires the Department to ensure that all mission critical applications, business essential applications, and other resources containing data that requires special handling, must be protected to the maximum extent feasible.

Section 2(7) requires the Department to perform an assessment of all applications and resources containing data and report to the office the sizing of managed data to include identifying mission critical data attributes and develop a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss and submit the list to the OCIO. The Department must submit the sizing of managed data and the list required in to the OCIO by September 1, 2022.

Section 2(10) requires the department to be compliant with provisions of the act and supported by immutable backups by December 31, 2025.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The total costs for Section 2 are determined at \$53,000 in SFY 22, \$274,000 in SFY23, and \$294,000 ongoing.

Section 2(3) imposes a new legal mandate for enterprise technology standards specific to malware and ransomware protection, backup, and recovery compliance. 1.0 FTE (IT Security – Journey) starting FY 2023 is required to assess, coordinate, remediate, and ensure agency compliance with these standards. Salaries and benefits, Object A & B includes \$127,840 per year, ongoing.

Section 2(5) & Section 2(6): require 0.5 FTE (IT Systems Admin – Journey) starting FY 2023 to perform monthly vulnerability scanning and continuous assessment of size and category of datasets to ensure protection at the maximum extent feasible. Salaries and benefits, Object A & B, \$73,521 per year, ongoing.

Section 2(7) Immediate implementation is required for 0.5 FTE (IT Systems Admin – Journey) to perform an assessment of all systems containing data and submit a report to the OCIO by September 1, 2022. Salaries and benefits, Object A & B, are \$73,521 onetime.

Section 2(10) mandates that all mission critical and business essential information technology systems are compliant with

law and supported by immutable data backup storage by December 31, 2025. Lead Agency Assumptions identify cost solutions for agencies currently not backing up their servers with WaTech’s Server Backup service, but those costs greatly exceed the Department’s current solution and will not be used. The Department is currently exceeding compliance with policy and standards under RCW 43.105.054 with storage solutions, so no fiscal impact is assumed.

Goods and services, Object E, includes \$7,000 per FTE, per year, for WDFW standard costs, which cover an average employee's supplies, communications, training, and subscription costs per year. An infrastructure and program support rate of 36.28% is included in object T and is calculated based on WDFW’s federally approved indirect rate.

Referenced WaTech Lead Agency Assumption :

For agencies that use WaTech’s following services, please use assumptions below :

1. M365 Shared Tenant –
 - a. For agencies that are part of WaTech M365 Shared Tenant, WaTech’s fiscal note will include the costs to comply with this requirement. No need to include additional costs for M365 in your fiscal note.
 - b. For agencies that are in a private tenant (not part of WaTech M365 Shared Tenant), your costs will not be included in WaTech fiscal note. Any additional costs to comply with this requirement will need to be added to your fiscal note.
2. WaTech Backup Service is already in compliance with this requirement. No additional costs will be incurred.
3. Washington State Cloud (aka WaTech Private Cloud) –
 - a. WS Cloud customers not backing up their servers with WaTech’s Server Backup service
 - i. The additional costs to comply with this requirement is \$.39 per GB per month utilizing the WaTech Backup Service.
 - ii. The additional costs for the agencies will not be included in WaTech’s fiscal note; the costs will need to be added to agencies’ fiscal notes.
 - b. WS Cloud customers currently using WaTech’s Server Backup service
 - i. Already comply with 2044.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	53,000	274,000	327,000	588,000	588,000
Total \$			53,000	274,000	327,000	588,000	588,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.3	1.5	0.9	1.5	1.5
A-Salaries and Wages	31,000	148,000	179,000	296,000	296,000
B-Employee Benefits	6,000	42,000	48,000	114,000	114,000
C-Professional Service Contracts					
E-Goods and Other Services	2,000	11,000	13,000	22,000	22,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	14,000	73,000	87,000	156,000	156,000
9-					
Total \$	53,000	274,000	327,000	588,000	588,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
IT Security - Journey	96,888		1.0	0.5	1.0	1.0
IT Systems Admin - Journey	101,748	0.3	0.5	0.4	0.5	0.5
Total FTEs		0.3	1.5	0.9	1.5	1.5

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required