

Multiple Agency Fiscal Note Summary

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Auditor	0	0	121,307	0	0	92,449	0	0	92,449
Office of Attorney General	0	0	70,000	0	0	70,000	0	0	70,000
Office of Financial Management	0	0	3,545,000	0	0	3,779,000	0	0	4,013,000
Washington State Health Care Authority	0	0	3,416,000	0	0	3,420,000	0	0	3,420,000
Washington State Health Care Authority	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Consolidated Technology Services	0	0	14,617,000	0	0	15,054,000	0	0	15,054,000
Department of Social and Health Services	0	0	668,000	0	0	668,000	0	0	668,000
Superintendent of Public Instruction	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	22,437,307	0	0	23,083,449	0	0	23,317,449

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Joint Legislative Systems Committee	1.0	740,000	740,000	740,000	1.0	740,000	740,000	740,000	1.0	740,000	740,000	740,000
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Lieutenant Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Public Disclosure Commission	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Washington State Leadership Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of the Secretary of State	1.0	583,728	583,728	583,728	1.0	571,228	571,228	571,228	1.0	571,228	571,228	571,228
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	33,600	.0	0	0	33,600	.0	0	0	33,600
Office of State Auditor	.1	3,370	3,370	168,482	.1	2,568	2,568	128,401	.1	2,568	2,568	128,401
Office of Attorney General	.0	0	0	70,000	.0	0	0	70,000	.0	0	0	70,000
Caseload Forecast Council	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Financial Institutions	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	.3	367,701	367,701	367,701	.3	384,329	384,329	384,329	.3	399,871	399,871	399,871
Department of Commerce	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Economic and Revenue Forecast Council	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Financial Management	.0	0	0	3,545,000	.0	0	0	3,779,000	.0	0	0	4,013,000
Washington State Health Care Authority	7.8	2,240,000	2,240,000	5,656,000	7.8	2,242,000	2,242,000	5,662,000	7.8	2,242,000	2,242,000	5,662,000
Washington State Health Care Authority	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Office of Administrative Hearings	.0	0	0	0	.0	0	0	0	.0	0	0	0
State Lottery	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State Gambling Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
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	26,956	26,956	26,956	.0	26,956	26,956	26,956	.0	26,956	26,956	26,956

Department of Retirement Systems	.0	0	0	52,681	.0	0	0	55,890	.0	0	0	59,294
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	1.3	965,100	965,100	965,100	.5	625,600	625,600	625,600	.3	582,400	582,400	582,400
Board of Tax Appeals	.0	0	0	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	0	0	0
Housing Finance Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Insurance Commissioner	.0	0	0	0	.0	0	0	0	.0	0	0	0
Consolidated Technology Services	3.5	72,000	72,000	14,689,000	3.5	72,000	72,000	15,126,000	3.5	72,000	72,000	15,126,000
Board of Accountancy	.0	0	0	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	0	0	0
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	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Board of Industrial Insurance Appeals	.0	0	0	0	.0	0	0	0	.0	0	0	0
Liquor and Cannabis Board	3.0	0	0	905,855	3.0	0	0	887,540	3.0	0	0	887,540
Board of Pilotage Commissioners	.0	0	0	0	.0	0	0	0	.0	0	0	0
Utilities and Transportation Commission	.1	0	0	37,863	.0	0	0	8,809	.0	0	0	8,809
Board for Volunteer Firefighters and Reserve Officers	Fiscal note not available											
Washington State Patrol	1.0	131,034	131,034	572,449	1.0	117,102	117,102	511,586	1.0	117,102	117,102	511,586
Criminal Justice Training Commission	.0	50,000	50,000	50,000	.0	0	0	0	.0	0	0	0
Traffic Safety Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Independent Investigations	.0	210,414	210,414	210,414	.0	285,294	285,294	285,294	.0	170,727	170,727	170,727
Department of Labor and Industries	.8	0	0	777,000	1.1	0	0	316,000	1.1	0	0	316,000
Department of Labor and Industries	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											

Department of Licensing	.0	0	0	0	.0	0	0	0	.0	0	0	0
Military Department	2.0	992,668	992,668	992,668	2.0	982,668	982,668	982,668	2.0	982,668	982,668	982,668
Public Employment Relations Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Social and Health Services	.0	1,056,000	1,056,000	1,724,000	.0	1,056,000	1,056,000	1,724,000	.0	1,056,000	1,056,000	1,724,000
Department of Health	4.4	3,176,000	3,176,000	3,176,000	.7	1,284,000	1,284,000	1,284,000	.7	1,284,000	1,284,000	1,284,000
Department of Veterans Affairs	2.0	1,100,000	1,100,000	1,100,000	2.0	580,000	580,000	580,000	2.0	580,000	580,000	580,000
Department of Children, Youth, and Families	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Corrections	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Services for the Blind	.0	45,000	45,000	45,000	.0	0	0	0	.0	0	0	0
Department of Services for the Blind	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Student Achievement Council	.0	0	0	0	.0	0	0	0	.0	0	0	0
Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Superintendent of Public Instruction	2.0	1,244,000	1,244,000	1,244,000	2.0	1,220,000	1,220,000	1,220,000	2.0	1,220,000	1,220,000	1,220,000
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	40,000	40,000	40,000	.0	20,000	20,000	20,000	.0	20,000	20,000	20,000
Workforce Training and Education Coordinating Board	.0	99,000	99,000	99,000	.0	66,000	66,000	66,000	.0	66,000	66,000	66,000
Department of Archaeology and Historic Preservation	1.5	490,000	490,000	490,000	1.5	478,000	478,000	478,000	.0	478,000	478,000	478,000
University of Washington	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Eastern Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Central Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0
The Evergreen State College	.0	0	0	0	.0	0	0	0	.0	0	0	0
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	2,953	2,953	2,953	.0	1,970	1,970	1,970	.0	1,970	1,970	1,970
Eastern Washington State Historical Society	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Transportation	Non-zero but indeterminate cost and/or savings. Please see discussion.											
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	0	0	0	.0	0	0	0	.0	0	0	0
Department of Ecology	1.7	613,028	613,028	613,028	1.7	613,028	613,028	613,028	1.7	613,028	613,028	613,028
Department of Ecology	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Pollution Liability Insurance Program	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Energy Facility Site Evaluation Council	.0	0	0	0	.0	0	0	0	.0	0	0	0
State Parks and Recreation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Recreation and Conservation Funding Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Environmental and Land Use Hearings Office	Non-zero but indeterminate cost and/or savings. Please see discussion.											
State Conservation Commission	.3	85,204	85,204	85,204	.3	85,204	85,204	85,204	.3	85,204	85,204	85,204
Department of Fish and Wildlife	1.0	1,284,000	1,284,000	1,284,000	1.0	2,124,000	2,124,000	2,124,000	1.0	2,124,000	2,124,000	2,124,000
Puget Sound Partnership	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Natural Resources	2.6	764,600	764,600	764,600	2.6	759,400	759,400	759,400	2.6	759,400	759,400	759,400
Department of Agriculture	.0	4,320	4,320	4,320	.0	0	0	0	.0	0	0	0
Department of Agriculture	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Employment Security Department	2.0	0	0	567,490	2.0	0	0	567,490	2.0	0	0	567,490
Community and Technical College System	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	39.4	16,387,076	16,387,076	41,684,092	35.1	14,337,347	14,337,347	39,717,993	33.4	14,195,122	14,195,122	39,813,172

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Joint Legislative Systems Committee	.0	0	0	.0	0	0	.0	0	0
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of Lieutenant Governor	.0	0	0	.0	0	0	.0	0	0
Public Disclosure Commission	.0	0	0	.0	0	0	.0	0	0
Washington State Leadership Board	.0	0	0	.0	0	0	.0	0	0
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	.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	.0	0	0	.0	0	0	.0	0	0
Economic and Revenue Forecast Council	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
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	.0	0	0	.0	0	0	.0	0	0
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	.0	0	0	.0	0	0	.0	0	0
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	.0	0	0	.0	0	0	.0	0	0
Board of Industrial Insurance Appeals	.0	0	0	.0	0	0	.0	0	0
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	.0	0	0	.0	0	0	.0	0	0
Criminal Justice Training Commission	.0	0	0	.0	0	0	.0	0	0
Traffic Safety Commission	.0	0	0	.0	0	0	.0	0	0
Office of Independent Investigations	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
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	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
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	.0	0	0	.0	0	0	.0	0	0
Department of Services for the Blind	.0	0	0	.0	0	0	.0	0	0
Student Achievement Council	.0	0	0	.0	0	0	.0	0	0

Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
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	.0	0	0	.0	0	0	.0	0	0
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	.0	0	0	.0	0	0	.0	0	0
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	.0	0	0	.0	0	0	.0	0	0
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	.0	0	0	.0	0	0	.0	0	0
Pollution Liability Insurance Program	.0	0	0	.0	0	0	.0	0	0
Energy Facility Site Evaluation Council	.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	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	.0	0	0	.0	0	0	.0	0	0
Puget Sound Partnership	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
Employment Security Department	.0	0	0	.0	0	0	.0	0	0
Community and Technical College System	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Cheri Keller, OFM	Phone: (360) 584-2207	Date Published: Revised 3/30/2023
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Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 038-Joint Legislative Systems Committee
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	370,000	370,000	740,000	740,000	740,000
Total \$	370,000	370,000	740,000	740,000	740,000

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Kim Jorgenson	Phone: 3607867027	Date: 02/09/2023
Agency Approval: Kim Jorgenson	Phone: 3607867027	Date: 02/09/2023
OFM Review: Steven Puvogel	Phone: (360) 701-6459	Date: 02/09/2023

Part II: Narrative Explanation

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

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

The primary intent of SB 5518 is to protect critical state operational systems and data against the financial and personal harm caused by ransomware and other malicious cyber activities. The Legislature creates and maintains many critical business-essential applications across all agencies of the legislative branch that could severely reduce critical constituent services and disrupt essential legislative processes if compromised and without robust protection and recovery practices.

While the Legislature can leverage some services and products of the Office of the Chief Information Officer, RCW 43.105.450 (6) states that the Legislature must develop and maintain an information technology security program consistent with the office of cybersecurity's standards and policies. The Legislature must build and execute its cybersecurity program to meet the unique needs of the Legislative branch. The Legislature requires additional dedicated and expert resources to maintain a robust information security program in compliance with SB 5518 and must retain external resources with the expertise and necessary certifications to meet legal and industry professional standards to ensure priority escalation, attention, and expertise in the event of a cyber incident.

Section 1 of SB 5518 finds that:

- The absence of reliable disaster recovery practices may reduce critical constituent services, disrupt essential legislative processes and increase the risk of financial harm.
- The active promotion of cybersecurity awareness practices and maintaining readiness for incident management is the best protection that the state can offer to combat the effects of ransomware and other malicious cyber activities.
- Each state agency must take action to ensure data protection and disaster recovery practices are consistent with enterprise technology standards and acknowledges that additional investments in technology, training, and personnel will be needed.

Section 3 of SB 5518 specifies:

- The National Institute of Standards and Technology (NIST) ransomware Risk Management: A Cybersecurity Framework Profile should be referenced as guidance to support the prevention of, response to, and recovery from, ransomware events.
- Each state agency must ensure that all mission-critical applications, business-essential applications, and other resources containing category three or category four data have immutable backups.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

\$125,000 annually for Incident Response Retainer (IRR) services to ensure dedicated and structured expertise and support to enable the Legislature to respond quickly and effectively in the event of a cyber incident.

\$50,000 annually for Security Awareness Training as a Service (SATaaS) to design and maintain robust expert cybersecurity awareness training and compliance tracking.

One Cybersecurity Implementation Manager is needed to coordinate key security initiatives requiring cross-functional and tactical implementation and manage operational security processes. \$195,000 annually.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	370,000	370,000	740,000	740,000	740,000
Total \$			370,000	370,000	740,000	740,000	740,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	150,000	150,000	300,000	300,000	300,000
B-Employee Benefits	45,000	45,000	90,000	90,000	90,000
C-Professional Service Contracts					
E-Goods and Other Services	175,000	175,000	350,000	350,000	350,000
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 \$	370,000	370,000	740,000	740,000	740,000

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 2024	FY 2025	2023-25	2025-27	2027-29
Cybersecurity Implementation Manager	195,000	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Tracy Sayre	Phone: 360-890-5279	Date: 01/30/2023
Agency Approval: Kathy Cody	Phone: (360) 480-7237	Date: 01/30/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/31/2023

Part II: Narrative Explanation

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

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

Sec 3 (1) Expands WaTech's statutory mandate to include the adoption of enterprise technology standards specific to malware and ransomware protection, backup, and recovery as well as prevention education.

Sec 3 (3) requires agencies to have immutable backups for all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data.

Sec 3 (4) requires agencies to report the following to the office of the state chief information officer by September 30, 2023, and biannually thereafter.

(a) The total size of managed data

(b) A list of mission critical applications and business essential applications

(c) A list of the applications described in (b) that do not have immutable backup

(d) A list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss

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

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 080-Office of Lieutenant 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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Paul Bitar	Phone: 360-407-8129	Date: 01/30/2023
Agency Approval: Paul Bitar	Phone: 360-407-8129	Date: 01/30/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/01/2023

Part II: Narrative Explanation

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

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

The purpose of this bill is to protect critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities. This bill amends RCW 43.105.220 and 43.105.342; reenacts and amends RCW 43.105.020; adds a new section to chapter 43.105 RCW; adds a new section to chapter 42.56 RCW; and creates new sections.

Section 1 indicates that Washington state branches of government, agencies, boards, and commissions manage and protect highly sensitive data to best serve constituents, which can often be a high-value target for malicious cyber attackers and perpetrators. To lessen the negative repercussions and vulnerabilities of applications, this section outlines the actions that these entities must make to protect themselves, their constituents, and prevent any data breaches and/or identity theft.

Section 2 adds new definitions to the existing law, including “Immutable” in Section 2 (8), “Information Protection” in Section 2 (10), “Malicious Cyber Activities” in Section 2 (16), and “Ransomware” in Section 2 (24).

Section 3 (5) requires that all state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing Category 3 and Category 4 data, as defined in OCIO policy, have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law. LTG's critical applications are limited to basic operating system and office suite products, such as Microsoft Windows and Office. LTG does not expect this section to have a significant impact on the agency.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 082-Public Disclosure 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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Bret Skipworth	Phone: 360-407-8121	Date: 01/30/2023
Agency Approval: Bret Skipworth	Phone: 360-407-8121	Date: 01/30/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/31/2023

Part II: Narrative Explanation

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

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

The purpose of this bill is to protect critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities. This bill amends RCW 43.105.220 and 43.105.342; reenacts and amends RCW 43.105.020; adds a new section to chapter 43.105 RCW; adds a new section to chapter 42.56 RCW; and creates new sections.

Section 1 indicates that Washington state branches of government, agencies, boards, and commissions manage and protect highly sensitive data to best serve constituents, which can often be a high-value target for malicious cyber attackers and perpetrators. To lessen the negative repercussions and vulnerabilities of applications, this section outlines the actions that these entities must make to protect themselves, their constituents, and prevent any data breaches and/or identity theft.

Section 2 adds new definitions to the existing law, including “Immutable” in Section 2 (8), “Information Protection” in Section 2 (10), “Malicious Cyber Activities” in Section 2 (16), and “Ransomware” in Section 2 (24). Section 3 (4) requires that all state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing Category 3 and Category 4 data, as defined in OCIO policy, have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law.

WaTech currently provides the PDC with service backup and cloud hosting services for its servers. Due to these services being handled by WaTech, the PDC assumes it will be in compliance with the requirements of this bill under the current services provided.

PDC provides electronic filing and public disclosure systems that are not provided by WaTech services. The PDC anticipates initial costs in the first year of implementation and additional annual costs to meet the requirements of this bill for those services.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

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

The PDC 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 PDC 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 PDC receives from WaTech.

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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 083-Washington State Leadership 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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Bitar Paul	Phone: (360) 407-8129	Date: 01/30/2023
Agency Approval: Bitar Paul	Phone: (360) 407-8129	Date: 01/30/2023
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/30/2023

Part II: Narrative Explanation

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

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

The purpose of this bill is to protect critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities. This bill amends RCW 43.105.220 and 43.105.342; reenacts and amends RCW 43.105.020; adds a new section to chapter 43.105 RCW; adds a new section to chapter 42.56 RCW; and creates new sections.

Section 1 indicates that Washington state branches of government, agencies, boards, and commissions manage and protect highly sensitive data to best serve constituents, which can often be a high-value target for malicious cyber attackers and perpetrators. To lessen the negative repercussions and vulnerabilities of applications, this section outlines the actions that these entities must make to protect themselves, their constituents, and prevent any data breaches and/or identity theft.

Section 2 adds new definitions to the existing law, including “Immutable” in Section 2 (8), “Information Protection” in Section 2 (10), “Malicious Cyber Activities” in Section 2 (16), and “Ransomware” in Section 2 (24).

Section 3 (5) requires that all state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing Category 3 and Category 4 data, as defined in OCIO policy, have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law. The Washington State Leadership Boards's (WSLB) applications are limited to basic operating systems and office suite products, such as Microsoft Windows and M365. Based on the lead agency’s assumptions, WaTech will cover the costs to comply with this requirement for M365 shared tenants. Additionally, WSLB anticipates that its use of WaTech services would bring the agency into compliance with this section. Therefore, there is no fiscal impact to WSLB's budget.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	298,114	285,614	583,728	571,228	571,228
Total \$	298,114	285,614	583,728	571,228	571,228

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Mike Woods	Phone: (360) 704-5215	Date: 02/03/2023
Agency Approval: Mike Woods	Phone: (360) 704-5215	Date: 02/03/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/03/2023

Part II: Narrative Explanation

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

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

Section 2 Definitions – Modifies RCW 43.105.020 to include definitions of “immutable”, “information protection”, “malicious cyber activities”, and “ransomware”.

Section 3 requires 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; and establish a ransomware education and outreach protection program.

Each state agency must ensure that all mission critical applications and other resources containing category 3 or 4 data have immutable backups.

By Sept 30, 2023 (SFY24), and biannually thereafter, each state agency shall review all its mission critical applications and report to the office:

- The total size of managed data.
- A list of mission critical applications containing category 3 or 4 data.
- A list of the applications of the critical applications that do not have immutable backup.
- A list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.

By March 31, 2024 (SFY25) state agencies shall:

- Ensure that all mission critical applications or resources containing category 3 or 4 data be compliant with the requirement that all such systems have immutable backups.
- Report to the office compliance with the above.

If any agency reasonably anticipates that it cannot comply, it shall submit a plan detailing steps it will take to comply.

The reports produced by agencies are confidential.

Section 4 requires the OCIO, by December 31, 2024 (SF25) and biannually thereafter, to provide and oral report to the members of the technology services board during a closed executive session.

Section 6 authorizes the OCIO to expend up to \$1,000,000 per biennium for the technology services boards to conduct independent technical and financial analysis; and up to \$5,000,000 in funding to state agencies for the purposes of procuring immutable data backup and disaster recovery services for mission critical information technology systems containing category 3 or 4 data.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

To carry out the duties required under this bill, OSOS projects the need for 1 FTE IT Security – Senior/Specialist starting in SFY24. The cost for compensation, standard goods and services, travel, one-time office set-up costs, and agency

administration is estimated to be approximately \$198,000 in SFY24 and \$186,000 ongoing annually thereafter.

In addition, OSOS anticipates it needs \$100,000 per year in vendor support and software licenses. The software is necessary to monitor and classify data as required in the bill. A vendor is needed for consultation, training and purchasing of third-party products into our centralized tools we are already using.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	298,114	285,614	583,728	571,228	571,228
Total \$			298,114	285,614	583,728	571,228	571,228

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	115,824	115,824	231,648	231,648	231,648
B-Employee Benefits	35,599	35,599	71,198	71,198	71,198
C-Professional Service Contracts					
E-Goods and Other Services	105,850	105,850	211,700	211,700	211,700
G-Travel	2,500	2,500	5,000	5,000	5,000
J-Capital Outlays	12,500		12,500		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	25,841	25,841	51,682	51,682	51,682
9-					
Total \$	298,114	285,614	583,728	571,228	571,228

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 2024	FY 2025	2023-25	2025-27	2027-29
IT Security Senior/Specialist	115,824	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Seth Flory	Phone: 360-407-8165	Date: 01/30/2023
Agency Approval: Seth Flory	Phone: 360-407-8165	Date: 01/30/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/30/2023

Part II: Narrative Explanation

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

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

Senate Bill 5518 relates to the protection of private personal information and state operational data against ransomware and other malicious cyber activities.

Section 3 (3) requires agencies to ensure all Category 3 & 4 confidential data is maintained on systems utilizing immutable backups. Section 2 (4) requires agencies to conduct an assessment of applications and systems with consideration of data storage size, quantity of system records, and meeting business criticality.

The Governor's Office of Indian Affairs (GOIA) does not use any agency owned systems. Data hosting and storage services are provided by CTS and all mission critical applications are provided through central service agencies. Furthermore, GOIA does maintain Category 3 or 4 data. Therefore, GOIA does not expect any significant costs as a result of this requirement.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Lisa Piper	Phone: 3605843009	Date: 01/26/2023
Agency Approval: Lisa Piper	Phone: 3605843009	Date: 01/26/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/27/2023

Part II: Narrative Explanation

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

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

The purpose of this bill is to protect critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities. This bill amends RCW 43.105.220 and 43.105.342; reenacts and amends RCW 43.105.020; adds a new section to chapter 43.105 RCW; adds a new section to chapter 42.56 RCW; and creates new sections.

Section 1 indicates that Washington state branches of government, agencies, boards, and commissions manage and protect highly sensitive data to best serve constituents, which can often be a high-value target for malicious cyber attackers and perpetrators. To lessen the negative repercussions and vulnerabilities of applications, this section outlines the actions that these entities must make to protect themselves, their constituents, and prevent any data breaches and/or identity theft.

Section 2 adds new definitions to the existing law, including “Immutable” in Section 2 (8), “Information Protection” in Section 2 (10), “Malicious Cyber Activities” in Section 2 (16), and “Ransomware” in Section 2 (24).

Section 3 (4) requires that all state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing Category 3 and Category 4 data, as defined in OCIO policy, have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law. The Commission on Asian Pacific American Affairs’ applications are limited to basic operating systems and office suite products, such as Microsoft Windows and M365. Based on the lead agency’s assumptions, WaTech will cover the costs to comply with this requirement for M365 shared tenants. Additionally, the Commission on Asian Pacific American Affairs anticipates that its use of WaTech services would bring the agency into compliance with this section. Therefore, there is no fiscal impact to the Commission on Asian Pacific American Affairs’ budget.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 090-Office of State Treasurer
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
State Treasurer's Service Account-State 404-1	16,800	16,800	33,600	33,600	33,600
Total \$	16,800	16,800	33,600	33,600	33,600

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 02/11/2023
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 02/11/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/13/2023

Part II: Narrative Explanation

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

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

SB 5518, section 3(3) states: "Each state agency must ensure that all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data as defined in enterprise technology standards developed pursuant to RCW 43.105.054, have immutable backups."

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The office of the state treasurer's estimated cost if WaTech determines tape backups are not immutable backups equals \$16,800 per year.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
404-1	State Treasurer's Service Account	State	16,800	16,800	33,600	33,600	33,600
Total \$			16,800	16,800	33,600	33,600	33,600

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	16,800	16,800	33,600	33,600	33,600
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 \$	16,800	16,800	33,600	33,600	33,600

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 095-Office of State Auditor
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Municipal Revolving Account-State 413-1	68,545	32,544	101,089	77,041	77,041
Auditing Services Revolving Account-State 483-1	13,709	6,509	20,218	15,408	15,408
Total \$	82,254	39,053	121,307	92,449	92,449

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.0	0.1	0.1	0.1
Account					
General Fund-State 001-1	2,285	1,085	3,370	2,568	2,568
Municipal Revolving Account-State 413-1	68,545	32,544	101,089	77,041	77,041
Auditing Services Revolving Account-State 483-1	13,709	6,509	20,218	15,408	15,408
Performance Audits of Government Account-State 553-1	29,703	14,102	43,805	33,384	33,384
Total \$	114,242	54,240	168,482	128,401	128,401

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Charleen Patten	Phone: 564-999-0941	Date: 01/30/2023
Agency Approval: Janel Roper	Phone: 564-999-0820	Date: 01/30/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/02/2023

Part II: Narrative Explanation

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

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

Section 3 (3) requires state agencies to ensure all mission-critical applications, business-essential applications, and other resources containing category 3 and category 4 data (as defined in OCIO policy) have immutable backups.

Section 3(4) requires agencies to report to WaTech by September 30, 2023, and biannually thereafter:

- The total size of managed data
- A list of all mission critical application and business essential applications containing category 3 or 4 data.
- A list of the applications that do not have immutable backup
- A list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss

Section 3(5)(a) requires state agencies to be in compliance with the law by March 31, 2024.

Section 3(5)(b) requires that state agencies that reasonably anticipate that they cannot comply with the law report to WaTech a detailed plan with steps on how they will comply by March 31, 2024

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Since SAO billings must fully fund expenditures for our revolving funds we would need to increase the audit billing rates to cover the costs allocated to the Municipal Revolving Account (413) and Auditing Services Revolving Account (483).

Cash receipts are based on the estimated cost of the agency expenditure that would be allocated for accounts 413 and 483.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The State Auditor's Office (SAO) estimates .21 FTE to update the SAO Server Environment, gather information and prepare and complete the required report for fiscal year 2024. In addition, cost estimates include the increased cost of the WaTech Private Cloud Server hosting backup service.

Estimates for the first fiscal year include the cost of preparing the compliance waiver and plan, if unable to meet March 2024 implementation requirements. Beginning in fiscal year 2026, SAO estimates .11 FTE to prepare and complete the required report biannually.

In addition to salaries and benefits to support the anticipated FTE, goods and services include the annual cost of the SAO server environment back up, WATech Private Cloud Server Hosting, as well as an estimate based on average SAO goods and services expenditures.

SAO will leverage a contract to help ensure backup and restoration environment and processes are properly configured and tested. Contracting estimates are based on similar work performed in the past

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	2,285	1,085	3,370	2,568	2,568
413-1	Municipal Revolving Account	State	68,545	32,544	101,089	77,041	77,041
483-1	Auditing Services Revolving Account	State	13,709	6,509	20,218	15,408	15,408
553-1	Performance Audits of Government Account	State	29,703	14,102	43,805	33,384	33,384
Total \$			114,242	54,240	168,482	128,401	128,401

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2		0.1	0.1	0.1
A-Salaries and Wages	26,265		26,265	13,043	13,043
B-Employee Benefits	7,634		7,634	3,839	3,839
C-Professional Service Contracts	20,000		20,000		
E-Goods and Other Services	60,343	54,240	114,583	111,519	111,519
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 \$	114,242	54,240	168,482	128,401	128,401

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 2024	FY 2025	2023-25	2025-27	2027-29
Application Developer	115,824	0.0		0.0	0.0	0.0
Chief Information Officer	141,972	0.1		0.0	0.0	0.0
Chief Information Security Officer	127,704	0.0		0.0	0.0	0.0
Operations Manager	126,996	0.1		0.0	0.0	0.0
System Administrator	110,292	0.0		0.0	0.0	0.0
Total FTEs		0.2		0.1	0.1	0.1

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Legal Services Revolving Account-State 405-1	35,000	35,000	70,000	70,000	70,000
Total \$	35,000	35,000	70,000	70,000	70,000

Estimated Operating Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
Legal Services Revolving Account-State 405-1	35,000	35,000	70,000	70,000	70,000
Total \$	35,000	35,000	70,000	70,000	70,000

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 01/30/2023
Agency Approval: Dianna Wilks	Phone: 360-709-6463	Date: 01/30/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/30/2023

Part II: Narrative Explanation

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

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

Section 1 – Findings.

Section 2 – Amends RCW 43.105.020, adds definitions for “immutable”, “information protection”, “malicious cyber activities”, and “ransomware”.

Section 3 – New Section added to chapter 43.105, State Chief Information Officer shall develop enterprise technology standards and education outreach program.

Section 4 – Amends RCW 43.105.220, reporting requirements.

Section 5 – New Section added to chapter 42.56 RCW, makes information complied under section 3 confidential and exempt from disclosure under the Public Records Act.

Section 6 – Amends RCW 43.105.342, permitted expenditure limits.

Section 7 – New section, act known as Washington State Ransomware Protection Act.

This bill is assumed effective 90 days after the end of the 2023 legislative session.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

The Attorney General’s Office (AGO) assumes new costs for Information Services Division (ISD) activities that will be distributed among all legal services client agencies following the enactment of this bill. Costs of ISD activities are billed as part of AGO overhead. AGO overhead is billed to all clients proportionate to service levels provided. It is the AGO standard practice to spread these type of costs pro-rata through the Legal Services component of the Central Service Model (CSM). Not including these costs in the Legal Services component of the CSM is putting the Legal Services Revolving Account out of balance.

AGO AGENCY ASSUMPTIONS:

Cloud based services utilized by the AGO will require an additional licensing costs of \$35,000 per FY (ongoing) for compliance with this requirement.

Total Costs:

FY 2024: \$35,000 for additional Cloud licenses and in each FY thereafter.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Attorney General’s Office (AGO) Agency Assumptions:

This bill is assumed effective 90 days after the end of the 2023 legislative session.

The AGO assumes new expenditures for Information Services Division (ISD) activities will be distributed among all legal

services client agencies following the enactment of this bill. Expenditures of ISD activities are billed as part of AGO overhead which are billed to all clients proportionate to service levels provided. It is the AGO standard practice to spread these types of costs pro-rata through the Legal Services component of the Central Service Model (CSM). Not including these expenditures in the Legal Services component of the CSM is putting the Legal Services Revolving Account out of balance.

AGO backup systems are already in compliance with this requirement. No additional costs will be incurred for internal systems.

Some cloud-based services utilized by the AGO will require an additional licensing cost of \$35,000 per FY (ongoing) for compliance with this requirement.

Total Costs:
 FY 2024: \$35,000 for additional Cloud licenses and in each FY thereafter.

Assumptions for the AGO Transportation and Public Construction Division Legal Services for Washington Technology Solutions (WaTech):

The enactment of this bill will not impact the provision of legal services to WaTech because the changes to existing law will require only minor changes to procedures and policies. New legal services are nominal, and costs are not included in this request.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
405-1	Legal Services Revolving Account	State	35,000	35,000	70,000	70,000	70,000
Total \$			35,000	35,000	70,000	70,000	70,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
E-Goods and Other Services	35,000	35,000	70,000	70,000	70,000
Total \$	35,000	35,000	70,000	70,000	70,000

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

NONE

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Information Services Division (ISD)	35,000	35,000	70,000	70,000	70,000
Total \$	35,000	35,000	70,000	70,000	70,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 101-Caseload Forecast 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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Erik Cornellier	Phone: 360-664-9375	Date: 01/26/2023
Agency Approval: Erik Cornellier	Phone: 360-664-9375	Date: 01/26/2023
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 01/27/2023

Part II: Narrative Explanation

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

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

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

Section 3 of the bill would require the CFC to:

- Comply with new technology standards related to ransomware and backups.
- Perform an assessment of all applications and resources containing category 3 or category 4 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.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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.

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.

The CFC's criminal justice databases are hosted in WaTech's private cloud. WaTech has indicated that backups in the private cloud will cost \$0.39 per gigabyte (GB) per month.

Both the adult and juvenile criminal sentencing databases are approximately one GB each, so the monthly cost would be \$0.78 and the annual cost would be \$9.36.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Emily Fitzgerald	Phone: (360) 902-8780	Date: 01/30/2023
Agency Approval: Levi Clemmens	Phone: (360) 902-8818	Date: 01/30/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/30/2023

Part II: Narrative Explanation

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

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

This legislation instructs agencies to ensure all mission critical applications have immutable backups, perform an assessment of all applications and resources containing data, and report to the OCIO the sizing of managed data. These tasks are part of the work that the Department of Financial Institutions (DFI) is already doing in this area, and complying to these new standards would not demand additional resources.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 103-Department of Commerce
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
Account					
General Fund-State 001-1	181,084	186,617	367,701	384,329	399,871
Total \$	181,084	186,617	367,701	384,329	399,871

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Martin McMurry	Phone: 360-725-2710	Date: 02/23/2023
Agency Approval: Joyce Miller	Phone: 360-725-2710	Date: 02/23/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/27/2023

Part II: Narrative Explanation

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

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

Section 3(3) requires each state agency to ensure that all mission critical applications, business essential applications, and other resources containing category 3 or 4 data as defined in enterprise technology standards developed pursuant to RCW 43.105.054, have immutable backups.

Section 3(4) identifies that by September 30, 2023, and biannually thereafter, each state agency shall review all of its mission critical applications, business essential applications, and other resources containing category 3 or 4 data, as described in the enterprise technology standards developed pursuant to RCW 43.105.054, and report to the office the following information:

- (a) Total size of managed data;
- (b) List of mission critical applications and business essential applications, containing category 3 or category 4 data;
- (c) List of the applications described in (b) of this subsection that do not have immutable backup; and
- (d) List of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.

Section 3(5) identifies that by March 31, 2024, all agencies are required to report to the office that all of its mission critical applications, business essential applications, and other resources containing category 3 or 4 data are maintaining immutable backups, and if not, provide a list of which applications are not going to meet the compliance requirement and a plan to remedy the situation.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The Department of Commerce (commerce) has determined that the full implementation cost is indeterminate at this time. This fiscal note estimate is based on the following assumptions and information:

1. WaTech is paying for Commerce M365, specifically M365 Email, SharePoint and OneDrive immutable backups.
2. Commerce is responsible for its internal environment (Private cloud) and other external cloud environments that store our data and host our applications.
3. Most cloud systems only have redundancy for uptime and is up to customers to backup data and configuration to be able to recover from ransomware or other security incidents.
4. Backups, especially of cloud systems, may not include system or configuration backups, only data.
5. It is not clear in future OCIO guidelines if Immutable also means "Guaranteed immutable". Commerce defines "Guaranteed immutable" backups as offline and air gapped backups. Traditionally this meant tapes stored offline but may include other offline data storage devices.
6. "Immutable" online backups may be susceptible to any administrator with enough access to change immutable parameters.
7. Solutions assume recovery point objective (RPO) of 1 week.

Implementing additional reporting will minimally increase workload and would be covered through normal security operations.

However, the workload on the system administrator managing and supporting applications and their backups will be more impacted. Estimated cost of \$181,084 with 3% increase year over year to add “guaranteed immutable” backup solution for current backup system which includes 0.3 of an FTE to implement and maintain.

This does not include applications and systems hosted by 3rd parties which will require more in-depth analysis. “Guaranteed immutable”, may not be required in the guidelines and other immutable backup alternate solutions may be selected after in depth technical review of current systems and immutable backup options.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	181,084	186,617	367,701	384,329	399,871
Total \$			181,084	186,617	367,701	384,329	399,871

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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
A-Salaries and Wages	34,411	35,444	69,855	70,888	70,888
B-Employee Benefits	10,500	10,953	21,453	21,906	21,906
C-Professional Service Contracts					
E-Goods and Other Services	121,397	124,955	246,352	261,005	276,547
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	14,776	15,265	30,041	30,530	30,530
9-					
Total \$	181,084	186,617	367,701	384,329	399,871

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 2024	FY 2025	2023-25	2025-27	2027-29
IT System Admin-Senior/Specialist	114,704	0.3	0.3	0.3	0.3	0.3
Total FTEs		0.3	0.3	0.3	0.3	0.3

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 104-Economic and Revenue Forecast 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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Seth Flory	Phone: (360) 407-8165	Date: 01/30/2023
Agency Approval: Seth Flory	Phone: (360) 407-8165	Date: 01/30/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/01/2023

Part II: Narrative Explanation

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

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

Senate Bill 5518 relates to the protection of private personal information and state operational data against ransomware and other malicious cyber activities.

Section 3 (3) requires agencies to ensure all Category 3 & 4 confidential data is maintained on systems utilizing immutable backups. Section 3 (4) requires agencies to conduct an assessment of applications and systems with consideration of data storage size, quantity of system records, and meeting business criticality.

The Economic & Revenue Forecast Council (ERFC) does not use any agency owned systems. Data hosting and storage services are provided by DOR & CTS and all mission critical applications are provided through central service agencies. Furthermore, ERFC does maintain Category 3 or 4 data. Therefore, ERFC does not expect any significant costs as a result of this requirement.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 105-Office of Financial Management
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Statewide Information Tech System Maintenance & Operations Revolving Account-Non-Appropriated 472-6	1,743,000	1,802,000	3,545,000	3,779,000	4,013,000
Total \$	1,743,000	1,802,000	3,545,000	3,779,000	4,013,000

Estimated Operating Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
Statewide Information Tech System Maintenance & Operations Revolving Account-Non-Appropriated 472-6	1,743,000	1,802,000	3,545,000	3,779,000	4,013,000
Total \$	1,743,000	1,802,000	3,545,000	3,779,000	4,013,000

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Keith Thunstedt	Phone: 360-810-1271	Date: 01/30/2023
Agency Approval: Kathy Cody	Phone: (360) 480-7237	Date: 01/30/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/31/2023

Part II: Narrative Explanation

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

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

Sec 3 (1) Expands WaTech's statutory mandate to include the adoption of enterprise technology standards specific to malware and ransomware protection, backup, and recovery as well as prevention education.

Sec 3 (3) requires agencies to have immutable backups for all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data.

Sec 3 (4) requires agencies to report the following to the Office of the State Chief Information Officer by September 30, 2023, and biannually thereafter.

- (a) The total size of managed data
- (b) A list of mission critical applications and business essential applications
- (c) A list of the applications described in (b) that do not have immutable backup
- (d) A list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

OFM distributes statewide costs incurred in fund 472 Statewide Information Tech System M&O Revolving account through the central service model. Assumed statewide costs incurred in the account would be matched by an increase in the OFM Enterprise Application Fee.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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 difficult to anticipate additional staffing needs for implementation and ongoing maintenance of systems and tools to comply with the enterprise technology standards. We do anticipate increased staffing needs in the areas of cybersecurity, technology portfolio management, and disaster recovery when the enterprise technology standards specific to malware and ransomware protection, backup, and recovery are known.

Sec 3 (3) requires agencies to have immutable backups for all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data.

The current estimated data store size for OFM that would require immutable backup is 365.5 terabytes (TB) with an estimated growth of 12.5 terabytes per year. The cost using WaTech backup service, at \$4,680 per TB per year, would start at \$1,743,300 the first year and increase \$58,500 per year.

OFM Data that would require immutable backup:

- SQL Database Backups: 262TB with an estimated annual growth of 6TB per year
- Data Warehouse: 4 TB with an estimated growth of 1 TB per year
- Development Servers: 3 TB with an estimated growth of 1 TB per year
- Document Storage: 96.5 TB with an estimated growth of 4.5 TB per year
- TOTAL: 372.5 TB with an estimated growth of 12.5 TB per year

FY24: 373 TB x \$4,680 per TB = \$1,743,000
 FY25: 385 TB x \$4,680 per TB = \$1,802,000
 FY26: 398 TB x \$4,680 per TB = \$1,860,000
 FY27: 410 TB x \$4,680 per TB = \$1,919,000
 FY28: 423 TB x \$4,680 per TB = \$1,977,000
 FY29: 435 TB x \$4,680 per TB = \$2,036,000

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
472-6	Statewide Information Tech System Maintenance & Operations Revolving Account	Non-Appropriated	1,743,000	1,802,000	3,545,000	3,779,000	4,013,000
Total \$			1,743,000	1,802,000	3,545,000	3,779,000	4,013,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	1,743,000	1,802,000	3,545,000	3,779,000	4,013,000
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 \$	1,743,000	1,802,000	3,545,000	3,779,000	4,013,000

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 107-Washington State Health Care Authority
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-Federal 001-2	1,316,000	1,319,000	2,635,000	2,638,000	2,638,000
Flexible Spending Administrative Account-Non-Appropriated 08G-6	2,000	2,000	4,000	4,000	4,000
St Health Care Authority Admin Acct-State 418-1	208,000	208,000	416,000	416,000	416,000
School Employees' Benefits Board Flexible Spending and Dependent Care Admin Acct-Non-Appropriated 474-6	3,000	3,000	6,000	6,000	6,000
School Employees' Insurance Admin Acct-State 492-1	177,000	178,000	355,000	356,000	356,000
Total \$	1,706,000	1,710,000	3,416,000	3,420,000	3,420,000

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

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	7.8	7.8	7.8	7.8	7.8
Account					
General Fund-State 001-1	1,119,000	1,121,000	2,240,000	2,242,000	2,242,000
General Fund-Federal 001-2	1,316,000	1,319,000	2,635,000	2,638,000	2,638,000
Flexible Spending Administrative Account-Non-Appropriated 08G-6	2,000	2,000	4,000	4,000	4,000
St Health Care Authority Admin Acct-State 418-1	208,000	208,000	416,000	416,000	416,000
School Employees' Benefits Board Flexible Spending and Dependent Care Admin Acct-Non-Appropriated 474-6	3,000	3,000	6,000	6,000	6,000
School Employees' Insurance Admin Acct-State 492-1	177,000	178,000	355,000	356,000	356,000
Total \$	2,825,000	2,831,000	5,656,000	5,662,000	5,662,000

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Lena Johnson	Phone: 360-725-5295	Date: 02/06/2023
Agency Approval: Carl Yanagida	Phone: 360-725-5755	Date: 02/06/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/16/2023

Part II: Narrative Explanation

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

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

Please see attached narrative.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	1,119,000	1,121,000	2,240,000	2,242,000	2,242,000
001-2	General Fund	Federal	1,316,000	1,319,000	2,635,000	2,638,000	2,638,000
08G-6	Flexible Spending Administrative Account	Non-Appropriated	2,000	2,000	4,000	4,000	4,000
418-1	St Health Care Authority Admin Acct	State	208,000	208,000	416,000	416,000	416,000
474-6	School Employees' Benefits Board Flexible Spending and Dependent Care Admin Acct	Non-Appropriated	3,000	3,000	6,000	6,000	6,000
492-1	School Employees' Insurance Admin Acct	State	177,000	178,000	355,000	356,000	356,000
Total \$			2,825,000	2,831,000	5,656,000	5,662,000	5,662,000

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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	7.8	7.8	7.8	7.8	7.8
A-Salaries and Wages	641,000	641,000	1,282,000	1,282,000	1,282,000
B-Employee Benefits	205,000	211,000	416,000	422,000	422,000
C-Professional Service Contracts	1,733,000	1,733,000	3,466,000	3,466,000	3,466,000
E-Goods and Other Services	12,000	12,000	24,000	24,000	24,000
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	234,000	234,000	468,000	468,000	468,000
9-					
Total \$	2,825,000	2,831,000	5,656,000	5,662,000	5,662,000

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
FISCAL ANALYST 3	65,000	1.8	1.8	1.8	1.8	1.8
IT APP DEVELOPMENT-JOURNEY	101,000	2.0	2.0	2.0	2.0	2.0
IT BUSINESS ANALYST-JOURNEY	101,000	1.0	1.0	1.0	1.0	1.0
IT DATA MANAGEMENT-SENIOR/SPECIALIST	111,000	1.0	1.0	1.0	1.0	1.0
IT SECURITY-SENIOR/SPECIALIST	116,000	1.0	1.0	1.0	1.0	1.0
IT SYSTEM ADMINISTRATION-SENIOR/SPECIALIST	111,000	1.0	1.0	1.0	1.0	1.0
Total FTEs		7.8	7.8	7.8	7.8	7.8

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
200-HCA-OTHER (200)	2,825,000	2,831,000	5,656,000	5,662,000	5,662,000
Total \$	2,825,000	2,831,000	5,656,000	5,662,000	5,662,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

HCA Fiscal Note

Bill Number: SB 5518

HCA Request #: 23-68

Part II: Narrative Explanation

AN ACT Relating to the protection of critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities.

II. A - Brief Description of What the Measure Does That Has Fiscal Impact

Section 3 (3) Each state agency must ensure that all mission critical applications, business essential applications, and other resources containing category 3 (CAT 3) or category 4 (CAT 4) data as defined in enterprise technology standards developed pursuant to RCW 43.105.054, have immutable backups.

Section 3 (4) By September 30, 2023, and biannually thereafter, each state agency shall review all of its mission critical applications, business essential applications, and other resources containing CAT 3 or CAT 4 data, as described in the enterprise technology standards developed pursuant to RCW 43.105.054, and report to the office:

- (a) Total size of managed data.
- (b) A list of mission critical applications and business essential applications, containing CAT 3 or CAT 4 data
- (c) A list of the mission critical and business essential systems that do not have immutable backups.
- (d) A list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.

Section 3 (5)(a) By March 31, 2024, except as provided in (b) of this subsection, state agencies shall:

- (i) Ensure that all mission critical applications, business essential applications, and other resources containing CAT 3 or CAT 4 data are compliant with Section 3, Subsection 3.
- (ii) Report to Consolidated Technology Services (CTS) whether they are in compliance with Section 3, Subsection 3.

Section 3 (5)(b) If any state agency reasonably anticipates that it cannot comply with (a) of this subsection by March 31, 2024, it shall submit a plan by March 31, 2024, to the office detailing steps it will take to comply with the requirement in (a) of this subsection.

II. B - Cash Receipts Impact

II. B - Estimated Cash Receipts to:

ACCOUNT	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
General Fund-Medicaid 001-C	1,316,000	1,319,000	1,319,000	1,319,000	1,319,000	1,319,000	2,635,000	2,638,000	2,638,000
Flexible Spending Admin Acct-Non Appr 08G-6	2,000	2,000	2,000	2,000	2,000	2,000	4,000	4,000	4,000
HCA Admin Acct-State 418-1	208,000	208,000	208,000	208,000	208,000	208,000	416,000	416,000	416,000
SEBB Flexible Spending Admin Acct-Non Appr 474-6	3,000	3,000	3,000	3,000	3,000	3,000	6,000	6,000	6,000
School Employees' Ins. Admin Acct-State 492-1	177,000	178,000	178,000	178,000	178,000	178,000	355,000	356,000	356,000
Totals	\$ 1,706,000	\$ 1,710,000	\$ 1,710,000	\$ 1,710,000	\$ 1,710,000	\$ 1,710,000	\$ 3,416,000	\$ 3,420,000	\$ 3,420,000

II. C – Expenditures

The Washington State Health Care Authority (HCA) estimates it will need \$5,656,000 (\$2,240,000 of GF-State) and 7.8 FTEs staff in the 2023-25 Biennium to support the provisions of this bill. Of these amounts, \$1,722,000 is needed cover the cost of the 7.8 FTEs, \$3,466,000 is needed for HCA managed data storage, and \$468,000 is needed for administrative costs.

HCA Fiscal Note

Bill Number: SB 5518

HCA Request #: 23-68

Assumptions

In compliance with RCW 43.105.375, HCA locates its data within a third-party, commercial cloud computing service (Amazon Web Services or AWS), not in CTS' State Data Center. As a result, HCA does not use existing WaTech backup services and therefore assumes any costs to develop immutable backup systems as required by Section 3 of this bill will not be covered by any of the funding provided to CTS in Section 6.

HCA currently has an inventory of 200 data systems that are considered mission critical, business critical or contain CAT 3/CAT 4 data. This fiscal note reflects the magnitude of work it would take to develop and maintain immutable backups for each system, routinely perform the required risk assessments for each system, and report the results to the Office of the Chief Information Officer biannually, as required by Section 3.

Section 3 (4/5): Impacts HCA by September 30, 2023, and biannually thereafter, review all of its mission critical applications, business essential applications, and other resources containing category 3 or category 4 data, and report to CTS the following:

- The inclusion of number of records would require additional analysis by HCA's Enterprise Technology Services (ETS) staff and contracted organizations as the metric is not one that is currently identified.
- ETS will be required to establish a project team that will design, develop, deploy, and track the implementation of an immutable backup strategy and technical solution. Each vendor contracted to provide services that are in scope of this bill would have to be evaluated for compliance and cost and timeline for compliance identified.
- This would require additional analysis by HCA's ETS staff. HCA has identified the highest priority systems in the agency Continuity of Operations Plan (COOP), but the analysis and prioritization of dependent services required for those systems to function is not complete.
- Report to CTS whether they are in compliance with Section 3 Subsection 3 or provide to CTS a plan by March 31, 2024, detailing steps it will take to comply with the requirements to become compliant.
- Assumed that when doing a disaster recovery for a critical agency system, this would not only include recovery of the system and data, but also of the critical security and other technology services needed to protect the system once it is again operational.

ETS Staffing and Contracted Services Costs:

ETS will need the following FTEs to meet the requirements of this bill by the updated reporting date of September 30, 2023, to design, develop and implement the security, backup, and recovery services solutions, and then manage and operate those on-going:

- 1.0 FTE - IT Security (Senior Specialist)
- 1.0 FTE - IT Data Management (Senior Specialist)
- 1.0 FTE - IT System Administrator (Senior Specialist, Supervisor)
- 1.0 FTE - IT Business Analyst (Journey)
- 1.0 FTE - IT Application Developer (Journey)
- 1.0 FTE - IT Application Developer (Journey)

ETS will also need additional budget for Amazon Web Services (AWS) services to facilitate full recovery services and estimate an additional annual cost of \$1,731,600 per fiscal year:

HCA Fiscal Note

Bill Number: SB 5518

HCA Request #: 23-68

Total HCA Managed Data: 370,000 Megabytes
 Cost per Megabyte for immutable backup: \$0.39 per month
 Cost per month for immutable backup: \$144,300 (370,000 x 0.39)
 Cost per year: \$1,733,000

Additional Indeterminate Costs:

Section 3 (3): HCA's current practice is to establish backups for all enterprise systems, but those backups are not immutable. Additionally, HCA's contract language for third party systems that store CAT 3 and or CAT 4 data has the requirement for data backups but does not require immutable backups.

- ETS is not able to estimate the additional cost to contracted services which would be in scope of this bill. Significant contact analysis and vendor negotiation would be required to identify these cost and timelines for compliance.

II. C - Operating Budget Expenditures

Account	Account Title	Type	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
001-1	General Fund	State	1,119,000	1,121,000	1,121,000	1,121,000	1,121,000	1,121,000	2,240,000	2,242,000	2,242,000
001-C	General Fund	Medicaid	1,316,000	1,319,000	1,319,000	1,319,000	1,319,000	1,319,000	2,635,000	2,638,000	2,638,000
08G-6	Flexible Spending Admin Acct	Non Appr	2,000	2,000	2,000	2,000	2,000	2,000	4,000	4,000	4,000
418-1	HCA Admin Acct	State	208,000	208,000	208,000	208,000	208,000	208,000	416,000	416,000	416,000
474-6	SEBB Flexible Spending Admin Acct	Non Appr	3,000	3,000	3,000	3,000	3,000	3,000	6,000	6,000	6,000
492-1	School Employees' Ins. Admin Acct	State	177,000	178,000	178,000	178,000	178,000	178,000	355,000	356,000	356,000
Totals			\$ 2,825,000	\$ 2,831,000	\$ 2,831,000	\$ 2,831,000	\$ 2,831,000	\$ 2,831,000	\$ 5,656,000	\$ 5,662,000	\$ 5,662,000

II. C - Expenditures by Object Or Purpose

	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29	
FTE	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	
A Salaries and Wages	641,000	641,000	641,000	641,000	641,000	641,000	1,282,000	1,282,000	1,282,000	
B Employee Benefits	205,000	211,000	211,000	211,000	211,000	211,000	416,000	422,000	422,000	
C Professional Service Contracts	1,733,000	1,733,000	1,733,000	1,733,000	1,733,000	1,733,000	3,466,000	3,466,000	3,466,000	
E Goods and Other Services	12,000	12,000	12,000	12,000	12,000	12,000	24,000	24,000	24,000	
T Intra-Agency Reimbursements	234,000	234,000	234,000	234,000	234,000	234,000	468,000	468,000	468,000	
Totals			\$ 2,825,000	\$ 2,831,000	\$ 2,831,000	\$ 2,831,000	\$ 2,831,000	\$ 5,656,000	\$ 5,662,000	\$ 5,662,000

II. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation.

Job title	Salary	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
FISCAL ANALYST 3	65,000	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
IT APP DEVELOPMENT - JOURNEY	101,000	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
IT BUSINESS ANALYST - JOURNEY	101,000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
IT DATA MANAGEMENT - SENIOR/SPECIALIST	111,000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
IT SECURITY - SENIOR/SPECIALIST	116,000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
IT SYSTEM ADMINISTRATION - SENIOR/SPECIALIST	111,000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Totals		7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8

II. C - Expenditures By Program (optional)

Program	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29	
200 200 - HCA - Other	2,825,000	2,831,000	2,831,000	2,831,000	2,831,000	2,831,000	5,656,000	5,662,000	5,662,000	
Totals			\$ 2,825,000	\$ 2,831,000	\$ 2,831,000	\$ 2,831,000	\$ 2,831,000	\$ 5,656,000	\$ 5,662,000	\$ 5,662,000

Goods and services, travel, and equipment are calculated on actual program averages per FTE.

Administrative costs are calculated at \$39,000 per 1.0 FTE. This cost is included in Object T based on HCA's federally approved cost allocation plan and are capture and/or included as Fiscal Analyst 3 classification.

Part IV: Capital Budget Impact

None.

HCA Fiscal Note

Bill Number: SB 5518

HCA Request #: 23-68

Part V: New Rule Making Require

None.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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:

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 01/27/2023
Agency Approval: Deborah Feinstein	Phone: 360-407-2717	Date: 01/27/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/27/2023

Part II: Narrative Explanation

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

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

No fiscal impact. This legislation will not measurably increase the workload for the Office of Administrative Hearings.

Without knowing what Washington Technology and the Office of the Chief information Officer are going to implement, impact can't be projected. However, impact to the Office of Administrative Hearings is assumed nominal and will be provided within existing resources.

Work activities associated with the enactment of this bill will begin on July 1, 2023.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: John Iyall	Phone: 360-810-2870	Date: 01/30/2023
Agency Approval: Josh Johnston	Phone: 360-810-2878	Date: 01/30/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/01/2023

Part II: Narrative Explanation

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

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

Section 1 sets forth legislative findings and intent.

Section 2 amends RCW 43.105.020 to add definitions of immutable, information protection, malicious cyber activities, and ransomware.

Section 3 requires the office of the state chief information officer within the consolidated technology services agency (the office) to design, develop, and implement enterprise technology standards specific to malware and ransomware protection and prevention. State agency must ensure all category 3 and 4 data have immutable backups. By September 30, 2023, and biannually thereafter, each state agency must review its data and report certain information to the office. By March 31, 2024, each state agency must ensure that its data complies with the office's standards and either report its compliance or submit a plan detailing when it will be compliant. Such reports and information are confidential and not subject to the Public Records act, chapter 42.56 RCW. Institutes of higher education are exempted from compliance.

Section 4 amends RCW 43.105.220 to requires the office to provide an oral report to members of the technology services board and legislative and governor's office staff by December 31, 2024, and biannually thereafter, regarding information submitted by state agencies pursuant to Section 3.

Section 5 adds a new section to the Public Records Act, chapter 42.56 RCW, to create exemptions for confidential records.

Section 6 amends RCW 43.105.342 to provide \$1,000,000 in funding to the technology services board directly and \$5,000,000 to be distributed to state agencies.

Section 7 names this act the Washington state ransomware act.

The Lottery's existing systems comply with the requirements in this bill. Any additional reporting requirements can be completed within existing resources.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 117-Washington State Gambling 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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Kriscinda Hansen	Phone: 360-486-3489	Date: 01/30/2023
Agency Approval: Kriscinda Hansen	Phone: 360-486-3489	Date: 01/30/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/01/2023

Part II: Narrative Explanation

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

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

Section 3 (3) of the bill requires state agencies to ensure all mission critical applications, business essential applications, and resources containing category 3 or category 4 data have immutable backups.

Section 3 (4) requires state agencies to review their applications and resources containing category 3 or category 4 data and report to Consolidated Technology Services (CTS) the total size of managed data, a list of mission critical applications, business essential applications, and other resources containing category 3 or category 4 data; a list of the applications described above that do not have immutable backups; and list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.

For purposes of this fiscal note, the Gambling Commission (GMB) assumes there will be no additional costs for Section 3(3). Lead agency assumptions state agencies using the M365 shared tenant do not need to state costs for those services, as they will be included in WaTech's fiscal note. GMB currently uses both M365 and the Washington State Cloud.

Section 3(4) requires GMB to review its applications and resources and report to Consolidated Technology Services (CTS) by September 30, 2023 and biannually thereafter. The cost estimate for this report is a one-time cost in FY2024 at 32 hours over three months utilizing one IT staff and an ongoing cost of two hours per month to maintain records related to the report. The cost of this is minimal and the Gambling Commission will absorb with work with existing staff.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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:

- 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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Paul Bitar	Phone: 360-407-8129	Date: 01/30/2023
Agency Approval: Paul Bitar	Phone: 360-407-8129	Date: 01/30/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/30/2023

Part II: Narrative Explanation

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

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

The purpose of this bill is to protect critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities. This bill amends RCW 43.105.220 and 43.105.342; reenacts and amends RCW 43.105.020; adds a new section to chapter 43.105 RCW; adds a new section to chapter 42.56 RCW; and creates new sections.

Section 1 indicates that Washington state branches of government, agencies, boards, and commissions manage and protect highly sensitive data to best serve constituents, which can often be a high-value target for malicious cyber attackers and perpetrators. To lessen the negative repercussions and vulnerabilities of applications, this section outlines the actions that these entities must make to protect themselves, their constituents, and prevent any data breaches and/or identity theft.

Section 2 adds new definitions to the existing law, including “Immutable” in Section 2 (8), “Information Protection” in Section 2 (10), “Malicious Cyber Activities” in Section 2 (16), and “Ransomware” in Section 2 (24).

Section 3 (5) requires that all state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing Category 3 and Category 4 data, as defined in OCIO policy, have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law. The Commission on Hispanic Affairs’ (CHA) applications are limited to basic operating systems and office suite products, such as Microsoft Windows and M365. Based on the lead agency’s assumptions, WaTech will cover the costs to comply with this requirement for M365 shared tenants. Additionally, CHA anticipates that its use of WaTech services would bring the agency into compliance with this section. Therefore, there is no fiscal impact to CHA’s budget.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Paul Bitar	Phone: 360-407-8129	Date: 01/30/2023
Agency Approval: Paul Bitar	Phone: 360-407-8129	Date: 01/30/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/30/2023

Part II: Narrative Explanation

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

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

The purpose of this bill is to protect critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities. This bill amends RCW 43.105.220 and 43.105.342; reenacts and amends RCW 43.105.020; adds a new section to chapter 43.105 RCW; adds a new section to chapter 42.56 RCW; and creates new sections.

Section 1 indicates that Washington state branches of government, agencies, boards, and commissions manage and protect highly sensitive data to best serve constituents, which can often be a high-value target for malicious cyber attackers and perpetrators. To lessen the negative repercussions and vulnerabilities of applications, this section outlines the actions that these entities must make to protect themselves, their constituents, and prevent any data breaches and/or identity theft.

Section 2 adds new definitions to the existing law, including “Immutable” in Section 2 (8), “Information Protection” in Section 2 (10), “Malicious Cyber Activities” in Section 2 (16), and “Ransomware” in Section 2 (24).

Section 3 (5) requires that all state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing Category 3 and Category 4 data, as defined in OCIO policy, have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law. The Commission on African American Affairs’ (CAAA) applications are limited to basic operating systems and office suite products, such as Microsoft Windows and M365. Based on the lead agency’s assumptions, WaTech will cover the costs to comply with this requirement for M365 shared tenants. Additionally, CAAA anticipates that its use of WaTech services would bring the agency into compliance with this section. Therefore, there is no fiscal impact to CAAA's budget.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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 2024	FY 2025	2023-25	2025-27	2027-29
Account					
General Fund-State 001-1	13,478	13,478	26,956	26,956	26,956
Total \$	13,478	13,478	26,956	26,956	26,956

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Diann Lewallen	Phone: 360-407-8121	Date: 01/27/2023
Agency Approval: Diann Lewallen	Phone: 360-407-8121	Date: 01/27/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/27/2023

Part II: Narrative Explanation

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

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

The Bill requires state agencies to comply with enterprise technology standards established by Consolidated Technology Services. The Bill also 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 that office. The Bill also requires agencies to ensure compliance with enterprise technology standards for mission critical applications, business essential applications, and other resources.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	13,478	13,478	26,956	26,956	26,956
Total \$			13,478	13,478	26,956	26,956	26,956

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	13,478	13,478	26,956	26,956	26,956
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 \$	13,478	13,478	26,956	26,956	26,956

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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 2024	FY 2025	2023-25	2025-27	2027-29
Account					
Department of Retirement Systems Expense Account-State 600-1	25,951	26,730	52,681	55,890	59,294
Total \$	25,951	26,730	52,681	55,890	59,294

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Jay Walsh	Phone: 360-664-7266	Date: 01/31/2023
Agency Approval: Mark Feldhausen	Phone: 360-664-7194	Date: 01/31/2023
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 01/31/2023

Part II: Narrative Explanation

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

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

Section 3(3) requires each state agency to ensure that all mission critical applications, business essential applications, and other resources containing category 3 or 4 data as defined in enterprise technology standards developed pursuant to RCW 43.105.054, have immutable backups.

Section 3(4) identifies that by September 30, 2023, and biannually thereafter, each state agency shall review all of its mission critical applications, business essential applications, and other resources containing category 3 or 4 data, as described in the enterprise technology standards developed pursuant to RCW 43.105.054, and report the size of all managed data, a prioritized list of applications containing category 3 or 4 data and which from that list do not have immutable backups.

Section 3(5) identifies that by March 31, 2024, all agencies are required to report to the office that all of its mission critical applications, business essential applications, and other resources containing category 3 or 4 data are maintaining immutable backups, and if not, provide a list of which applications are not going to meet the compliance requirement and a plan to remedy the situation.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The Department of Retirement Systems (DRS) has determined that the full implementation cost is indeterminate at this time. The fiscal note is based on the following assumptions and information.

DRS assumes that all systems containing category 3 or 4 data will require immutable backups, regardless of the criticality of the system or if they are development, test, or production systems. A solution for creating immutable backups of all category 3 and 4 data has been identified; however, discussions with our current vendor and further analysis is needed in order to determine the full cost.

The majority of DRS' systems containing category 3 and 4 data have backups that are stored in a cloud location where immutable backups are configurable. The cost for systems containing category 3 and 4 data that will need to be moved to this cloud storage is estimated at: 10 terabytes of data at \$25,951 per year, with an estimated 3% increase year over year.

In addition to these costs, DRS anticipates a potential cost of under \$40,000 per year to render backups for all other systems immutable. This secondary cost is what is uncertain at this time and will be determined upon further analysis.

Finally, there are a number of software as a service (SaaS) products that will need to be evaluated as part of the analysis. Further discussions with those vendors will be required to determine the feasibility of implementing immutable backups. The additional costs, if any, for implementing immutable backups for SaaS products, will be determined as part of that analysis.

The effort required to comply with the bill would be handled by existing technical resources.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
600-1	Department of Retirement Systems Expense Account	State	25,951	26,730	52,681	55,890	59,294
Total \$			25,951	26,730	52,681	55,890	59,294

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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	25,951	26,730	52,681	55,890	59,294
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 \$	25,951	26,730	52,681	55,890	59,294

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

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Celina Verme	Phone: (360) 956-4740	Date: 01/26/2023
Agency Approval: Celina Verme	Phone: (360) 956-4740	Date: 01/26/2023
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 01/27/2023

Part II: Narrative Explanation

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

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

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

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Department of Revenue Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.4	1.1	1.3	0.5	0.3
Account					
GF-STATE-State 001-1	558,300	406,800	965,100	625,600	582,400
Total \$	558,300	406,800	965,100	625,600	582,400

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: Angela Kleis	Phone: 60-786-7469	Date: 01/22/2023
Agency Preparation: Melissa Howes	Phone: 60-534-1518	Date: 02/01/2023
Agency Approval: Valerie Torres	Phone: 60-534-1521	Date: 02/01/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/02/2023

Request # 5518-1-1

Part II: Narrative Explanation

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

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

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

CURRENT LAW:

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

PROPOSAL:

This bill creates the Ransomware Protection Act which requires that the Consolidated Technology Services Agency (WaTech) create enterprise technology standards specific to malware and ransomware protection, backup, and recovery.

By March 31, 2024, a state agency's mission critical applications, business essential applications, and other resources containing category 3 data or category 4 data must have immutable backup. If an agency is unable to comply, it must submit a plan to WaTech instead, detailing the steps it will take to get the required immutable backup.

Immutable means to provide state agencies with recovery capabilities. Immutable protection restricts the editing or removal of protected information, unless scheduled to do so by a predefined process.

Beginning September 30, 2023, state agencies must submit an assessment report of mission critical applications, business essential applications, and other resources containing category 3 data or category 4 data to WaTech biannually. The report must contain:

- The total size of managed data,
- A list of mission critical applications and business essential applications containing category 3 data or category 4 data,
- A list of all mission critical applications and business essential applications containing category 3 data or category 4 data that do not have immutable backup, and
- A list of prioritized applications based on mission criticality and impact to the public in the event of system failure or data lost.

State agencies may receive authorized funding for procuring the immutable backup required under this proposal. Funding will be allocated to the most vulnerable systems containing the most sensitive public information as determined by an agency's assessment report.

EFFECTIVE DATE:

The bill takes effect 90 days after final adjournment of the session.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

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

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

FIRST YEAR COSTS:

Form FN (Rev 1/00) 181,586.00

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Request # 5518-1-1

Bill # 5518 SB

The department will incur total costs of \$558,300 in fiscal year 2024. These costs include:

- Labor Costs – Time and effort equate to 1.4 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.
 - Vendor procurement services.

- Object Costs - \$350,000.
- Computer system changes, including contract programming.
 - Additional hardware and software for required backup solutions.

SECOND YEAR COSTS:

The department will incur total costs of \$406,800 in fiscal year 2025. These costs include:

- Labor Costs – Time and effort equate to 1.1 FTEs.
- Continued computer programming, modifying, and testing for new guidelines.
 - Project management support and monitoring progress of project

- Object Costs - \$250,000.
- Additional hardware and software for required backup solutions.

ONGOING COSTS:

Ongoing costs for the 2026-27 biennium equal \$625,600 and include similar activities described in the second-year costs. Time and effort equate to 0.45 FTEs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.4	1.1	1.3	0.5	0.3
A-Salaries and Wages	133,100	106,400	239,500	85,000	55,800
B-Employee Benefits	43,900	35,100	79,000	28,000	18,400
C-Professional Service Contracts	100,000		100,000		
E-Goods and Other Services	171,500	161,900	333,400	309,800	306,400
J-Capital Outlays	109,800	103,400	213,200	202,800	201,800
Total \$	\$558,300	\$406,800	\$965,100	\$625,600	\$582,400

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
CONTRACTS SPECIALIST 3	71,520	0.1		0.1		
IT PROJ MGT-SR/SPEC	102,372	0.3	0.3	0.3		
IT SYS ADM-JOURNEY	92,844	0.5	0.5	0.5	0.3	0.3
IT SYS ADM-SR/SPEC	97,476	0.5	0.3	0.4	0.2	
Total FTEs		1.4	1.1	1.3	0.5	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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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:

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Lisa Piper	Phone: 360-584-3009	Date: 01/26/2023
Agency Approval: Lisa Piper	Phone: 360-584-3009	Date: 01/26/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/27/2023

Part II: Narrative Explanation

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

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

The purpose of this bill is to protect critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities. This bill amends RCW 43.105.220 and 43.105.342; reenacts and amends RCW 43.105.020; adds a new section to chapter 43.105 RCW; adds a new section to chapter 42.56 RCW; and creates new sections.

Section 1 indicates that Washington state branches of government, agencies, boards, and commissions manage and protect highly sensitive data to best serve constituents, which can often be a high-value target for malicious cyber attackers and perpetrators. To lessen the negative repercussions and vulnerabilities of applications, this section outlines the actions that these entities must make to protect themselves, their constituents, and prevent any data breaches and/or identity theft.

Section 2 adds new definitions to the existing law, including “Immutable” in Section 2 (8), “Information Protection” in Section 2 (10), “Malicious Cyber Activities” in Section 2 (16), and “Ransomware” in Section 2 (24).

Section 3 (4) requires that all state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing Category 3 and Category 4 data, as defined in OCIO policy, have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law. The Board of Tax Appeals' applications are limited to basic operating systems and office suite products, such as Microsoft Windows and M365. Based on the lead agency's assumptions, WaTech will cover the costs to comply with this requirement for M365 shared tenants. Additionally, the Board of Tax Appeals anticipates that its use of WaTech services would bring the agency into compliance with this section. Therefore, there is no fiscal impact to the Board of Tax Appeals' budget.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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:

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Paul Bitar	Phone: 360-407-8129	Date: 01/30/2023
Agency Approval: Paul Bitar	Phone: 360-407-8129	Date: 01/30/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/31/2023

Part II: Narrative Explanation

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

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

The purpose of this bill is to protect critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities. This bill amends RCW 43.105.220 and 43.105.342; reenacts and amends RCW 43.105.020; adds a new section to chapter 43.105 RCW; adds a new section to chapter 42.56 RCW; and creates new sections.

Section 1 indicates that Washington state branches of government, agencies, boards, and commissions manage and protect highly sensitive data to best serve constituents, which can often be a high-value target for malicious cyber attackers and perpetrators. To lessen the negative repercussions and vulnerabilities of applications, this section outlines the actions that these entities must make to protect themselves, their constituents, and prevent any data breaches and/or identity theft.

Section 2 adds new definitions to the existing law, including “Immutable” in Section 2 (8), “Information Protection” in Section 2 (10), “Malicious Cyber Activities” in Section 2 (16), and “Ransomware” in Section 2 (24).

Section 3 (5) requires that all state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing Category 3 and Category 4 data, as defined in OCIO policy, have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law.

The Office of Minority and Women's Business Enterprises (OMWBE) uses the Washington State Department of Transportation (WSDOT) and B2GNow for its data storage needs. The data stored with B2GNow currently meets the requirements set forth in Section 3(3). Based on an assessment by WSDOT, the amount of data that WSDOT stores on behalf of OMWBE is minimal and OMWBE would not incur additional costs if the immutable storage requirement were enacted.

Section 3(4) would require agencies to perform an assessment of critical/essential applications and submit a report to the OCIO by September 30, 2023. OMWBE 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

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 148-Housing Finance 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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Lucas Loranger	Phone: 206-254-5368	Date: 01/31/2023
Agency Approval: Lucas Loranger	Phone: 206-254-5368	Date: 01/31/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/01/2023

Part II: Narrative Explanation

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

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

No Fiscal Impact: Because the Commission is a non-appropriated, non-allocated agency, all the costs associated with the contemplated legislation connected to the Commission will flow through the Commission's operating funds, therefore the Commission believes it has no fiscal impact on the state's budget.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Michael Walker	Phone: 360-725-7036	Date: 01/27/2023
Agency Approval: Michael Wood	Phone: 360-725-7007	Date: 01/27/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/01/2023

Part II: Narrative Explanation

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

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

Section 3(3) requires each state agency to ensure that all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data have immutable backups.

Section 3(4) requires agencies to biannually review all its mission critical applications, business essential applications, and other resources containing category 3 or category 4 data and report information to the OCIO.

The Office of Insurance Commissioner (OIC) already meets the standards in the bill. Therefore, no fiscal impact to the OIC.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 163-Consolidated Technology Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Consolidated Technology Services Revolving Account-State 458-1	4,286,000	4,397,000	8,683,000	9,120,000	9,120,000
Consolidated Technology Services Revolving Account-Non-Appropriated 458-6	2,967,000	2,967,000	5,934,000	5,934,000	5,934,000
Total \$	7,253,000	7,364,000	14,617,000	15,054,000	15,054,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.5	3.5	3.5	3.5	3.5
Account					
General Fund-State 001-1	36,000	36,000	72,000	72,000	72,000
Consolidated Technology Services Revolving Account-State 458-1	4,286,000	4,397,000	8,683,000	9,120,000	9,120,000
Consolidated Technology Services Revolving Account-Non-Appropriated 458-6	2,967,000	2,967,000	5,934,000	5,934,000	5,934,000
Total \$	7,289,000	7,400,000	14,689,000	15,126,000	15,126,000

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Nenita Ching	Phone: 360-407-8878	Date: 01/26/2023
Agency Approval: Tim Gallivan	Phone: (360) 407-8215	Date: 01/26/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/27/2023

Part II: Narrative Explanation

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

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

This bill would require the procurement, or presentation of a plan to procure, immutable backups for all state agencies with applications that contain category 3 or category 4 data, and for all mission critical and business essential applications. The bill also requires biannual reporting on agency progress to complying with the bill requirements.

Sec. 2 amends definitions in 43.105.020 to include definitions for “immutable,” “information protection,” and “malicious cyber activities,” and “ransomware” as defined as follows:

“immutable” means to provide state agencies with recovery capabilities. A native immutable information protection solution must demonstrate characteristics that do not permit, unless scheduled to do so by a predefined process, the editing or removing of any protected information;”

“information protection” includes backups and other methods to allow the preservation and recovery of information;”

“malicious cyber activities” means activities, other than those authorized by or in accordance with state and federal law, that seek to compromise or impair the confidentiality, integrity, or availability of computers, information, or communications systems, networks, physical or virtual infrastructure controlled by computers or information systems, or information residing on those systems;”

“ransomware” includes any type of malicious software code, executable, application, payload, or digital content designed to encrypt, steal, exfiltrate, delete, destroy, or deny access to any data, databases, systems, applications, networks, data centers, cloud computing environment, cloud service, or other mission critical or business essential infrastructure.”

Sec. 3 adds a new section to 43.105 related to WaTech’s (the office) requirements around ransomware education/information.

Subsection 1 requires WaTech to design, develop, and implement enterprise technology standards specific to ransomware protection, backup, and recovery as well as prevention education for state employees and constituents who use state technology services. The NIST ransomware Risk Management: A Cybersecurity Framework Profile published February 2022, or its successor publication must be used as guidance.

Subsection (2)(a) requires a ransomware education and outreach program dedicated to educating public agencies on prevention, response, and remediation of ransomware. Public agency is a defined term in our statute that exceeds state agencies and applies to other government agencies more broadly.

Subsection (2)(b) requires WaTech to document, publish, and distribute malware & ransomware response materials for chief executive, financial, information, and information security officers, or their equivalents to each state agencies, outlining specific steps to take in the event of a malware attack that meets certain criteria.

Subsection (3) requires that each state agency must ensure all mission critical, business essential, and other resources containing category 3 and category 4 data as defined in our agency standards have immutable backups.

Subsection (4) requires reporting to WaTech by September 30, 2023, and biannually thereafter, from each state agency of the applications described in subsection (3) above. Reporting elements must include:

- a) The total size of managed data
- b) The list of applications containing the elements described in subsection (3) above
- c) A list of applications described in (4)(b) that do not have immutable backups

d) A list of prioritized applications based on mission criticality and impact to constituents in the event of system failure/data loss.

Subsection (5)(a) requires agencies to ensure that all mission critical, business essential, or category 3 or 4 containing applications are compliant with subsection (3) of this section (i.e., have immutable backups) by March 31, 2024, and to report to WaTech that they are complying with that subsection.

Subsection (5)(b) provides an exception to subsection (5)(a) if an agency reasonably anticipates it cannot comply with (a), then the agency shall submit a plan by March 31, 2024 to WaTech detailing steps it will take to comply with the requirements for immutable backups in subsection (5)(a).

Subsections (6) and (7) note that the reports compiled are exempt from disclosure under 42.56 and that the requirements of the bill do not apply to institutions of higher education, respectively.

Sec. 4 amends 43.105.220, which includes WaTech's biennial report requirements. It adds new requirements for an oral report to the TSB, chairs, and ranking members of fiscal committees in the senate and house of representatives, and policy staff in the governor's office around data collected in Sec. 3(4) above. The oral report must include the following elements:

- i. The total number of mission critical applications within state agencies
- ii. The total number of mission critical applications within state agencies with immutable backups
- iii. The total number of business essential applications within state agencies
- iv. The total number of business essential applications held by state agencies with immutable backups
- v. The total number of applications held by state agencies containing either category 3 data or category 4 data, or both
- vi. The total number of applications held by state agencies containing either category 3 data or category 4 data, or both, with immutable backups
- vii. The breadth of threat landscape
- viii. A prioritized list of applications within each state agency requiring immutable backups
- ix. The cost of implementing immutable backups for each prioritized application
- x. The number of full-time equivalents required to manage malware prevention and response policies and state agency incident response assistance
- xi. Progress toward protection compared with the last submitted report and
- xii. Recommendations for further work to protect critical state systems

The oral report may not be recorded, and the information provided is confidential and not subject to disclosure under RCW 42.56.

Sec. 5 creates a new exemption in RCW 42.56 covering the reports require in the bill.

Sec. 6 amends 43.105.342 related to the CTS revolving accounts, and allows for the director, with the approval of the board (i.e., TSB) to expend up to \$5,000,000 per fiscal biennium to provide funding to state agencies for the purposes of procuring immutable data backup and disaster recovery services for mission critical applications. Funding must be in considered based on prioritized application list provided in Sec. 3 above.

Sec. 7 notes that the bill can be cited as the ransomware protection act.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished 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 the 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.

Small Agency IT Support is funded by an appropriation from the Consolidated Technology Services Revolving Account (458-1). Revenues for Small Agency IT Support 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 (458-6). The portions that are associated with fee for service programs are approximately 18% (\$1,335,000 annually); therefore, WaTech may have to increase rates for fee for service lines of business to generate additional fee for service revenues. Approximately 0.5% are associated with General Fund State (GF-S) services (JINDEX and Natural Hazard Data Portal). The remaining revenues (81.2%) 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 2024	FY 2025	2023-25	2025-27	2027-29
OCS CSM (458-1)	187,000	187,000	374,000	374,000	374,000
OCIO CSM (458-1)	117,000	117,000	234,000	234,000	234,000
M365 CSM (458-1)	3,964,000	4,075,000	8,039,000	8,476,000	8,476,000
Small Agency CSM (458-1)	18,000	18,000	36,000	36,000	36,000
Network CSM (458-6)	105,000	105,000	210,000	210,000	210,000
Gateway CSM (458-6)	1,183,000	1,183,000	2,366,000	2,366,000	2,366,000
Security Infrastructure CSM (458-6)	258,000	258,000	516,000	516,000	516,000
Location Based CSM (458-6)	86,000	86,000	172,000	172,000	172,000
General Fund (GF-S 001)	36,000	36,000	72,000	72,000	72,000
Fee for Service	1,335,000	1,335,000	2,670,000	2,670,000	2,670,000
Total	7,289,000	7,400,000	14,689,000	15,126,000	15,126,000

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Policy Assumptions

There are direct policy and enterprise impacts associated with SB 5518.

Sec. 3(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. 3(2)(a) and sec. 3(2)(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. To meet the requirements of this section, the following supports are necessary:

- One EMS 2 to manage a ransomware awareness program. The staff will engage with individuals in public service organizations to scale our awareness efforts. The annual costs are estimated to be \$187,432 (\$159,650 for salary and benefits, \$7,700 for goods and services, training, and travel, and \$20,082 for overhead and shared services).
- 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; the costs could range from \$200,000 to \$500,000. Expenses related to this effort are indeterminate. This will be a one-time cost.

Sec. 3(4) and Sec. 3(5) requires state agencies to submit reports to WaTech biannually. WaTech will need one WMS3 working at 50% to support twice a year application data capture, data analysis, and implementing secured reporting solution and agency training. This mirrors the current work performed for the annual IT Portfolio Reporting. This staff will also compile the data for the oral report required in Sec. 4. The annual costs are estimated to be \$106,870 (\$93,890 for salary and benefits, \$1,530 for goods and services, training, and travel, and \$11,450 for overhead and shared services).

Sec. 6 permits up to \$5,000,000 to be distributed to agencies from the Consolidated Technology Services Revolving Account for the purposes of procuring immutable data backup and disaster recovery services for mission critical applications. The director of WaTech may authorize expenditures from the account. State agencies may apply to WaTech to receive a drawdown of these funds. WaTech must consider the prioritized application list required in Sec. 3 when determining a disbursement. To meet the requirements of this section, the following resources will be needed to support the implementation of this process:

- One Contracts Specialist at EMS1 working at 50% for the administration of interagency agreements for the drawdown of funds. The annual costs are estimated to be \$82,410 (\$72,050 salary and benefits, \$1,530 for goods and services, training, and travel, and \$8,830 for overhead and shared services).
- One Fiscal Analyst 3 working at 25% of time will be necessary to disburse the funds to approved agencies. The annual costs are estimated to be \$38,758 (\$33,835 salary and benefits, \$770 for goods and services, training, and travel, and \$4,153 for overhead and shared services).
- One Budget Analyst 4 working at 25% of time will be necessary for financial planning and analysis. The annual costs are estimated to be \$45,804 (\$40,126 salary and benefits, \$770 for goods and services, training, and travel, and \$4,908 for overhead and shared services).

It is assumed WaTech can absorb the workload associated with application review, analysis, and prioritization with existing resources. WaTech will reassess this need after the first year once the volume of applications from agencies are known. If the work exceeds our existing resources, we will submit a supplemental decision package to request additional resources.

The sum of the expenses itemized above is \$461,274 annually.

Operational Assumptions

WaTech and Small Agency IT Support will be required to comply with the new requirements of SB 5518.

Sec. 3(3), 3(4) and 3(5) requires that each state agency must ensure all mission-critical, business-essential, and other resources containing category 3 and category 4 data as defined in our agency standards have immutable backups and report to WaTech by September 30, 2023, and biannually thereafter, from each state agency of the applications described in subsection (3).

To comply with these sections, WaTech needs one IT Security Journey to conduct analysis for all WaTech's systems/applications, produce the report, and submit to the WaTech OCIO. The annual costs are estimated to be \$158,514 (\$138,470 salary and benefits, \$3,060 for goods and services, training, and travel, and \$16,984 for overhead and shared services).

Compliance for immutable backups require:

- Backup service for the M365 Enterprise Shared Tenant. WaTech would use a SaaS solution designed to backup services in M365 such as Exchange Online, SharePoint Online, Teams and One Drive. Cost projections over the next five years are based on and per license cost of \$48 per user per year and on our current number of users in the M365 Enterprise Shared Tenant. For this analysis, we took into consideration additional agencies are to migrate into the M365 Enterprise Shared Tenant. Additionally, overhead, and shared services at the rate of 12% of direct costs are included.

Year	Estimated Users	Cost per Year
1	67,330	\$3,538,865
2	69,224	\$3,638,414
3	71,994	\$3,784,004
4	71,994	\$3,784,004
5	71,994	\$3,784,004

- 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 516,239 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 \$2,416,000 (516,239.36 GB X \$0.39 X 12 months). Additionally, overhead, and shared services at the rate of 12% of direct costs are included.

The sum of expenses for immutable backup is \$6,827,962 for FY 24, \$6,939,457 for FY 25, and \$7,102,518 for FY 26 and thereafter.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	36,000	36,000	72,000	72,000	72,000
458-1	Consolidated Technology Services Revolving Account	State	4,286,000	4,397,000	8,683,000	9,120,000	9,120,000
458-6	Consolidated Technology Services Revolving Account	Non-Appropriated	2,967,000	2,967,000	5,934,000	5,934,000	5,934,000
Total \$			7,289,000	7,400,000	14,689,000	15,126,000	15,126,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.5	3.5	3.5	3.5	3.5
A-Salaries and Wages	375,000	375,000	750,000	750,000	750,000
B-Employee Benefits	163,000	163,000	326,000	326,000	326,000
C-Professional Service Contracts					
E-Goods and Other Services	5,964,000	6,063,000	12,027,000	12,418,000	12,418,000
G-Travel	6,000	6,000	12,000	12,000	12,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	781,000	793,000	1,574,000	1,620,000	1,620,000
9-					
Total \$	7,289,000	7,400,000	14,689,000	15,126,000	15,126,000

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 2024	FY 2025	2023-25	2025-27	2027-29
Budget Analyst 4	87,144	0.3	0.3	0.3	0.3	0.3
EMS Band 1	96,000	0.5	0.5	0.5	0.5	0.5
EMS Band 2	120,000	1.0	1.0	1.0	1.0	1.0
Fiscal Analyst 3	66,420	0.3	0.3	0.3	0.3	0.3
IT Security - Journey	102,540	1.0	1.0	1.0	1.0	1.0
WMS Band 3	132,000	0.5	0.5	0.5	0.5	0.5
Total FTEs		3.5	3.5	3.5	3.5	3.5

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 165-Board of Accountancy
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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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Paul Bitar	Phone: 360-407-8129	Date: 01/30/2023
Agency Approval: Paul Bitar	Phone: 360-407-8129	Date: 01/30/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/01/2023

Part II: Narrative Explanation

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

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

The purpose of this bill is to protect critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities. This bill amends RCW 43.105.220 and 43.105.342; reenacts and amends RCW 43.105.020; adds a new section to chapter 43.105 RCW; adds a new section to chapter 42.56 RCW; and creates new sections.

Section 1 indicates that Washington state branches of government, agencies, boards, and commissions manage and protect highly sensitive data to best serve constituents, which can often be a high-value target for malicious cyber attackers and perpetrators. To lessen the negative repercussions and vulnerabilities of applications, this section outlines the actions that these entities must make to protect themselves, their constituents, and prevent any data breaches and/or identity theft.

Section 2 adds new definitions to the existing law, including “Immutable” in Section 2 (8), “Information Protection” in Section 2 (10), “Malicious Cyber Activities” in Section 2 (16), and “Ransomware” in Section 2 (24).

Section 3 (5) requires that all state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing Category 3 and Category 4 data, as defined in OCIO policy, have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law.

Board of Accountancy's (ACB) use of WaTech services means that the agency's operating systems and office suite products, such as Microsoft Windows and M365, would be in compliance with this bill. However, 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 3(3). For any data not currently in compliance, the agency will use a rate of \$0.39/GB/month to calculate the cost to move to a secure option.

Section 3(4) would require agencies to perform an assessment of critical/essential applications and submit a report to the OCIO by September 30, 2023. 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

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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:

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Paul Bitar	Phone: (360) 407-8129	Date: 01/30/2023
Agency Approval: Paul Bitar	Phone: (360) 407-8129	Date: 01/30/2023
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/30/2023

Part II: Narrative Explanation

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

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

The purpose of this bill is to protect critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities. This bill amends RCW 43.105.220 and 43.105.342; reenacts and amends RCW 43.105.020; adds a new section to chapter 43.105 RCW; adds a new section to chapter 42.56 RCW; and creates new sections.

Section 1 indicates that Washington state branches of government, agencies, boards, and commissions manage and protect highly sensitive data to best serve constituents, which can often be a high-value target for malicious cyber attackers and perpetrators. To lessen the negative repercussions and vulnerabilities of applications, this section outlines the actions that these entities must make to protect themselves, their constituents, and prevent any data breaches and/or identity theft.

Section 2 adds new definitions to the existing law, including “Immutable” in Section 2 (8), “Information Protection” in Section 2 (10), “Malicious Cyber Activities” in Section 2 (16), and “Ransomware” in Section 2 (24).

Section 3 (5) requires that all state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing Category 3 and Category 4 data, as defined in OCIO policy, have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law. The Board of Registration for Professional Engineers and Land Surveyors’ (BRPELS) applications are limited to basic operating systems and office suite products, such as Microsoft Windows and M365. Based on the lead agency’s assumptions, WaTech will cover the costs to comply with this requirement for M365 shared tenants. Additionally, BRPELS anticipates that its use of WaTech services would bring the agency into compliance with this section. Therefore, there is no fiscal impact to BRPELS’ budget.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Bret Skipworth	Phone: 3608906657	Date: 01/27/2023
Agency Approval: Bret Skipworth	Phone: 3608906657	Date: 01/27/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 01/27/2023

Part II: Narrative Explanation

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

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

The purpose of this bill is to protect critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities. This bill amends RCW 43.105.220 and 43.105.342; reenacts and amends RCW 43.105.020; adds a new section to chapter 43.105 RCW; adds a new section to chapter 42.56 RCW; and creates new sections.

Section 1 indicates that Washington state branches of government, agencies, boards, and commissions manage and protect highly sensitive data to best serve constituents, which can often be a high-value target for malicious cyber attackers and perpetrators. To lessen the negative repercussions and vulnerabilities of applications, this section outlines the actions that these entities must make to protect themselves, their constituents, and prevent any data breaches and/or identity theft.

Section 2 adds new definitions to the existing law, including “Immutable” in Section 2 (8), “Information Protection” in Section 2 (10), “Malicious Cyber Activities” in Section 2 (16), and “Ransomware” in Section 2 (24). Section 3 (4) requires that all state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing Category 3 and Category 4 data, as defined in OCIO policy, have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law.

The Forensic Investigations Council (FIC) does not possess its 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

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Ivy Huynh	Phone: (360) 407-8763	Date: 01/30/2023
Agency Approval: Ashley Howard	Phone: (360) 407-8159	Date: 01/30/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/30/2023

Part II: Narrative Explanation

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

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

Section 2 amends RCW 43.105.020 adding definitions for "Immutable" and "Information Protection".

Section 3 is a new section that requires each state agency to:

- Ensure all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data, as defined in enterprise technology standards developed per RCW 43.105.054, have immutable backups.
- Review all applications described in subsection 3 and provide a report to the Office of state Chief Information Officer (OCIO) by September 30, 2023 and biannually thereafter.
- Ensure all applications described in subsection 3 of this section are compliant, as defined in section 3 (3).
- Submit a report to the OCIO by March 31, 2024. The report must state whether the systems covered in this act are in compliance.
- Develop a detailed plan outlining steps to be taken to meet the requirements of this section, if they cannot reasonably be met. This plan is due to the OCIO by March 31, 2024.

Section 5 is the new section stating the reports and information compiled pursuant to section 3 of this bill are confidential and may not be disclosed under this chapter.

These requirements can be completed through routine business process, therefore, no fiscal impact to Department of Enterprise Services (DES).

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 185-Horse Racing 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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Seth Flory	Phone: (360) 407-8165	Date: 01/30/2023
Agency Approval: Seth Flory	Phone: (360) 407-8165	Date: 01/30/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/01/2023

Part II: Narrative Explanation

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

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

Senate Bill 5518, 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.

Section 3 (3) requires agencies to ensure all Category 3 & 4 confidential data is maintained on systems utilizing immutable backups. Section 3 (4) requires agencies to conduct an assessment of applications and systems with consideration of data storage size, quantity of system records, and meeting business criticality. WHRC receive data management and back-up services from a private vendor. There may be a fiscal impact to the agency if the new CTS/OCIO guidelines resulting from this bill force WHRC to amend their existing data contract or seek out a different vendor. Until such guidelines are published this remains an indeterminate cost.

Section 6 makes funding available in the CTS Revolving account grantable to agencies for the purpose of procuring immutable storage and disaster recovery services. WHRC may need to request funding for this source if the new guidelines necessitate significant changes to data systems and services.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 190-Board of Industrial Insurance Appeals
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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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: William Chase	Phone: 360-753-2790	Date: 03/06/2023
Agency Approval: Bob Liston	Phone: 360-753-6823	Date: 03/06/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 03/06/2023

Part II: Narrative Explanation

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

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

Brief Summary of Bill

Requires the Office of the Chief Information Officer (OCIO) to implement enterprise technology standards specific to malware and ransomware protection, backup, and recovery; establish a ransomware education and outreach program; and distribute malware and ransomware response educational materials to each state agency.

- Requires each state agency to ensure all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data have immutable backups and report specified data to the OCIO.

- Authorizes the state chief information officer, with the approval of the Technology Services Board, to expend up to \$5,000,000 per fiscal biennium to provide funding to state agencies for procuring immutable data backup and disaster recovery services for mission critical application, business essential applications, or other critical information technology systems, containing category 3 or category 4 data.

This legislation will not measurably increase the workload for the Board of Industrial Insurance Appeals.

Without knowing what Washington Technology and the Office of the Chief information Officer are going to implement, impact can't be projected. However, impact to the Board of Industrial Insurance Appeals is assumed nominal. No fiscal Impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.0	3.0	3.0	3.0	3.0
Account					
Liquor Revolving Account-State 501-1	462,085	443,770	905,855	887,540	887,540
Total \$	462,085	443,770	905,855	887,540	887,540

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Colin O Neill	Phone: (360) 664-4552	Date: 01/30/2023
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 01/30/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/01/2023

Part II: Narrative Explanation

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

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

Section 2 adds definitions:

(8) "Immutable" means to provide state agencies with recovery capabilities. A native immutable information protection solution must demonstrate characteristics that do not permit, unless scheduled to do so by a predefined process, the editing or removing of any protected information.

(10) "Information protection" includes backups and other methods to allow the preservation and recovery of information

(16) "Malicious cyber activities" means activities, other than those authorized by or in accordance with state and federal law, that seek to compromise or impair the confidentiality, integrity, or availability of computers, information or communications systems, networks, physical or virtual infrastructure controlled by computers or information systems, or information residing on those systems.

(24) "Ransomware" includes any type of malicious software code, executable, application, payload, or digital content designed to encrypt, steal, exfiltrate, delete, destroy, or deny access to any data, databases, systems, applications, networks, data centers, cloud computing environment, cloud service, or other mission critical or business essential infrastructure.

Section 3(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 who use state technology services.

Section 3(3): Each state agency must ensure that all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data as defined in enterprise technology standards developed pursuant to RCW 43.105.054, have immutable backups.

Section 3(4): By September 30, 2023, and biannually thereafter, each state agency shall review all of its mission critical applications, business essential applications, and other resources containing category 3 or category 4 data, as described in the enterprise technology standards developed pursuant to RCW 43.105.054, and report to the office:

(a) The total size of managed data;

(b) A list of mission critical applications and business essential applications, containing category 3 or category 4 data, as described in the enterprise technology standards developed pursuant to RCW 43.105.054;

(c) A list of the applications described in (b) of this subsection that do not have immutable backup; and

(d) A list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.

Section 3(5)(a): By March 31, 2024, except as provided in (b) of this subsection, state agencies shall:

(i) Ensure that all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data, as described in enterprise technology standards developed under RCW 43.105.054, are compliant with subsection (3) of this section; and

(ii) Report to the office whether they are in compliance with this subsection (5)(a).

(b) If any state agency reasonably anticipates that it cannot comply with (a) of this subsection by March 31, 2024, it shall submit a plan by March 31, 2024, to the office detailing steps it will take to comply with the requirement in (a) of this subsection.

Section 6(2b): The director of the consolidated technology services (CTS) or the director's designee, with the approval of the technology services board, is authorized to expend up to \$5,000,000 per fiscal biennium for the technology services board to provide funding to state agencies for the purposes of procuring immutable data backup and disaster recovery services for mission critical applications, business essential applications, or other critical information technology systems, containing category 3 or category 4 data as described in enterprise technology standards developed under RCW 43.105.054. When selecting state agencies to receive funding under this subsection, the board must consider the agency's

prioritized application list under section 3 of this act, in order to ensure that funding is allocated to protecting the most vulnerable systems containing the most sensitive public information.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

INFORMATION TECHNOLOGY DIVISION:

3 FTEs will be needed for handling the storage requests and data management of the systems (ongoing). 2 FTEs would be network and security, and 1 FTE for the data management.

An additional annual cost of \$5,000 is needed for backup functionality of cloud based database environments, which is vendor supported.

1.0 FTE IT System Administration - Journey - \$143,930/yr (\$141,160 salary/benefits, \$2,770 in associated costs). Onetime costs in FY24 of \$6,105 for equipment purchases.

1.0 FTE IT App Development - Senior/Specialist - \$156,980/yr (\$154,210 salary/benefits, \$2,770 in associated costs). Onetime costs in FY24 of \$6,105 for equipment purchases.

1.0 FTE IT Security - Journey - \$137,860/yr (\$135,090 salary/benefits, \$2,770 in associated costs). Onetime costs in FY24 of \$6,105 for equipment purchases.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
501-1	Liquor Revolving Account	State	462,085	443,770	905,855	887,540	887,540
Total \$			462,085	443,770	905,855	887,540	887,540

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.0	3.0	3.0	3.0	3.0
A-Salaries and Wages	328,932	328,932	657,864	657,864	657,864
B-Employee Benefits	101,528	101,528	203,056	203,056	203,056
C-Professional Service Contracts					
E-Goods and Other Services	13,205	12,890	26,095	25,780	25,780
G-Travel					
J-Capital Outlays	18,420	420	18,840	840	840
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	462,085	443,770	905,855	887,540	887,540

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 2024	FY 2025	2023-25	2025-27	2027-29
IT App Development - Senior/Specialist	118,716	1.0	1.0	1.0	1.0	1.0
IT Security - Journey	102,540	1.0	1.0	1.0	1.0	1.0
IT System Administration - Journey	107,676	1.0	1.0	1.0	1.0	1.0
Total FTEs		3.0	3.0	3.0	3.0	3.0

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Information Technology Division (070)	462,085	443,770	905,855	887,540	887,540
Total \$	462,085	443,770	905,855	887,540	887,540

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Lisa Piper	Phone: 360-584-3009	Date: 01/26/2023
Agency Approval: Lisa Piper	Phone: 360-584-3009	Date: 01/26/2023
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/26/2023

Part II: Narrative Explanation

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

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

The purpose of this bill is to protect critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities. This bill amends RCW 43.105.220 and 43.105.342; reenacts and amends RCW 43.105.020; adds a new section to chapter 43.105 RCW; adds a new section to chapter 42.56 RCW; and creates new sections.

Section 1 indicates that Washington state branches of government, agencies, boards, and commissions manage and protect highly sensitive data to best serve constituents, which can often be a high-value target for malicious cyber attackers and perpetrators. To lessen the negative repercussions and vulnerabilities of applications, this section outlines the actions that these entities must make to protect themselves, their constituents, and prevent any data breaches and/or identity theft.

Section 2 adds new definitions to the existing law, including “Immutable” in Section 2 (8), “Information Protection” in Section 2 (10), “Malicious Cyber Activities” in Section 2 (16), and “Ransomware” in Section 2 (24).

Section 3 (4) requires that all state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing Category 3 and Category 4 data, as defined in OCIO policy, have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law. Board of Pilotage applications are limited to basic operating systems and office suite products, such as Microsoft Windows and M365. Based on the lead agency’s assumptions, WaTech will cover the costs to comply with this requirement for M365 shared tenants. Additionally, Board of Pilotage anticipates that its use of Washington State Department of Transportation and Washington State Ferries Information Technology services would bring the agency into compliance with this section. Therefore, there is no fiscal impact to the Board of Pilotage’s budget.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Revised

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.0	0.1	0.0	0.0
Account					
Public Service Revolving Account-State 111-1	37,863	0	37,863	8,809	8,809
Total \$	37,863	0	37,863	8,809	8,809

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Amy Andrews	Phone: 360-481-1335	Date: 02/01/2023
Agency Approval: Amy Andrews	Phone: 360-481-1335	Date: 02/01/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 02/01/2023

Part II: Narrative Explanation

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

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

By September 30, 2023, all agencies must review their mission-critical applications, business-essential applications, and other applications containing Category 3 and Category 4 data and provide a listing and data regarding those applications and whether they meet the immutable backup provisions of this bill to the OCIO.

By March 31, 2024 all agencies must ensure that their mission-critical applications, business-essential applications, and other applications containing Category 3 and Category 4 data are protected by immutable backups and report their compliance status to the OCIO.

We assume we will likely need to update our existing disaster recovery plan and testing procedures in response to the standards set by the OCIO in the work described in Section 3, most likely in FY2024.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Assess/Prioritize mission-critical and business-essential applications containing Category 3 or 4 data for compliance with OCIO standards; report biannually, \$19,820, split between FY2024, FY2026, and FY2028 as follows:

FY2024 \$2,201

FY2026 \$8,809

FY2028 \$8,809

Application Development Supervisor, .05 FTE

Chief Information Officer, .05 FTE

IS Project Manager, .05 FTE

Remediate, Prioritize, and Report applications that do not have immutable backups, \$32,678, one time, FY2024

Application Development Supervisor, .06 FTE

IT App Development – Journey, .11 FTE

IT System Admin – Senior/Specialist, .06 FTE

Develop new or update existing disaster recovery plan and annual recovery testing procedures, \$2,984, one time, FY2024

Application Development Supervisor, .01 FTE

Chief Information Officer, .01 FTE

IS Project Manager, .01 FTE

IT System Admin – Senior/Specialist, .01 FTE

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
111-1	Public Service Revolving Account	State	37,863	0	37,863	8,809	8,809
Total \$			37,863	0	37,863	8,809	8,809

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3		0.1	0.0	0.0
A-Salaries and Wages	28,046		28,046	6,525	6,525
B-Employee Benefits	9,817		9,817	2,284	2,284
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 \$	37,863	0	37,863	8,809	8,809

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 2024	FY 2025	2023-25	2025-27	2027-29
Application Development Supervisor	100,032	0.1		0.0	0.0	0.0
Chief Information Officer	118,500	0.0		0.0	0.0	0.0
IS Project Manager	107,676	0.0		0.0	0.0	0.0
IT Admin - Sr Specialist	115,824	0.1		0.0		
IT App Development - Journey	100,032	0.1		0.1		
Total FTEs		0.3		0.2	0.0	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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 225-Washington State Patrol
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	72,483	58,551	131,034	117,102	117,102
State Patrol Highway Account-State 081-1	244,173	197,242	441,415	394,484	394,484
Total \$	316,656	255,793	572,449	511,586	511,586

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Michael Middleton	Phone: (360) 596-4072	Date: 01/27/2023
Agency Approval: Mario Buono	Phone: (360) 596-4046	Date: 01/27/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 01/30/2023

Part II: Narrative Explanation

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

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

The proposed bill has fiscal impact for the Washington State Patrol (WSP).

New subsection 3(3) requires us to have immutable backup for all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data as defined in enterprise technology standards developed pursuant to RCW 43.105.054.

New subsection 3(4) requires us by September 30, 2023 and biannually thereafter to review all of our mission critical applications, business essential applications, and other resources containing category 3 or category 4 data, as described in the enterprise technology standards developed pursuant to RCW 43.105.054 and report:

(1) total size of managed data, (2) a listing of mission critical applications and business essential applications containing category 3 or category 4 data, (3) a listing of the applications described in item (2) that do not have immutable backup, and (4) a listing of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.

New subsection 3(5) requires us to report to the Office of the Chief Information Officer (OCIO), by March 31, 2024, that we are either compliant with the requirements of subsection 3(3) or submit a plan detailing steps to come into compliance.

Amended Section 6 adds language (subsection 6(2)(b)) specifying biennial funding of \$5M for the technology services board to provide to state agencies for the purposes of procuring immutable data backup and disaster recovery services.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

We will require a 1.0 IT Business Analyst - Senior/Specialist to address the collecting, collating, and reporting on our data systems as detailed in subsections 3(3), 3(4), and 3(5). Further, to address known gaps in immutable backup for existing systems we will need to procure additional hardware and the initial and ongoing licensing for cloud-based backup management of these added systems. The cost for the hardware is \$50,000 in FY 2024 and licensing is \$40,000 for FY 2024 and thereafter and is included in the expenditure table.

We base estimated salary expenditures on current levels for the positions requested per published salary schedules, plus any applicable incentive or assignment pay. We compute estimated benefits expenditures based on federal or state mandated rates plus state provided amounts for health insurance and workers' compensation insurance. We assume that any increases in these rates or amounts will be covered by legislation establishing the increase.

We compute estimated support expenditures such as supplies & materials, communications, computer costs (hardware and software), vehicle and vehicle operating costs, among others, using average costs to support agency FTEs. We adjust the estimated support costs to reflect the needs of individual divisions or positions within the agency.

We base our estimate for agency indirect costs on the approved federal indirect cost rate of 31.88 percent. We apply this indirect cost rate percentage to all categories of expenditure with only two exceptions: capital equipment and expenditures after \$25,000 of each projected contract. Indirect costs include, but are not limited to, computer and telecommunications support, payroll processing, vendor payments, general accounting, procurement administration, inventory control, and human resource management.

The funding allocation for this estimate is based on the results of the Joint Legislative Audit and Review Committee cost allocation model approved by both the Transportation and the Omnibus Budget Committees in the 2022 Supplemental Budget. The model analyzes costs and relevant activities (hours, transactions, type of enforcement, etc.) of Washington State Patrol (WSP) organizations funded by two or more sources to ensure a consistent and fair use of state resources.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	72,483	58,551	131,034	117,102	117,102
081-1	State Patrol Highway Account	State	244,173	197,242	441,415	394,484	394,484
Total \$			316,656	255,793	572,449	511,586	511,586

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	110,292	110,292	220,584	220,584	220,584
B-Employee Benefits	34,069	34,069	68,138	68,138	68,138
C-Professional Service Contracts					
E-Goods and Other Services	46,652	45,524	92,176	91,048	91,048
G-Travel	2,400	2,400	4,800	4,800	4,800
J-Capital Outlays	61,200	1,825	63,025	3,650	3,650
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Indirect Costs	62,043	61,683	123,726	123,366	123,366
Total \$	316,656	255,793	572,449	511,586	511,586

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 2024	FY 2025	2023-25	2025-27	2027-29
IT Business Analyst - Senior/Specialist	110,292	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 227-Criminal Justice Training Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
General Fund-State 001-1	50,000	0	50,000	0	0
Total \$	50,000	0	50,000	0	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Brian Elliott	Phone: 206-835-7337	Date: 01/30/2023
Agency Approval: Brian Elliott	Phone: 206-835-7337	Date: 01/30/2023
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 02/01/2023

Part II: Narrative Explanation

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

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

Section 3 (3) states each agency must ensure that all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data as defined in enterprise technology standards developed pursuant to RCW 43.105.0514, have immutable backups.

In order to better meet these requirements, the Washington State Criminal Justice Training Commission will migrate the agency SharePoint to the WaTech shared tenant for state agencies.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

This bill has no cash receipt impact.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

One-time expenses to migrate Washington State Criminal Justice Training Commission SharePoint and data to the WaTech domain is \$50,000.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	50,000	0	50,000	0	0
Total \$			50,000	0	50,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	50,000		50,000		
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 \$	50,000	0	50,000	0	0

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 228-Traffic Safety 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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Mark McKechnie	Phone: 3607259889	Date: 01/31/2023
Agency Approval: Mark McKechnie	Phone: 3607259889	Date: 01/31/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 02/01/2023

Part II: Narrative Explanation

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

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

Based upon the lead agency assumptions email from WaTech , it sounds like WTSC will not incur additional costs to comply with the requirements. Our Cat 3 & 4 data is in Microsoft 365, which meets the requirements. Our understanding is that other data that is owned by WTSC should be considered Category 1 & 2 data, which is not subject to the requirements.

AN ACT Relating to the protection of critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities; amending RCW 43.105.220 and 43.105.342; reenacting and amending RCW 43.105.020; adding a new section to chapter 43.105 RCW; adding a new section to chapter 42.56 RCW; and creating new sections.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

No impact

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

No impact

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 229-Office of Independent Investigations
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
General Fund-State 001-1	95,847	114,567	210,414	285,294	170,727
Total \$	95,847	114,567	210,414	285,294	170,727

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Tracy Sayre	Phone: 3608905279	Date: 01/30/2023
Agency Approval: Kathy Cody	Phone: (360) 480-7237	Date: 01/30/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/31/2023

Part II: Narrative Explanation

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

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

Sec 3 (1) Expands WaTech's statutory mandate to include the adoption of enterprise technology standards specific to malware and ransomware protection, backup, and recovery as well as prevention education.

Sec 3 (3) requires agencies to have immutable backups for all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data.

Sec 3 (4) requires agencies to report the following to the office of the state chief information officer by September 30, 2023, and biannually thereafter.

(a) The total size of managed data

(b) A list of mission critical applications and business essential applications

(c) A list of the applications described in (b) that do not have immutable backup

(d) A list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Sec 3 (3) requires agencies to have immutable backups for all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data.

The current estimated data store size requiring immutable backup in this legislation is 20.5 terabytes (TB) with an estimated growth of 4 terabytes per year. The cost of using WaTech backup service would start at \$95,847 the first year and increase \$18,720 per year.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	95,847	114,567	210,414	285,294	170,727
Total \$			95,847	114,567	210,414	285,294	170,727

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	95,847	114,567	210,414	285,294	170,727
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 \$	95,847	114,567	210,414	285,294	170,727

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 235-Department of Labor and Industries
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	1.1	0.8	1.1	1.1
Account					
Accident Account-State 608-1	309,000	79,000	388,000	158,000	158,000
Medical Aid Account-State 609-1	310,000	79,000	389,000	158,000	158,000
Total \$	619,000	158,000	777,000	316,000	316,000

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Bobby Kendall	Phone: 902-6980	Date: 01/30/2023
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/30/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/30/2023

Part II: Narrative Explanation

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

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

See Attached.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See Attached.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
608-1	Accident Account	State	309,000	79,000	388,000	158,000	158,000
609-1	Medical Aid Account	State	310,000	79,000	389,000	158,000	158,000
Total \$			619,000	158,000	777,000	316,000	316,000

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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	1.1	0.8	1.1	1.1
A-Salaries and Wages	55,000	109,000	164,000	218,000	218,000
B-Employee Benefits	18,000	35,000	53,000	70,000	70,000
C-Professional Service Contracts	518,000		518,000		
E-Goods and Other Services	17,000	13,000	30,000	26,000	26,000
G-Travel					
J-Capital Outlays	11,000	1,000	12,000	2,000	2,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	619,000	158,000	777,000	316,000	316,000

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Fiscal Analyst 5	71,520		0.1	0.1	0.1	0.1
Information Technology Data Management Journey	105,060	0.5	1.0	0.8	1.0	1.0
Total FTEs		0.5	1.1	0.8	1.1	1.1

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

None.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Part II: Explanation

This bill relates to the protection of critical constituent and state operational data against ransomware and other malicious cyber activities.

II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Section 3(1) adds a new section to RCW 43.105 that requires 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, prevention education for state employees and constituents using state technology services.

Section 3(3) stipulates that each state agency must ensure all mission critical applications, business essential applications, and other resources containing data that requires special handling, must be protected.

Section 3(4) stipulates that each state agency must assess all applications and resources containing data and report to the OCIO by September 30, 2023:

- the sizing of managed data.
- identify mission critical applications.
- business essential applications.
- categorizing of all data attributes, as defined in RCW 43.105.054.
- develop a list of prioritized applications based on mission criticality.
- impact to constituents in the event of system failure or data loss.

Section 2(5) stipulates that each state agency must ensure all mission critical applications, business essential applications, and other resources containing category 3 and 4 data are protected under RCW 43.105.054.

II. B – Cash Receipt Impact

None.

II. C – Expenditures

Appropriated – Operating Costs

The total costs of this bill are indeterminate. The Department of Labor and Industries (L&I) has no way of determining the specific standards that are to be identified by the OCIO in section 3(1), or if they'll be presented as standards or recommendations. Additionally, there is uncertainty about the phrase “other resources” used in sections 3(3), 3(4), and 3(6).

However, estimates are available for implementing section 3(4) of the bill. This bill increases expenditures to the Accident Account-State, fund 608, and the Medical Aid Account-State, fund 609. The following assumptions were used to estimate the resources requested to implement this bill.

Information Technology

The expenditure calculations in this fiscal note include changes to the hourly rates for contract technology based on an annual analysis completed by L&I. These changes include rates based on expert skill level and an inflationary factor in all categories. All expenditures in this section are for the 2023-25 biennium.

Contract developers will assess and document requirements for approximately 700 internal applications. Quality Assurance (QA), hardware, and software costs are also required for this effort.

A total of \$523,375 is needed in the 2023-25 biennium for all information technology changes.

This includes:

- Contractor costs – \$457,280 is needed for 3,040 contractor hours
- QA – \$60,783
- Hardware – \$612 (ongoing costs beginning in fiscal year 2023).
- Software – \$4,700 for fiscal year 2023. (ongoing costs include \$1,120 per year beginning fiscal year 2024)

1.0 IT Data Management - Journey, permanent, starting January 1, 2024. Duties include conducting an annual assessment, furnishing a report, and maintaining the operational governance of the application portfolio.

Indirect Costs

The amount included in this fiscal note for indirect is:

Fund Name		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
608	Accident	1,500	3,500	3,500	3,500	3,500	3,500
609	Medical Aid	1,500	3,500	3,500	3,500	3,500	3,500
	Total:	\$3,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000

The department assesses an indirect rate to cover agency-wide administrative costs. Labor and Industries’ indirect rate is applied on salaries, benefits, and standard costs. For fiscal note purposes, the total indirect amount is converted into salary and benefits for partial or full indirect FTEs. Salary and benefits costs are based on a Fiscal Analyst 5 (Range 59, Step G).

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 240-Department of Licensing
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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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Kim Buechel	Phone: 360-902-3639	Date: 01/27/2023
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 01/27/2023
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/27/2023

Part II: Narrative Explanation

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

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

See attached fiscal note

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Agency 240 – Department of Licensing

Bill Number: 5518 SB

Bill Title: Protection of critical constituent and state operational data

Part 1: Estimates

No Fiscal Impact

Estimated Cash Receipts:

Estimated Expenditures:

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: Angela Kleis	Phone: (360) 786-7469	Date: 1/27/2023
Agency Preparation: Kim Buechel	Phone: (360) 902-3639	Date: 1/27/2023
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date: 1/27/2023

Request #	1
Bill #	5518 SB

Part 2 – Explanation

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

This new legislation would amend and add new sections to RCW 43.105 that 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.

There is no fiscal impact to DOL. The agency already has the immutable backup required and the reporting can be managed during normal work time.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 245-Military Department
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
Account					
General Fund-State 001-1	501,334	491,334	992,668	982,668	982,668
Total \$	501,334	491,334	992,668	982,668	982,668

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Serina Roberts	Phone: 2535127388	Date: 01/25/2023
Agency Approval: Timothy Rajcevich	Phone: 2535127596	Date: 01/25/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/26/2023

Part II: Narrative Explanation

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

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

This bill creates a requirement for agencies to have immutable backups of data and critical applications, 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. To effectively meet the intent of this bill, the Military Department must procure a backup solution that is immutable; protect external tenant data for the Washington Youth Challenge Academy; and protect, scan and report on data and security in Azure. The Military Department projects two additional FTEs would be needed to meet the requirements in this bill: an IT Systems Admin-Journey and an IT Security-Journey.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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. Section 2 (3-4b) (3) 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. (4)(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. 4 (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 30, 2023. This requires the agency to increase security and provision changes to tenants that exist outside of Watech that are for the Youth Academy and support of emergencies for the State Emergency Operations Center. To comply with this bill for the Youth Academy, we'd incur additional expenditures of \$389 per year, per user (200 users) to sustain security for the educational tenant. The increased Azure tenant security posture, to include additional back-ups, security monitor and scan capabilities would cost \$34,677 per year. The Military Department is currently overwhelmed with security analysis, reporting requirements, and corrective actions to mitigate security risks and increased management of outside tenants. In order to properly implement the intent, the department requires two FTEs (IT Security – Journey and IT Systems Administrator - Journey).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	501,334	491,334	992,668	982,668	982,668
Total \$			501,334	491,334	992,668	982,668	982,668

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
A-Salaries and Wages	203,604	203,604	407,208	407,208	407,208
B-Employee Benefits	97,730	97,730	195,460	195,460	195,460
C-Professional Service Contracts	190,000	190,000	380,000	380,000	380,000
E-Goods and Other Services					
G-Travel					
J-Capital Outlays	10,000		10,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	501,334	491,334	992,668	982,668	982,668

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 2024	FY 2025	2023-25	2025-27	2027-29
IT Security Journey	99,312	1.0	1.0	1.0	1.0	1.0
IT Systems Administrator	104,292	1.0	1.0	1.0	1.0	1.0
Total FTEs		2.0	2.0	2.0	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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 275-Public Employment Relations 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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Dario de la Rosa	Phone: 360-570-7328	Date: 01/27/2023
Agency Approval: Dario de la Rosa	Phone: 360-570-7328	Date: 01/27/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/27/2023

Part II: Narrative Explanation

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

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

SB 5516 requires the Consolidated Technical Services to develop and implement enterprise technology standards specific to malware and ransomware protection and biannually report information gathered from agencies about our enterprise applications and number of "immutable backups" associated with the systems. The Public Employment Relations Commission does not anticipate any additional cost associated with the reporting requirement set forth in SB 5516.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 300-Department of Social and Health Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-Federal 001-2	334,000	334,000	668,000	668,000	668,000
Total \$	334,000	334,000	668,000	668,000	668,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
General Fund-State 001-1	528,000	528,000	1,056,000	1,056,000	1,056,000
General Fund-Federal 001-2	334,000	334,000	668,000	668,000	668,000
Total \$	862,000	862,000	1,724,000	1,724,000	1,724,000

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Teresa Elliott	Phone: 360-902-8177	Date: 02/06/2023
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 02/06/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/16/2023

Part II: Narrative Explanation

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

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

Section 3(4)(a) requires that each state agency review all of its mission critical applications, business essential applications, and other resources containing category three or four data, as described in the enterprise technology standards developed pursuant to RCW 43.105.054, and report to the office.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

It is assumed that the provisions of this bill would be eligible for federal funding as follows: 001-2 Federal Food Stamps

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The Department of Social and Health Services (DSHS) conducted an inventory of the critical systems containing category three or four data. The Economic Services Administration (ESA) has four applications that do not have immutable backups.

Based on the current bill that limits the immutable backup requirement to category three and four data for mission critical and business essential systems/applications, only four out of 186 do not have immutable backup. Two of these systems contain 34,197 GB of data and can be resolved using WaTech's Washington Cloud service at a cost of .39/GB/month costing \$160,000. The other two systems would require their current vendor to provide immutable backup. This cost will be approximately \$708,000.

ESA estimates the total need for additional funding at \$862,000 annually.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	528,000	528,000	1,056,000	1,056,000	1,056,000
001-2	General Fund	Federal	334,000	334,000	668,000	668,000	668,000
Total \$			862,000	862,000	1,724,000	1,724,000	1,724,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	862,000	862,000	1,724,000	1,724,000	1,724,000
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 \$	862,000	862,000	1,724,000	1,724,000	1,724,000

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

NONE

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Economic Services Administration (060)	862,000	862,000	1,724,000	1,724,000	1,724,000
Total \$	862,000	862,000	1,724,000	1,724,000	1,724,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

None

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 303-Department of Health
-----------------------------	---	---

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	8.8	0.0	4.4	0.7	0.7
Account					
General Fund-State 001-1	2,666,000	510,000	3,176,000	1,284,000	1,284,000
Total \$	2,666,000	510,000	3,176,000	1,284,000	1,284,000

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Damian Howard	Phone: 3602363000	Date: 01/31/2023
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 01/31/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/08/2023

Part II: Narrative Explanation

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

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

Section 3(3) requires state agencies, including DOH, to have immutable backups for all mission critical applications and business essential applications and other resources containing category 3 or category 4 data as defined in enterprise technology standards developed pursuant to RCW 43.105.054.

Section 3(4) requires each state agency, including DOH, to review all of its mission critical applications, business essential applications, and other resources containing category 3 or category 4 data, as described in the enterprise technology standards developed pursuant to RCW 43.105.054, and report to the Office of the Chief Information Officer by September 30, 2023 and biannually thereafter. The report must include:

- The total size of managed data
- List of mission critical applications and business essential applications, with category 3 or 4 data.
- List of the applications described applications that do not have immutable backup.
- List of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.

Section 3(5) requires each state agency, including DOH, to ensure all mandatory applications and resources are compliant with the immutable backup standards created by this bill. Agencies will report to the Office of the Chief Information Officer whether they are compliant the immutable backup standards created by this bill. If does not reasonably anticipate that it cannot comply with (a) of this subsection by March 31, 2024, it shall submit a plan by March 31, 2024, to the office detailing steps it will take to comply with the requirement in (a) of this subsection.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section 3(3) requires state agencies, including DOH, to have immutable backups for all mission critical applications and business essential applications and other resources containing category 3 or category 4 data as defined in enterprise technology standards developed pursuant to RCW 43.105.054.

This will require DOH to design, develop, and deploy processes (implementation) to backup and recover data which can be impacted by malware and ransomware.

Section 3(4) requires each state agency, including DOH, to review all of its mission critical applications, business essential applications, and other resources containing category 3 or category 4 data, as described in the enterprise technology standards developed pursuant to RCW 43.105.054, and report to the Office of the Chief Information Officer by September 30, 2023, and biannually thereafter. The report must include:

- The total size of managed data
- List of mission critical applications and business essential applications, with category 3 or 4 data.
- List of the applications described applications that do not have immutable backup.
- List of prioritized applications based on mission criticality and impact to constituents in the event of system failure or

data loss.

This will require DOH to make use of our collection of software applications and software-based services to capture attributes which allow us to provide the reports based on the required guidelines.

For on-premises systems we will utilize existing processes. Vendor hosted/SaaS systems require a technical storage and recovery solution for completing data backup processes, which is a one-time implementation with ongoing storage maintenance.

Section 3(5) requires each state agency, including DOH, to ensure all mandatory applications and resources are compliant with the immutable backup standards created by this bill. Agencies will report to the Office of the Chief Information Officer whether they are compliant the immutable backup standards created by this bill. If does not reasonably anticipate that it cannot comply with (a) of this subsection by March 31, 2024, it shall submit a plan by March 31, 2024, to the office detailing steps it will take to comply with the requirement in (a) of this subsection.

This will require DOH to review mission critical and business essential application regarding compliance to immutable backups requirements. For mission critical and business essential applications we do not reasonably anticipate can comply, we shall submit a plan to the Office of the Chief Information Officer detailing steps we will take to comply with the requirement in (a) of this subsection.

The implementation, initial reports, and compliance plan in FY '24 needs Enterprise Architecture personnel, Business Liaisons, and contracts as follows:

Staff

IT POLICY & PLANNING - SR/SPCL

Enterprise Architecture

IT APPLICATION DEVELOPMENT – IT MANAGER

IT APPLICATION DEVELOPMENT – JOURNEY

IT APPLICATION DEVELOPMENT - SR/SPCL

IT ARCHITECTURE - SR/SPCL

IT BUSINESS ANALYST – JOURNEY

IT DATA MANAGEMENT - SR/SPCL

IT NETWORK AND TELECOMMUNICATIONS - SR/SPCL

IT PROJECT MANAGEMENT – JOURNEY

IT QUALITY ASSURANCE – JOURNEY

IT SECURITY - SR/SPCL

IT SYSTEM ADMINISTRATION - SR/SPCL

Contracts

Vendor Consulting and Development: \$1,000,000

Azure Backup and Storage (TB): \$5,000

Implementation, initial reports, and the compliance plan in FY '24:

FY2024 - 8.8 FTE and \$2,666,000 in General Fund-State

The storage maintenance and bi-annual reports in FY '25 through FY '29 need Enterprise Architecture personnel, Business Liaisons, and contracts as follows:

Business Liaisons

IT POLICY & PLANNING - SR/SPCL

Enterprise Architecture
 IT ARCHITECTURE - SR/SPCL
 IT SECURITY - SR/SPCL
 IT SYSTEM ADMINISTRATION - SR/SPCL

Contracts
 Vendor Consulting and Development work: \$505,000 in each fiscal year
 Azure Backup and Storage (TB): \$5,000 in each fiscal year

The storage, maintenance, and bi-annual reports in FY '25 through FY '29 have expenses totaling:
 FY2025 – 0.0 FTE and \$510,000 in General Fund-State
 FY2026 – 1.3 FTE and \$774,000 in General Fund-State
 FY2027 – 0.0 FTE and \$510,000 in General Fund-State
 FY2028 – 1.3 FTE and \$774,000 in General Fund-State
 FY2029 – 0.0 FTE and \$510,000 in General Fund-State

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	2,666,000	510,000	3,176,000	1,284,000	1,284,000
Total \$			2,666,000	510,000	3,176,000	1,284,000	1,284,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	8.8		4.4	0.7	0.7
A-Salaries and Wages	987,000		987,000	164,000	164,000
B-Employee Benefits	323,000		323,000	52,000	52,000
C-Professional Service Contracts	1,005,000	505,000	1,510,000	1,010,000	1,010,000
E-Goods and Other Services	247,000	5,000	252,000	48,000	48,000
J-Capital Outlays	37,000		37,000		
T-Intra-Agency Reimbursements	67,000		67,000	10,000	10,000
9-					
Total \$	2,666,000	510,000	3,176,000	1,284,000	1,284,000

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 2024	FY 2025	2023-25	2025-27	2027-29
IT APPLICATION DEVELOPMENT IT MANAGER	127,656	0.3		0.2		
IT APPLICATION DEVELOPMENT JOURNEY	100,032	0.5		0.3		
IT APPLICATION DEVELOPMENT SENIOR/SPECIALIST	115,824	0.5		0.3		
IT ARCHITECTURE - SENIOR/SPECIALIST	121,620	0.2		0.1	0.1	0.1
IT BUSINESS ANALYST - JOURNE	100,032	2.0		1.0		
IT DATA MANAGEMENT - SENIOR/SPECIALIST	110,292	1.0		0.5		
IT NETWORK AND TELECOMMUNICATIONS - SENIOR/SPEC	110,292	0.1		0.1		
IT POLICY & PLANNING - SENIOR/SPECIALIST	115,824	0.2		0.1	0.1	0.1
IT PROJECT MANAGEMENT - JOURNEY	105,060	1.0		0.5		
IT QUALITY ASSURANCE - JOURNEY	100,032	1.0		0.5		
IT SECURITY - SENIOR/SPECIALIST	115,824	1.0		0.5	0.3	0.3
IT SYSTEM ADMINISTRATION - SENIOR/SPECIALIST	110,292	1.0		0.5	0.3	0.3
Total FTEs		8.8		4.4	0.7	0.7

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

None

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
Account					
General Fund-State 001-1	550,000	550,000	1,100,000	580,000	580,000
Total \$	550,000	550,000	1,100,000	580,000	580,000

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Troy Cerny	Phone: 3607252661	Date: 01/30/2023
Agency Approval: Yacob Zekarias	Phone: 253-545-1942	Date: 01/30/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/08/2023

Part II: Narrative Explanation

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

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

Section 3 generates fiscal impact to Washington State Department of Veterans Affairs (WDVA) by requiring the agency to comply with increased enterprise technology standards, report outcomes, and regularly assess and categorize mission-critical application inventory and coverage gaps.

Section 4 generates fiscal impact to WDVA to meet WaTech-defined requirements while performing the tasks outlined in Section 3 while aggregating the data sizing and classifications of applications.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section 3(3) requires WDVA comply with enterprise technology standards outlined in this bill, provided by WaTech, to include reporting outcomes annually, and following any newly established prevention, response and remediation of ransomware as determined by WaTech. 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 staff.

Section 3(4) requires WDVA provide biannual reporting on managed data size, data categorization of apps, list of any apps without immutable backups, and prioritized apps that are mission-critical with impacts of system failure/data loss.

WDVA has made recent gains in collecting and assembling IT information, however it does not have resource support to manage and track the reporting needs for the collection of data; WDVA assumes 0.2 FTE to support the process and reporting requirements.

Section 3(5) requires that by March 31, 2024 all mission critical systems/apps of category 3 & 4 data are compliant. WDVA assumes 1.0 FTE to regularly assess and categorize prioritized mission critical and business essential application inventory containing data requiring special handling, then determine gaps in protected coverage identified from the transformed analysis and corrective actions provided from activities like vulnerability scans as it relates to the added language for ransomware protection, and executing changes based on vulnerability scanning to applicable systems.

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 4 requires WDVA to meet WaTech-defined requirements while performing the tasks outlined in Section 3.

WDVA assumes 0.5 FTE to support ongoing annual activities required by WaTech that are not fully known or understood until WaTech outlines the course of action for state agencies to follow.

The Section also requires WDVA to aggregate the data sizing and classifications of applications and compile the list of categorized data. Currently WDVA is not in full compliance in providing the data requested due to lack of skills and abilities in data collection, and expects the need to incorporate Waivers to address deficits where applicable.

WDVA assumes 0.1 FTE to meet the increased data collection requirement.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	550,000	550,000	1,100,000	580,000	580,000
Total \$			550,000	550,000	1,100,000	580,000	580,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29	
FTE Staff Years	2.0	2.0	2.0	2.0	2.0	
A-Salaries and Wages	180,000	180,000	360,000	360,000	360,000	
B-Employee Benefits	60,000	60,000	120,000	120,000	120,000	
C-Professional Service Contracts						
E-Goods and Other Services	264,000	264,000	528,000	8,000	8,000	
G-Travel	5,000	5,000	10,000	10,000	10,000	
J-Capital Outlays						
M-Inter Agency/Fund Transfers						
N-Grants, Benefits & Client Services						
P-Debt Service						
S-Interagency Reimbursements						
T-Intra-Agency Reimbursements	41,000	41,000	82,000	82,000	82,000	
9-						
Total \$		550,000	550,000	1,100,000	580,000	580,000

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 2024	FY 2025	2023-25	2025-27	2027-29
482PP: IT Policy & Planning Entry	80,532	1.0	1.0	1.0	1.0	1.0
483S: IT Security Journey	100,032	1.0	1.0	1.0	1.0	1.0
Total FTEs		2.0	2.0	2.0	2.0	2.0

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
DVA Headquarters (010)	550,000	550,000	1,100,000	580,000	580,000
Total \$		550,000	550,000	1,100,000	580,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Chris Conn	Phone: 360 725-4441	Date: 01/26/2023
Agency Approval: Crystal Lester	Phone: 360-628-3960	Date: 01/26/2023
OFM Review: Carly Kujath	Phone: (360) 790-7909	Date: 01/26/2023

Part II: Narrative Explanation

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

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

Details the process for protection of critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities. Defines requirements for the protection of the data and responsibilities for training and reporting breaches, or attempted breaches, of systems

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

No fiscal impact. This work can be handled with existing resources.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

None.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 310-Department of Corrections
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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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Scherry Sinclair	Phone: (360) 725-8428	Date: 01/30/2023
Agency Approval: Ronell Witt	Phone: (360) 725-8428	Date: 01/30/2023
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 02/01/2023

Part II: Narrative Explanation

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

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

House Bill 5518, relating to the protection of critical constituent and state operational data against ransomware and malicious cyber activities: the bill directs the Office of Chief Information Officer (OCIO) and all state agencies to take certain actions to protect state systems and data.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

DOC IT would have to collect additional data on each system in its inventory on an annual/ biannual basis. The majority of tasks required are for OCIO/ WATECH, those that are required of DOC would be of minor impact.

This bill has a first reporting deadline of September 30, 2023, and must ensure all mission and business-critical application deadline of March 31, 2024.

We assume this bill will have a fiscal impact to DOC less than \$50,000 per Fiscal Year (FY).

Part III: Expenditure Detail

None.

Part IV: Capital Budget Impact

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.

10 Year Analysis

There is no tax or fee impact to DOC associated with this bill.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 315-Department of Services for the Blind
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
General Fund-State 001-1	45,000	0	45,000	0	0
Total \$	45,000	0	45,000	0	0

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Lorie Christoferson	Phone: (360) 725-3840	Date: 01/30/2023
Agency Approval: Lorie Christoferson	Phone: (360) 725-3840	Date: 01/30/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/31/2023

Part II: Narrative Explanation

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

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

SB 5518, Section 3 (4) requires that DSB assess all mission critical applications, business essential applications, and other resources containing category 3 and category 4 data and provide a report of the analysis by September 30th, 2023 and biannually after.

SB 5518 Section 3 (5) requires all state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing category 3 and category 4 data (as defined in OCIO policy) have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law. Immutable backups differ from standard backups in that the data cannot be altered, deleted, or further encrypted. This is a critical component towards ransomware protections. The Department of Services for the Blind's IT data assets will need to be fully re-evaluated, updating all data attributes regarding "mission-critical and business-essential applications," and ensuring all category 3 and category 4 internally managed and external (3rd party) vendors are in immutable backups. Any current resources maintained in non-WaTech backup services will need to be changed over and software application contracts will need to be rewritten to account for the immutable backup requirement. Payment towards the WaTech Backup Services or WaTech Private Cloud are determinate by the data storage requirements and number of records to be contained in the systems.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

NA

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The expenditure impact for DSB is estimated as follows:

- The definitions in the bill requires review of all mission-critical applications, business-essential applications, and other resources containing category 3 and category 4 data used by DSB. DSB requires a comprehensive assessment of our data management to ensure all data is correctly categorized. We estimate the cost of this effort to be approximately \$25,000.
- DSB would need to train all staff on how to properly categorize and store Cat3 and Cat4 data, we estimate the cost of this training to be approximately \$10,000 (note: this also requires specialized training for blind and visually-impaired users.
- DSB would need to switch to the WaTech backup service or reconfigure our current backup solution to meet the immutable backup requirements. We expect this will significantly increase our backup solution costs. DSB will need to complete an assessment to determine the best course of action. We estimate the cost of this project to be approximately \$10,000. The increased recurring costs are indeterminate until the assessment of the available options is completed.
- DSB would need to do a third party contract assessment for one application by March 31, 2024, working with the respective 3rd party vendor contract. This will require a quote from our vendor for the increased expense of immutable backups. This cost is indeterminate at this time, but would result in a significant increase for our contract.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	45,000	0	45,000	0	0
Total \$			45,000	0	45,000	0	0

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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts	45,000		45,000		
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 \$	45,000	0	45,000	0	0

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

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

NONE

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administration (400)	45,000		45,000		
Total \$	45,000		45,000		

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 340-Student Achievement 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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Brian Richardson	Phone: 360-485-1124	Date: 01/25/2023
Agency Approval: Brian Richardson	Phone: 360-485-1124	Date: 01/25/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/03/2023

Part II: Narrative Explanation

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

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

Section 2 defines terms used in this bill such as "immutable".

Section 3 of this bill directs state agencies to:

By September 30, 2023, and biannually thereafter, assess all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data (as described in the enterprise technology standards developed pursuant to RCW 43.105.054) and report to the Office of Chief Information Officer (OCIO): the total size of managed data; a list of these mission critical applications and business essential applications; an identification of any of these systems that do not have immutable backup; and a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.

By March 31, 2024, ensure that all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data have immutable backup.

This bill has no fiscal impact as WSAC already performs most of these activities and can absorb the new tasks using existing resources.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 341-Law Enforcement Officer and Fire Fighters' Plan 2 Retirement 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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Seth Flory	Phone: (360) 407-8165	Date: 01/30/2023
Agency Approval: Seth Flory	Phone: (360) 407-8165	Date: 01/30/2023
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 01/30/2023

Part II: Narrative Explanation

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

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

Senate Bill 5518 relates to the protection of private personal information and state operational data against ransomware and other malicious cyber activities.

Section 3 (3) requires agencies to ensure all Category 3 & 4 confidential data is maintained on systems utilizing immutable backups. Section 3 (4) requires agencies to conduct an assessment of applications and systems with consideration of data storage size, quantity of system records, and meeting business criticality.

The Law Enforcement Officers' & Fire Fighters' Plan 2 Retirement Boards (LEOFF) does not use any agency owned systems. Data hosting and storage services are provided by CTS and all mission critical applications are provided through central service agencies. Furthermore, LEOFF does maintain Category 3 or 4 data. Therefore, LEOFF does not expect any significant costs as a result of this requirement.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 350-Superintendent of Public Instruction
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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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
Account					
General Fund-State 001-1	634,000	610,000	1,244,000	1,220,000	1,220,000
Total \$	634,000	610,000	1,244,000	1,220,000	1,220,000

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Daniel Jones	Phone: 3607256292	Date: 02/12/2023
Agency Approval: TJ Kelly	Phone: 360 725-6301	Date: 02/12/2023
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/14/2023

Part II: Narrative Explanation

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

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

Section 1 New

States the intent of the Legislature to protect critical constituent and state operational data against malicious cyber activities such as malware and the need for immutable data and programs, standards and policies for data backup and recovery practices.

Section 2 - Amends RCW 43.105.020 and 2021 c 176 s 5223 and 2021 c 40 s 2

- (8) Defines "immutable" and the requirements expected of a native immutable protection solution.
- (10) States that "information protection" includes methods to allow preservation and recovery of information.
- (16) Defines "malicious cyber activities"
- (24) Defines "ransomware"

Section 3 - New: Adds new section to chapter 43.105 RCW

- (1) OCIO must design, develop and implement enterprise technology standards for malware and ransomware protection, backup, and recover, as well as prevention education for all state employees and constituents who use state technology services.
- (2) OCIO will create ransomware education and outreach program and document, publish, and distribute malware and ransomware response materials to all state agencies chief executive officers, chief financial officers, chief information officers, and chief information security officers or their equivalents.
- (3) OSPI must ensure that all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data as described in RCW 43.105.054 have immutable backups.
- (4) By September 30, 2023, and biannually thereafter, OSPI must review all resources containing category 3 or 4 data as described in RCW 43.105.054 and report the following
 - (4)(a) Total size of managed data
 - (4)(b) A list of mission critical and business essential applications that meet the description in subsection 4
 - (4)(c) A list of the applications described in 3(4)(b) which do not have immutable backup
 - (4)(d) A list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss
- (5) By march 31, 2024, excepting provisions in 3(5)(b), OSPI shall
 - (5)(a)(i) Ensure all resources containing category 3 and 4 data are compliant with section 3(3) and
 - (5)(a)(ii) Report to OCIO whether they are in compliance with 3(5)(a)
 - (5)(b) If OSI reasonably anticipates it can't comply with section 3(5)(a) by march 31 it shall submit a plan by march 31, 2024 detailing the steps it will take to become compliant.
- (6)The reports in section 3 will be confidential

Section 4 - Amends RCW 43.105.220 and 2015 3rd sp.s. c 203

- (3) OCIO will deliver an oral report outlining the confidential information garnered from OSPI and other state agencies to the Legislature by December 31, 2024, and biennially thereafter.

Section 5 – New: Reports and information compiled pursuant to section 3 are confidential.

Section 6 - Amends RCW 43.105.342 and 2015 3rd sp.s. c 1 s 501

- (2) allows the Technology Services Board to do the following
 - (2)(a) expend up to \$1,000,000 per fiscal biennium to conduct independent technical and financial analysis of proposed IT projects, and
 - (2)(b) The board must consider the prioritized application list under section 3 to allocate funds to protect the most vulnerable systems.

Section 7 – New: Names this act the Washington State Ransomware Protection Act.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

There is an indeterminate impact to OSPI cash receipts.

Section (6)(2)(b) gives the board the technology services board funds to distribute in compliance with prioritization outlined in section 3. OSPI has no way to predict whether it will be prioritized or how much it would receive.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

A 1 FTE Chief Information Security Officer (CISO) would fulfill the requirements in section 3 and section 4 for state agencies. It is also responsive to the section 1 acknowledgement from the Legislature for the need for additional investments in personnel to support agency efforts to protect confidential and sensitive data stored in technology systems. This will cost \$205,000 in FY24 and \$194,000 annually thereafter.

The CISO will require an administrative assistant to support the new role and its responsibilities. At 1 FTE, this position will cost \$123,000 in FY 24 and \$111,000 annually thereafter.

A project management contract will be required to perform the assessment of compliance requirements and report findings biannually in section 3(4). This will cost \$136,000 annually.

A network storage device for long-term backups is required to secure all mission critical and business essential applications, and other resources containing category 3 or 4 data, in compliance with the requirements in section 3 subsections (1)-(5). This will cost \$170,000 annually.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	634,000	610,000	1,244,000	1,220,000	1,220,000
Total \$			634,000	610,000	1,244,000	1,220,000	1,220,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
A-Salaries and Wages	182,000	182,000	364,000	364,000	364,000
B-Employee Benefits	96,000	94,000	190,000	188,000	188,000
C-Professional Service Contracts	136,000	136,000	272,000	272,000	272,000
E-Goods and Other Services	14,000	14,000	28,000	28,000	28,000
G-Travel	14,000	14,000	28,000	28,000	28,000
J-Capital Outlays	192,000	170,000	362,000	340,000	340,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	634,000	610,000	1,244,000	1,220,000	1,220,000

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 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Assistant 4	60,156	1.0	1.0	1.0	1.0	1.0
Director 1	121,890	1.0	1.0	1.0	1.0	1.0
Total FTEs		2.0	2.0	2.0	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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

No capital budget impact in the bill as written.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Mary Sarate	Phone: (360) 696-6321	Date: 01/30/2023
Agency Approval: Mary Sarate	Phone: (360) 696-6321	Date: 01/30/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 01/30/2023

Part II: Narrative Explanation

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

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

5518 SB (companion bill HB1464) 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.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
General Fund-State 001-1	30,000	10,000	40,000	20,000	20,000
Total \$	30,000	10,000	40,000	20,000	20,000

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: April Burns	Phone: 360-418-4326	Date: 01/25/2023
Agency Approval: April Burns	Phone: 360-418-4326	Date: 01/25/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 01/25/2023

Part II: Narrative Explanation

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

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

CDHY is currently contracted and implementing dual factor authentication for all staff. The agency has had repeated attacks on the system and we are working with a vendor to reduce and try to eliminate the risk. The contract with the vendor initially is \$30k for the first fiscal year and will be approximately \$10k in each of the subsequent years, as the agency is anticipating an increase in costs to work with the various state systems.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	30,000	10,000	40,000	20,000	20,000
Total \$			30,000	10,000	40,000	20,000	20,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays	30,000	10,000	40,000	20,000	20,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	30,000	10,000	40,000	20,000	20,000

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
General Fund-State 001-1	66,000	33,000	99,000	66,000	66,000
Total \$	66,000	33,000	99,000	66,000	66,000

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Dave Wallace	Phone: 360-709-4613	Date: 02/02/2023
Agency Approval: Nova Gattman	Phone: 360-709-4612	Date: 02/02/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/13/2023

Part II: Narrative Explanation

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

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

Section 3 (4) stipulates by September 30, 2023, that agencies must review and size mission critical applications and report to OCIO.

In Section 3 (5) The bill requires that all state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing category 3 and category 4 data (as defined in OCIO policy) have immutable backups by March 31, 2024 or submit to WaTech a plan to comply with the law.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

To meet the bill requirements, the agency will need to contract IT services with an outside entity.

Services necessitated by In Section 3 (5) are expected to cost \$10,000 in the first year to setup and maintain immutable backups for essential resources, and \$5,000 annually thereafter.

Fully determining services needed and contract specification will require 400 hours of an ITS consultant during the first year to understand the scope of agency critical applications and other resources containing category 3 and 4 data, sizing of the data, and determine needs. Thereafter it will require 200 hours per year of an IT consultant to monitor and maintain protection of critical systems at an estimated \$140/hr.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	66,000	33,000	99,000	66,000	66,000
Total \$			66,000	33,000	99,000	66,000	66,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts	66,000	33,000	99,000	66,000	66,000
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 \$	66,000	33,000	99,000	66,000	66,000

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.5	1.5	1.5	1.5	0.0
Account					
General Fund-State 001-1	251,000	239,000	490,000	478,000	478,000
Total \$	251,000	239,000	490,000	478,000	478,000

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Diann Lewallen	Phone: 360-407-8121	Date: 01/30/2023
Agency Approval: Diann Lewallen	Phone: 360-407-8121	Date: 01/30/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/02/2023

Part II: Narrative Explanation

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

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

Section 3 (3) requires state agencies to have immutable backups for important applications containing category 3 and category 4 data.

Section 3 (4) Requires agencies to review important applications containing category 3 and category 4 data and report specified information to the Office of the State Chief Information Officer (OCIO).

Section 3 (5) Requires agencies to ensure compliance with enterprise technology standards for mission critical applications, business essential applications, and other resources containing category 3 and category 4 data.

Consolidated Technology Services (CTS) provides IT support to the Department of Archaeology and Historic Preservation (DAHP) and will provide minimal reporting assistance to the agency. However, the services provided by CTS do not include the development, implementation and reporting requirements of DAHP's Data Governance necessary to comply with enterprise technology standards established by CTS. DAHP will need to perform all data categorization, inventory, maintenance, and other data governance activities to comply with the reporting needed and any changes in policy established by the OCIO.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Expenditure assumptions include the need to hire 1 FTE of an IT Data Management-Expert position (Range 09IT Step L) and .5 FTE of an IT Data Management-Entry positions (Range 02IT step L).

The Expert position would make a fulltime salary rate of approximately \$118,000 per year plus benefits estimated at \$35,000 per year. The Entry position would make a halftime salary of \$39,000 per year plus benefits estimated at \$21,000 per year. Benefits include taxes, retirement, medical, and industrial insurance.

Goods and services are estimated at \$24,000 per year and includes costs like communications, software licenses, IT support, supplies, and training. Travel costs are estimated at \$2,000 per year at the low cost per diem rates. A one-time cost for furniture and equipment for the two new positions are estimated at \$11,000 in FY 2024.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	251,000	239,000	490,000	478,000	478,000
Total \$			251,000	239,000	490,000	478,000	478,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.5	1.5	1.5	1.5	
A-Salaries and Wages	157,000	157,000	314,000	314,000	314,000
B-Employee Benefits	56,000	56,000	112,000	112,000	112,000
C-Professional Service Contracts					
E-Goods and Other Services	25,000	24,000	49,000	48,000	48,000
G-Travel	2,000	2,000	4,000	4,000	4,000
J-Capital Outlays	11,000		11,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	251,000	239,000	490,000	478,000	478,000

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 2024	FY 2025	2023-25	2025-27	2027-29
IT Data Management-Entry	78,000	0.5	0.5	0.5	0.5	
IT Data Management-Expert	117,792	1.0	1.0	1.0	1.0	
Total FTEs		1.5	1.5	1.5	1.5	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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Charlotte Shannon	Phone: 2066858868	Date: 01/30/2023
Agency Approval: Charlotte Shannon	Phone: 2066858868	Date: 01/30/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/03/2023

Part II: Narrative Explanation

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

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

SB 5518 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".

Section 3 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.

For the purposes of this fiscal note, the UW assumes no fiscal impacts.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 365-Washington State 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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Emily Green	Phone: 5093359681	Date: 01/27/2023
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 01/27/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/03/2023

Part II: Narrative Explanation

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

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

SB 5518 – Protection of critical constituent and state operational data 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.

Section 3 (3) requires that each state agency must ensure that all mission critical and business applications, and other resources containing category 3 or category 4 data have immutable backups.

Sections 3 (4) (a)-(b) requires that each state agency must review mission critical and business applications, and other resources containing category 3 or category 4 data and report findings to the state department of enterprise technologies by September 30, 2023.

Section 3 (7) exempts institutions of higher education from Section 3 requirements.

This bill would not fiscally impact Washington State University.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Revised

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 370-Eastern 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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 02/13/2023
Agency Approval: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 02/13/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/13/2023

Part II: Narrative Explanation

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

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

SB 5518 amends RCW 43.105.220 and 43.105.352, reenacts and amends RCW 43.105.020, and adds new sections to chapters 43.105 and 42.56 RCW seeking to protect critical constituent and state operational data against ransomware and other malicious cyber activities. The proposed bill charges the OCIO with the design, development, and implementation of enterprise technology standards specific to malware and ransomware protection, backup, and recovery, as well as prevention education. State agencies must ensure that data protection and disaster recovery practices are consistent with the enterprise technology standards implemented by the OCIO, including the following:

- Immutable backups on mission critical applications, business essential applications, and other resources containing category 3 or 4 data
- Biannual reviews on mission critical applications, business essential applications, and other resources containing category 3 or 4 data beginning September 30, 2023
- Report to OCIO on compliance of mission critical applications, business essential applications, and other resources containing category 3 or 4 data by March 31, 2024

New section 3 of chapter 44.105 RCW indicates that institutions of higher education are exempt therefore, we anticipate no fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Erin Sargent	Phone: 509-963-2395	Date: 01/30/2023
Agency Approval: Lisa Plesha	Phone: (509) 963-1233	Date: 01/30/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/03/2023

Part II: Narrative Explanation

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

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

SB 5518 intends to ensure data protection and disaster recovery practices are consistent with enterprise technology standards and to fund additional investments in technology, training, and personnel, and recognizes the act as the "Washington State Ransomware Protection Act".

The Lead Agency assumptions include this statement: "To meet these requirements, we expect agencies to use data submitted as part of their agency's annual application inventory submitted under policy 112 as the starting point for that data collection. Agencies will need to update that submittal to have additional data required in the bill, including the requirements to categorize data attributes." CWU is required to submit data for the annual application inventory. Although Section 3 does not apply to higher education institutions, it is unclear if we will need to provide the data specified in Section (3) 4 in the annual application inventory. We are assuming those data fields will be optional for higher education agencies, and therefore do not expect the bill to incur additional costs in order to implement.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 376-The Evergreen State College
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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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Daniel Ralph	Phone: 360-867-6500	Date: 02/13/2023
Agency Approval: Dane Apalategui	Phone: 360-867-6517	Date: 02/13/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/13/2023

Part II: Narrative Explanation

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

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

SB 5518 relates to the protection of state managed data from ransomware attacks.

Section 2 (8) defines “immutable” as providing state agencies with recovery capabilities. An immutable information protection solution must not permit the editing or removing of any protected information.

Section 2 (10) defines “information protection” as including backups and other methods to allow the preservation and recovery of information.

Section 2 (16) defines “malicious cyber activities” as activities that seek to compromise or impair the confidentiality, integrity, or availability of computers, information or communication systems, networks, physical or virtual infrastructure controlled by computers of information systems, or information residing on those systems.

Section 2 (24) defines ransomware as any type of malicious software or digital code designed to encrypt, steal, exfiltrate, delete, destroy, or deny access to any data, databases, systems, applications, networks, data centers, cloud computing environment, cloud service, or other mission critical or business essential infrastructure.

Section 3 (1) lists the responsibilities of the Office of the State Chief Information Officer.

Section 3 (3) states that each agency must ensure that all mission critical applications, and other resources containing category 3 or category 4 data, have immutable backups.

Section 3 (7) states that the section does not apply to institutions of higher education.

Section 4 lists a set of reporting responsibilities for the Office of the State Chief Information Officer.

Higher Education is exempt from this bill and, therefore, has no fiscal impact on The Evergreen State College.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Gena Mikkelsen	Phone: 3606507412	Date: 01/27/2023
Agency Approval: Kimberley Ayre	Phone: 3606503377	Date: 01/27/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/03/2023

Part II: Narrative Explanation

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

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

This bill will not have any fiscal impact to WWU due to the Section 3 exemption for higher education.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Deane Shellman	Phone: 3606221743	Date: 01/30/2023
Agency Approval: Karen Hanan	Phone: 360-586-2423	Date: 01/30/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/01/2023

Part II: Narrative Explanation

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

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

All state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing category 3 and category 4 data (as defined in OCIO policy) have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law.

ARTS is part of WaTech M365 Shared Tenant and so there will be minimal additional cost to the agency. The anticipated workload closely aligns with current Information Technology coordination and would not require additional resources. This bill instead would shift our IT priorities to implementation of new policies and reporting requirements.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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 2024	FY 2025	2023-25	2025-27	2027-29
Account					
General Fund-State 001-1	1,968	985	2,953	1,970	1,970
Total \$	1,968	985	2,953	1,970	1,970

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Teresa Mattson	Phone: (360) 798-5906	Date: 01/30/2023
Agency Approval: Jennifer Kilmer	Phone: 253-798-5900	Date: 01/30/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/02/2023

Part II: Narrative Explanation

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

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

Section 3 (3) states that state agencies shall ensure that all mission critical programs have immutable backups.

As all WSHS critical programs are hosted by third parties, these backup already exist and retention is consistent with current industry standards, so we anticipate no costs from this section

Section 3 (4 a-d) requires that by September 30, 2023, and biannually thereafter, each state agency shall review all of its mission critical applications, business essential applications, and other resources containing category 3 or category 4 data, and report to the office: (a) The total size of managed data; (b) A list of mission critical applications and business essential applications, containing category 3 or category 4 data, as described in the enterprise technology standards developed pursuant to RCW 43.105.054; (c) A list of the applications described in (b) of this subsection that do not have immutable backup; and (d) A list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.

Section 3 (5a i&ii) states that state agencies shall by March 31, 2024 ensure and report to the office that they are in compliance section 3 (3).

For the purposes of this note, we estimate 10 hours of staff time and 10 hours of contractor time to comply with first year requirements of the sections above (initial list, initial backup report) and 5 hours each annually thereafter as needed to keep lists up-to-date.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

BlackPoint IT Services hosts Washington State Historical Society's server infrastructure in their colocation in Kent, Washington including the fileserver as well as key applications. Implementing this bill would require the following: Labor from WSHS staff would be required to determine how to categorize the data and as host of our cloud environment, Blackpoint would be needed to assist in data size, and other attributes, and assist in reporting backup protocols.

For the purposes of this note, we estimate 10 hours of staff time and 10 hours of contractor time to comply with first year requirements of the sections above (initial list, initial backup report) and 5 hours each annually thereafter as needed to keep lists up-to-date.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	1,968	985	2,953	1,970	1,970
Total \$			1,968	985	2,953	1,970	1,970

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages	469	235	704	470	470
B-Employee Benefits	149	75	224	150	150
C-Professional Service Contracts					
E-Goods and Other Services	1,350	675	2,025	1,350	1,350
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 \$	1,968	985	2,953	1,970	1,970

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Flory Seth	Phone: 360-407-8165	Date: 01/30/2023
Agency Approval: Flory Seth	Phone: 360-407-8165	Date: 01/30/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/30/2023

Part II: Narrative Explanation

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

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

Senate Bill 5518, 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.

Section 3 (3) requires agencies to ensure all Category 3 & 4 confidential data is maintained on systems utilizing immutable backups. Section 3 (4) requires agencies to conduct an assessment of applications and systems with consideration of data storage size, quantity of system records, and meeting business criticality. The Eastern Washington State Historical Society (EWSHS) receive data management and back-up services from a private vendor. There may be a fiscal impact to the agency if the new CTS/OCIO 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 6 creates the Information Security account, making funding available to agencies for the purpose of procuring immutable storage and disaster recovery services. EWSHS may need to request funding for this source if the new guidelines necessitate significant changes to data systems and services.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 405-Department of Transportation
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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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Bob Loveless	Phone: 360-705-7860	Date: 01/31/2023
Agency Approval: Matthew Modarelli	Phone: 360-705-7601	Date: 01/31/2023
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 01/31/2023

Part II: Narrative Explanation

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

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

See attached WSDOT fiscal note.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached WSDOT 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: FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB **Title:** WA State Ransomware Protection Act **Agency:** 405-Department of Transportation

Part I: Estimates

Check applicable boxes and follow corresponding instructions, use the fiscal template table provided to show fiscal impact by account, object, and program (if necessary), **add rows if needed**. If no fiscal impact, check the box below, skip fiscal template table, and go to Part II to explain briefly, why the program believes there will be no fiscal impact to the department.

No Fiscal Impact (Explain in section II. A)

If a fiscal note is assigned to our agency, someone believes there might be, and we need to address that, showing why there is no impact to the department.

Indeterminate Cash Receipts Impact (Explain in section II. B)

Indeterminate Expenditure Impact (Explain in section II. C)

If fiscal impact is less 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 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**

Revised

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

Agency Assumptions

N/A

Agency Contacts:

Preparer: Bob Loveless	Phone: 360-878-3201	Date:01/26/23
Approval: Matthew Modarelli	Phone: 360-790-4980	Date:01/30/23
Budget Manager: Siri Olson	Phone: 360-705-7542	Date: 01/30/23

Individual State Agency Fiscal Note

Part II: Narrative Explanation

II. A - Brief description of what the measure does that has fiscal impact

Briefly describe by section number (sections that will change WSDOT costs or revenue), the significant provisions of the bill, and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency. List the sections that have fiscal impact to WSDOT only. E.g., "Section 3 directs the Department to ..." No summarizing, no interpreting, and save any background context for the revenue and expenditure parts.

Section 3 (3) States that agencies must comply with new malware and ransomware protection, backup, recovery, and education standards that the OCIO develops and implements. All mission critical and business essential applications and any other resources that contain category 3 or 4 data must be reported annually and must have backups.

Section 3 (4) State agencies will need to review all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data, as described in the enterprise technology standards. A report is due September 30, 2023, and biannually thereafter. The report will include:

- the total size of managed data
- list of mission critical applications and business essential applications containing category 3 and 4 data
- a list of applications as described in Sec. 3(4)(b) that do not have immutable backup, and
- a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.

Section 3 (5) Agencies shall ensure all mission critical applications, business essential applications, and other resources containing category 3 or 4 data is in compliance with subsection (3) by March 31, 2024. If an agency anticipates it will not be compliant, then a detailed plan must be submitted providing the steps it will take to meet the compliance requirements.

Section 6 (1)(b) States \$5,000,000 per fiscal biennium is for the board to provide funding to assist state agencies in procuring immutable data backup and disaster recovery services for mission critical applications, business essential applications, or other critical information technology systems containing category 3 or category 4 data. The board must consider the agency's prioritization list to ensure funding is allocated to protecting the most vulnerable systems containing the most sensitive public information.

II. B – Cash Receipts Impact

Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

N/A

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.

This fiscal note is partially indeterminate. Expenses would be incurred due to the work that must be done to meet the additional requirements of this bill, including finding solutions to meet the requirements of ransomware protection, data security, and continuity of operations.

The department's IT portfolio includes almost 400 applications with 300+ applications hosted on on-premises servers and mainframe; with the remaining 100 applications hosted by third-party vendor platforms. WSDOT's portfolio also has over 400TB+ of data distributed between on-premises databases and vendor-hosted solutions. Most of the work that would be required of WSDOT by this bill, for the on-premises applications such as immutable backups for on-premises applications and databases are being done already. However, the backup status of several of the software applications hosted by third-parties or on the cloud via Infrastructure as a Service or Software as a Service is unknown in some cases and will require

Individual State Agency Fiscal Note

further analysis. The department is aware that it does NOT have immutable backups of some data, for some applications, such as M365 (Microsoft Office product services) as necessitated by the lead agency assumptions. The department is using CTS estimation of what it would cost to add capability to immutably backup M365 on an annual basis.

The expenses that can be determined are attributed to M365. WSDOT has a private tenant for M365 and will be required to pay additional fees to provide an immutable backup. Additionally, these costs are anticipated to increase each year, based upon the negotiated contract amounts, which typically includes a graduated cost increase over time.

Additionally, WSDOT would need to perform an evaluation of current cloud service providers to ascertain the status and capability of backup services and processes available to ensure immutable backup services meet the criteria as set forth in the standards. Vendor contracts may need to be amended should gaps be identified in the immutable backup processes. These requirements will extend to department service providers and additional cost for these services may be incurred depending on contract terms.

Finally, WSDOT is working on an update to its aged IT Disaster Recovery or Continuity-of-Operations (COOP) plan that was last updated in 2013. Because of the large IT portfolio at WSDOT, this study, as laid out in the plan submitted to the OCIO's office, is expected to comprehensively analyze all systems (both cloud-based and on-premises) that have not been evaluated specifically for protection against ransomware threats. This study is expected to be completed by June 2023 and will help WSDOT determine the additional expenditures necessary to comply with the OCIO standards for both disaster recovery and protections necessary against ransomware threats.

The development and timeline of the two plans to be submitted to OCIO referenced above indicate the scope of the analysis necessary. Combined with the lack of prior experience and comprehensive understanding of the ransomware threats, cost estimates to address the full impact of the bill are indeterminate at this time.

Part III: Expenditure Detail

III. A - Expenditures by Object or Purpose

Expenditure detail is for known expenditures for goods and services for immutable backup for M365

WSDOT M365 additional cost calculation (private tenant):

Calculation based upon per user cost, plus 9.5% sales tax

\$4.00 per user per month (Per master contract pricing provided by CTS)

8,500 users (includes 6,800 FTE users, plus temporary staff, seasonal employees, consultants, and potential regular staff growth)

Sales tax rate of 9.5%

Annual Cost

$8500 \times \$4.00 \times 12 \text{ months} + 9.5\% \text{ sales tax} = \$446,760$

Biennial Cost

$8500 \times \$4.00 \times 24 \text{ months} + 9.5\% \text{ sales tax} = \$893,520$

Individual State Agency Fiscal Note

Part IV: Capital Budget Impact

N/A

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.

N/A

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Drew Woods	Phone: 360-753-5989	Date: 01/27/2023
Agency Approval: Drew Woods	Phone: 360-753-5989	Date: 01/27/2023
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 01/27/2023

Part II: Narrative Explanation

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

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

A fiscal impact from SB 5518 (HB 1464) cannot be determined at this time. The fiscal impact, if any, will come from the impact of standards to be developed as required in Section 3 of the bill. As long as Section 6 of the bill making funds available to agencies to assist with these yet to be determined costs remains, CRAB has no concerns with the fiscal impacts of the bill.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Paul Bitar	Phone: 360-407-8129	Date: 01/30/2023
Agency Approval: Paul Bitar	Phone: 360-407-8129	Date: 01/30/2023
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 01/31/2023

Part II: Narrative Explanation

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

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

The purpose of this bill is to protect critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities. This bill amends RCW 43.105.220 and 43.105.342; reenacts and amends RCW 43.105.020; adds a new section to chapter 43.105 RCW; adds a new section to chapter 42.56 RCW; and creates new sections.

Section 1 indicates that Washington state branches of government, agencies, boards, and commissions manage and protect highly sensitive data to best serve constituents, which can often be a high-value target for malicious cyber attackers and perpetrators. To lessen the negative repercussions and vulnerabilities of applications, this section outlines the actions that these entities must make to protect themselves, their constituents, and prevent any data breaches and/or identity theft.

Section 2 adds new definitions to the existing law, including “Immutable” in Section 2 (8), “Information Protection” in Section 2 (10), “Malicious Cyber Activities” in Section 2 (16), and “Ransomware” in Section 2 (24).

Section 3 (5) requires that all state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing Category 3 and Category 4 data, as defined in OCIO policy, have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law.

The Transportation Improvement Board (TIB) uses WaTech cloud services for all of its data storage needs. Accordingly, TIB currently meets the requirements set forth in Section 3(3).

Section 3(4) would require agencies to perform an assessment of critical/essential applications and submit a report to the OCIO by September 30, 2023. 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

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Aaron Halbert	Phone: 360-705-7118	Date: 01/26/2023
Agency Approval: Reema Griffith	Phone: 360-705-7070	Date: 01/26/2023
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 01/26/2023

Part II: Narrative Explanation

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

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

SB 5518 directs Consolidated Technology Services (CTS) to adopt enhanced enterprise technology standards to specifically address malware and ransomware protection.

State agencies must protect all mission critical and business essential applications and other resources that contain data that requires special handling. Agencies are 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.

The information technology security account is created. State agencies may apply to receive funds from this account to procure immutable data backup and disaster recovery services for mission critical and business essential applications or other critical IT systems.

This bill has no fiscal impact for the WSTC because the agency information technology services are provided by WSDOT.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Doug Clouse	Phone: 360-705-7535	Date: 01/26/2023
Agency Approval: Doug Clouse	Phone: 360-705-7535	Date: 01/26/2023
OFM Review: Erik Hansen	Phone: (360) 810-0883	Date: 01/30/2023

Part II: Narrative Explanation

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

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

Section 3 requires state agencies to ensure all mission critical and business essential applications, along with other defined data, have immutable backups. This section also requires each state agency to annually review these mission critical and essential business applications and report on the size of managed data and a list all applications that meet the definitions spelled out in this bill.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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:

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Connie Acker	Phone: (509) 493-3323	Date: 01/29/2023
Agency Approval: Connie Acker	Phone: (509) 493-3323	Date: 01/29/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/30/2023

Part II: Narrative Explanation

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

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

Section 3 (3) requires state agencies to have immutable backups for important applications containing category 3 and category 4 data.

Section 3 (4) Requires agencies to review important applications containing category 3 and category 4 data and report specified information to the Office of the State Chief Information Officer (OCIO).

Section 3 (5) Requires agencies to ensure compliance with enterprise technology standards for mission-critical applications, business essential applications, and other resources containing category 3 and category 4 data.

The Columbia River Gorge Commission maintains minimal category 3 and category 4 data, so the reporting requirements will be negligible. The Columbia River Gorge Commission also currently has immutable backups in place. Therefore, there is no fiscal impact to the agency's budget.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 461-Department of Ecology
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.7	1.7	1.7	1.7	1.7
Account					
General Fund-State 001-1	306,514	306,514	613,028	613,028	613,028
Total \$	306,514	306,514	613,028	613,028	613,028

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Allen Robbins	Phone: 360-706-3043	Date: 01/27/2023
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 01/27/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/27/2023

Part II: Narrative Explanation

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

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

There is no current law that specifically addresses malware and ransomware protection. This bill would create 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 for state agencies to comply with, or provide a plan to comply with, by March 31, 2024.

Section 1 provides legislative intent, and section 2 provides definitions.

Section 3(1) would require WaTech 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 who use state technology services.

Section 3(3) would require each state agency to ensure that all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data as defined in enterprise technology standards developed pursuant to RCW 43.105.054, have immutable backups.

Section 3(4) would require each state agency by September 30, 2023, and biannually thereafter, to review all of its mission critical applications, business essential applications, and other resources containing category 3 or category 4 data, as described in the enterprise technology standards developed pursuant to RCW 43.105.054 and report to WaTech, the total size of managed data to include identifying mission applications and business essential applications, containing category 3 and category 4 data, a list of the applications described in this subsection that do not have immutable backup, and a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.

Section 3(5) would require each agency by March 31, 2024, to ensure that all mission critical applications, business essential applications, and other resources containing category 3 and category 4 data, as described in enterprise technology standards developed under RCW 43.105.054, are compliant with section 3(3), and report to WaTech whether they are in compliance. If any state agency reasonably anticipates that it cannot comply by March 31, 2024, the agency would need to submit a plan by March 31, 2024, to WaTech detailing steps it will take to comply.

Section 4 would require WaTech to prepare a state strategic information technology plan which would establish a statewide mission, goals, and objectives for the use of information technology, including goals for electronic access to government records, information, and services. The plan would be developed in accordance with the standards and policies established by WaTech. The plan would be updated as necessary and submitted to the governor and the legislature. WaTech would be required to prepare a biennial state performance report on information technology based on state agency performance reports required under RCW 43.105.235 and other information deemed appropriate by WaTech. This section further details the amount and type of information that WaTech would be required to include in the report.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The expenditure impact to Ecology under this bill is estimated to be greater than \$50,000 in Fiscal Year (FY) 2024 and

ongoing to implement the requirements of section 3.

Section 3(3) would require Ecology to comply with the enterprise technology standards implemented specific to malware and ransomware protection, backup, and recovery. Ecology assumes:

- 1.0 FTE of an IT Security – Senior/Specialist starting FY 2024 and ongoing is required to assess, coordinate, remediate, and ensure agency compliance with these standards.

Section 3(4) would require each state agency by September 30, 2023, and biannually thereafter, to review all of its mission critical applications, business essential applications, and other resources containing category 3 or category 4 data and report to WaTech the total size of managed data to include identifying mission applications and business essential applications containing category 3 and category 4 data, a list of the applications described in this subsection that do not have immutable backup, and a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.

- 0.25 FTE of an Information Technology Systems Administrator - Journey starting FY 2024 and ongoing is required to identify all applications with category 3 and 4 data and determine the amount of data which needs immutable backup.

Section 3(5) would require Ecology by March 31, 2024, to ensure that all mission critical applications, business essential applications, and other resources containing category 3 and category 4 data are compliant with section 3(3) and report to WaTech whether they are in compliance, or submit a plan detailing steps it will take to comply.

- 0.25 FTE of an Information Technology Systems Administrator - Journey starting FY 2024 and ongoing is required to establish compliance and create and enforce the plan to become compliant, and maintain compliance.

Ecology assumes the data costs to implement immutable backups for all applicable agency systems is indeterminate at this time, however it is anticipated to be substantial. Ecology assumes we would identify those costs and submit a future budget request for these resources.

SUMMARY: The expenditure impact to Ecology under this bill is:

Section 3(3) is estimated to require:
FY 2024 and ongoing: \$210,626 and 1.15 FTEs

Section 3(4) is estimated to require:
FY 2024 and ongoing: \$47,944 and 0.29 FTEs

Section 3(5) is estimated to require:
FY 2024 and ongoing: \$47,944 and 0.29 FTEs

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be:
FY 2024 and ongoing: \$306,514 and 1.73 FTEs

Notes on costs by object:

- Salary estimates are current biennium actual rates at Step L.
- Benefits are the agency average of 36% of salaries.
- Goods and Services are the agency average of \$5,224 per direct program FTE.
- Travel is the agency average of \$1,563 per direct program FTE.
- Equipment is the agency average of \$1,031 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 28.75% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development - Journey.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	306,514	306,514	613,028	613,028	613,028
Total \$			306,514	306,514	613,028	613,028	613,028

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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.7	1.7	1.7	1.7	1.7
A-Salaries and Wages	168,354	168,354	336,708	336,708	336,708
B-Employee Benefits	60,607	60,607	121,214	121,214	121,214
E-Goods and Other Services	7,836	7,836	15,672	15,672	15,672
G-Travel	2,345	2,345	4,690	4,690	4,690
J-Capital Outlays	1,547	1,547	3,094	3,094	3,094
9-Agency Administrative Overhead	65,825	65,825	131,650	131,650	131,650
Total \$		306,514	306,514	613,028	613,028

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 2024	FY 2025	2023-25	2025-27	2027-29
FISCAL ANALYST 2		0.2	0.2	0.2	0.2	0.2
IT APP DEV-JOURNEY		0.1	0.1	0.1	0.1	0.1
IT SECURITY-SR/SPEC	115,824	1.0	1.0	1.0	1.0	1.0
IT SYSTEM ADMIN-JOURNEY	105,060	0.5	0.5	0.5	0.5	0.5
Total FTEs		1.7	1.7	1.7	1.7	1.7

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Phi Ly	Phone: 360-407-0517	Date: 01/27/2023
Agency Approval: Cassandra Garcia	Phone: 360-407-0520	Date: 01/27/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/27/2023

Part II: Narrative Explanation

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

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

Senate Bill 5518 is the state's ransomware protection act. It aims to protect constituent and state operational data against harms caused by ransomware and malicious cyber activities. Applicable to the Pollution Liability Insurance Agency (PLIA) are the following sections.

Section 3 requires PLIA to ensure that all agency mission-critical applications, business-essential applications, and other resources containing Category 3 data have immutable backups.

- By Sept. 30, 2023 and biannually, PLIA will be required to review these data and report to OCIO the size of such managed data, list which data do not have immutable backups and prioritize the applications in the event of a system failure. PLIA uses WATech's Shared Tenant service and leverages a PaaS (Salesforce) and a SaaS (Box.com) solution. PLIA anticipates indeterminate operating costs related to the backup requirements to meet OCIO standards.

- Immutable backups must be in place by March 31, 2024 and reported to WATech or, if PLIA cannot comply by this date, submit a plan detailing its plan to comply. The agency intends to meet this deadline but anticipates indeterminate operating costs.

Section 6 provides up to \$5 million to state agencies to fund procurement of immutable data backup and disaster recovery services for mission critical applications, business essential applications, or other critical IT systems containing Category 3 or 4 data. Funding will be allocated to protect the most vulnerable systems containing the most sensitive public information

- PLIA will seek allocation from this funding and as some of the agency's records contain sensitive public information that is statutorily deemed confidential. Funding can offset PLIA's indeterminate costs to implement immutable backups.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 463-Energy Facility Site Evaluation 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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Osta Davis	Phone: 360-485-1674	Date: 01/30/2023
Agency Approval: Dave Walker	Phone: 360-664-1345	Date: 01/30/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/30/2023

Part II: Narrative Explanation

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

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

EFSEC is a WaTech covered agency and does not anticipate any fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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:

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Harley Graves	Phone: (360) 902-8586	Date: 01/30/2023
Agency Approval: Van Church	Phone: (360) 902-8542	Date: 01/30/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 01/30/2023

Part II: Narrative Explanation

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

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

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.

These immutable backups are for systems that house Category 3 or 4 data, and for mission critical systems. State Parks is currently moving data resources from on-premises to cloud-based storage through Washington Technology Services (WaTech). Parks current backup system does not accommodate immutable backups as does available cloud-based storage services.

State Parks ongoing expenses for immutable backups is expected to be equivalent to current on-premises backup costs.

Costs for immutable backups for Microsoft M365 applications are covered in WaTech's Fiscal Note as identified in their assumptions.

Impacts of the annual reporting requirements is expected have an immaterial fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Revised

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Mark Jarasitis	Phone: 360-902-3006	Date: 01/30/2023
Agency Approval: Brock Millierin	Phone: 360-789-4563	Date: 01/30/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 01/30/2023

Part II: Narrative Explanation

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

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

There is no fiscal impact for Recreation and Conservation Office to implement this bill. The bill directs statewide updates technology standards around malware and ransomware and requires the agency to evaluate technology systems meeting certain criteria and report biennially with identified requirements and compliance. The agency has existing staff whose responsibilities align with the changes outlined in the bill, so these requirements will be met with existing resources.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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:

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 01/26/2023
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 01/26/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/26/2023

Part II: Narrative Explanation

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

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

HB 1464 aims to protect data and prevent data breaches.

Section 3 – CTS must develop standards and an agency education and outreach program related to data protection and breach prevention. Agencies must ensure immutable backups for Category 3 and 4 data applications and resources by March 2024 and must provide biannual reporting beginning September 2023.

Section 5 – Reports provided under the bill are exempt from public disclosure.

Section 6 – CTS can expend up to \$5M per biennium for agencies to procure immutable data backup services.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

ELUHO receives IT support through WaTech's Small Agency IT Support services. Based on the lead agency assumptions, ELUHO assumes WaTech will submit the fiscal note for work related to the M365 shared tenant work.

In addition, ELUHO assumes the bill would require initial and regular, ongoing staff resources to meet the new requirements. ELUHO assumes it will submit and WaTech will accept policy waivers as part of the annual IT application inventory to assist with the initial timing requirements associated with data collection.

The cost of compliance with the new technology requirements is indeterminate at this time, however ELUHO assumes the fiscal impacts will be limited to less than \$50,000 per year. The cost of complying with new requirements will depend on the level of support ELUHO receives from WaTech. There may be costs associated with procuring and incorporating the new data backup services into ELUHO's current systems. It is unclear whether those costs will be borne by WaTech, ELUHO, 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

None

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 471-State Conservation Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
Account					
General Fund-State 001-1	42,602	42,602	85,204	85,204	85,204
Total \$	42,602	42,602	85,204	85,204	85,204

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Karla Heinitz	Phone: 360-878-4666	Date: 02/02/2023
Agency Approval: Ron Shultz	Phone: 360-790-5994	Date: 02/02/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/02/2023

Part II: Narrative Explanation

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

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

Section 3(4) Review of Mission Critical Applications

This section requires all state agencies to ensure all mission-critical applications, business-essential applications, and other resources containing category 3 and category 4 data (as defined in OCIO policy) have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law.

To meet these requirements, WA Tech expects agencies to use data submitted as part of their agency's annual application inventory submitted under policy 112 as the starting point for data collection. Agencies will need to update that submittal to have additional data required in the bill, including the requirements to categorize data attributes.

To comply with the reporting deadline of September 30, 2023, agencies should use the definition of mission-critical, and business-essential applications established in OCIO standard 112.10. Reporting will be biannually after September 30, 2023. Agencies may require an update on those fields in the future.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

SCC would need to hire an IT System Administration - Journey at .3 FTE to facilitate and maintain our agency databases, systems, and servers to meet the requirements of the bill. The IT System Administration - Journey would be responsible for reviewing the agency's mission-critical applications, business-essential applications established in OCIO standard 112.10 under the "business criticality" field, and other resources containing category 3 or 4 data. The person would be responsible for all reports and information compiled and required to OCIO.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	42,602	42,602	85,204	85,204	85,204
Total \$			42,602	42,602	85,204	85,204	85,204

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
A-Salaries and Wages	27,853	27,853	55,706	55,706	55,706
B-Employee Benefits	9,749	9,749	19,498	19,498	19,498
C-Professional Service Contracts					
E-Goods and Other Services	5,000	5,000	10,000	10,000	10,000
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 \$	42,602	42,602	85,204	85,204	85,204

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 2024	FY 2025	2023-25	2025-27	2027-29
IT System Administration - Journey Step G	92,844	0.3	0.3	0.3	0.3	0.3
Total FTEs		0.3	0.3	0.3	0.3	0.3

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	313,000	971,000	1,284,000	2,124,000	2,124,000
Total \$	313,000	971,000	1,284,000	2,124,000	2,124,000

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Barbara Reichart	Phone: (360) 819-0438	Date: 01/30/2023
Agency Approval: Barbara Reichart	Phone: (360) 819-0438	Date: 01/30/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 01/30/2023

Part II: Narrative Explanation

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

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

Section 3(3) requires state agencies to ensure that all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data to have immutable backups.

Section 3(4) requires state agencies review all of its mission critical applications, business essential applications, and other resources containing category 3 or category 4 data by September 30, 2023, and biannually thereafter. Agencies will provide a report to the Office of the Chief Information Officer (OCIO), which will include: the total size of managed data; a list of mission critical applications and business essential applications, containing category 3 or category 4 data; a list of the applications that do not have immutable backup; and a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.

Section 3(5) requires state agencies to comply with the following by March 31, 2024: ensure that all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data, are compliant with Section 3(3); and report to OCIO whether they are in compliance with this section. If a state agency reasonably anticipates that it cannot comply with these requirements by March 31, 2024, it must submit a plan to OCIO by that date detailing the steps it will take to comply with the requirements.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

WDFW uses the following assumptions:

- Bill requires agency-developed and Software as a Service (SaaS) applications to have immutable backups.
- Based on the most recent application inventory and security design reviews, there are 150 agency-developed applications and 30 SaaS applications that have data categorized as category 3 or 4.
- Use lead agency assumptions to calculate data storage costs for SaaS applications, \$0.39 per gigabyte per month.
- According to the Office of the Attorney General (AGO) Data Breach Report (<https://www.atg.wa.gov/data-breach-notifications>) in 2022, the global average life cycle of a breach across all industries lasted 277 days. To ensure that restoration can occur to a point prior to an incident occurring and in compliance with WaTech policy, WDFW's current policy is to complete a full immutable back-up once a month, with weekly incremental backups, and store 12 backups at a time. Each full backup includes all data in the system at that point in time, regardless of whether it has already been captured in a prior backup.
- WDFW will hold vendors to the breach response window outlined in the AGO Data Breach Report, and require vendors to maintain 12 immutable backups, with minimum full backup once per month.
- SaaS application backups will have an average of 300 gigabytes per backup, except the Washington Interactive Licensing Database (WILD) system, which will have 3,000 gigabytes per backup.
- Contracts and service agreements for all 30 SaaS applications will need to be updated to bring them into compliance. Vendor agreements will be finalized by December 2023, the first backups will take place in January 2024, and vendors will be in full compliance of the retention policy by December 2025.

Section 3(3) creates a new mandate for enterprise technology standards specific to malware and ransomware protection, backup, and recovery compliance. WDFW currently stores 1.5 petabytes (1.5M gigabytes) of agency data to comply with

agency policy, not including data managed and stored by 3rd party vendors, at a cost of \$250,000 per year. 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 are not used in this fiscal note. The Department is currently exceeding compliance with policy and standards under RCW 43.105.054 with storage solutions, so no fiscal impact is assumed for agency data not managed or stored by 3rd party vendors.

To bring the WILD system, WDFW’s largest SaaS application, into compliance will cost \$168,000 per fiscal year ongoing (3,000 gigabytes per backup * 12 backups per application * \$0.39 * 12 months = \$168,000). To bring the remaining 29 SaaS applications (i.e., DocuSign, Novatus contracting system) into compliance will cost an average \$17,000 per application per fiscal year ongoing (300 gigabytes * 12 backups * \$0.39 * 12 months * 29 applications = \$489,000). Using the assumed timeline for backups in the assumptions, contracting costs, Object C, will be \$96,000 in fiscal year 2024, \$589,000 in fiscal year 2025, and \$657,000 in fiscal year 2026 and ongoing.

Section 3 will also require 1.0 FTE IT Security – Journey. The position will be responsible for:

- Assessing, coordinating, remediating, and ensuring agency compliance with the standards outlined in Section 3 (estimate 200 hours per year);
- Conducting assessments on emergent backup needs, reviewing immutability of backups to ensure continued compliance, coordinating with 3rd party service providers, developing Plans of Action and Milestones (POAM) for remediation actions, and filing any waivers required by statute or policy related to the implementation of backup immutability as required in Section 3(3) and (5). WDFW assumes that the initial review for applications and ongoing monitoring will take 5 hours for agency-developed applications and 35 hours for SaaS application including contracts, vendor, and artifacts management ((5 hours * 150 agency-developed applications) + (35 hours * 30 SaaS applications) = 1,800 hours per year); and
- Collecting information for and preparing the biannual report to OCIO required in Section 3(4), including new requirements to provide: the total size of managed data; a list of the applications that do not have immutable backup; and a list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss (25 hours per report * 2 reports per year = 50 hours per year).

Salaries and benefits will total \$134,000 in fiscal year 2024 and ongoing.

Goods and services, Object E, includes \$6,000 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 33.5% is included in object T and is calculated based on WDFW’s federally approved indirect rate.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	313,000	971,000	1,284,000	2,124,000	2,124,000
Total \$			313,000	971,000	1,284,000	2,124,000	2,124,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	100,000	100,000	200,000	200,000	200,000
B-Employee Benefits	33,000	33,000	66,000	66,000	66,000
C-Professional Service Contracts	96,000	589,000	685,000	1,314,000	1,314,000
E-Goods and Other Services	6,000	6,000	12,000	12,000	12,000
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	78,000	243,000	321,000	532,000	532,000
9-					
Total \$	313,000	971,000	1,284,000	2,124,000	2,124,000

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 2024	FY 2025	2023-25	2025-27	2027-29
IT SECURITY - JOURNEY		1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 478-Puget Sound Partnership
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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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Sheridan Tabor	Phone: 360-706-4955	Date: 02/13/2023
Agency Approval: Sheridan Tabor	Phone: 360-706-4955	Date: 02/13/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/13/2023

Part II: Narrative Explanation

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

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

Puget Sound Partnership has an intra agency agreement with Recreation Conservation Office (RCO) for IT support. RCO states:

There is no fiscal impact for Recreation and Conservation Office to implement this bill. The bill directs statewide updates technology standards around malware and ransomware and requires the agency to evaluate technology systems meeting certain criteria and report biennially with identified requirements and compliance. The agency has existing staff whose responsibilities align with the changes outlined in the bill, so these requirements will be met with existing resources.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 490-Department of Natural Resources
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.6	2.6	2.6	2.6	2.6
Account					
General Fund-State 001-1	384,900	379,700	764,600	759,400	759,400
Total \$	384,900	379,700	764,600	759,400	759,400

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Zoe Catron	Phone: 360-902-1121	Date: 01/26/2023
Agency Approval: Nicole Dixon	Phone: 360-902-1155	Date: 01/26/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/26/2023

Part II: Narrative Explanation

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

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

Section 3 requires that the Department of Natural Resources (DNR) must ensure all mission-critical applications, business-essential applications, and other resources containing category 3 and category 4 data (as defined in OCIO policy) have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law.

Section 3(4) requires a report out by September 30, 2023 and biannually thereafter, of updated application inventory mission-critical, and business-essential applications established in OCIO standard 112.10 under the “business criticality” field. DNR will consider both the amount of data related to its storage requirements (i.e., GB/TB of data) as well as the number of records (i.e., number of records contained in a system).

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

To support Section 3(4) Review of Mission Critical Applications, DNR will need:

One full-time FTE = IT Security Journey Position performing review of mission critical applications and other resources containing Cat 3 and 4 data, categorization of data, updating application inventory. Working on DNR report due September 30, 2023.

One full-time FTE = IT System Admin Journey Position performing back-up review/work, data categorization, immutable back ups by March 31, 2024 and assisting with reporting due September 30, 2023.

Total in 23-25 - \$764,600 (includes one-time computer purchases)

Total in 25-27 - \$759,400 (on-going)

Goods and services and travel are calculated on actual program averages per person.

Administrative costs are calculated at 31% of staff salary and benefits and staff-related goods and services and travel. For fiscal note purposes, this cost is represented as a Fiscal Analyst 2 position (0.6 FTE).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	384,900	379,700	764,600	759,400	759,400
Total \$			384,900	379,700	764,600	759,400	759,400

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.6	2.6	2.6	2.6	2.6
A-Salaries and Wages	205,100	205,100	410,200	410,200	410,200
B-Employee Benefits	64,700	64,700	129,400	129,400	129,400
C-Professional Service Contracts					
E-Goods and Other Services	22,000	22,000	44,000	44,000	44,000
G-Travel	1,600	1,600	3,200	3,200	3,200
J-Capital Outlays	5,200		5,200		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	86,300	86,300	172,600	172,600	172,600
9-					
Total \$	384,900	379,700	764,600	759,400	759,400

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 2024	FY 2025	2023-25	2025-27	2027-29
Fiscal Analyst 2	55,872	0.6	0.6	0.6	0.6	0.6
IT Security - Journey	100,032	1.0	1.0	1.0	1.0	1.0
IT System Administration - Journey	105,060	1.0	1.0	1.0	1.0	1.0
Total FTEs		2.6	2.6	2.6	2.6	2.6

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 495-Department of Agriculture
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
General Fund-State 001-1	4,320	0	4,320	0	0
Total \$	4,320	0	4,320	0	0

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Susie Olsen	Phone: 360-902-2077	Date: 02/04/2023
Agency Approval: Jeannie Brown	Phone: 360-902-1989	Date: 02/04/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/04/2023

Part II: Narrative Explanation

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

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

Senate bill 5518 concerning protection of critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities.

SB 5518, Section 3(4) requires all state agencies must ensure all mission-critical applications, business-essential applications, and other resources containing category 3 and category 4 data (as defined in OCIO policy) have immutable backups by March 31, 2024, or submit to WaTech a plan to comply with the law. Immutable backups differ from standard backups in that the data cannot be altered, deleted, or further encrypted. This is a critical component towards ransomware protections. The Washington State Department of Agriculture (WSDA) IT data assets will need to be fully re-evaluated, updating all data attributes regarding “mission-critical and business-essential applications,” and ensuring all category 3 and category 4 internally managed and external (3rd party) vendors are in immutable backups. Any current resources maintained in non-WaTech backup services will need to be changes over and software application contracts will need to be rewritten to account for the immutable backup requirement. Payment towards the WaTech Backup Services or WaTech Private Cloud are determinate by the data storage requirements and number of records to be contained in the systems.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

No cash receipt impact.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The expenditure impact is indeterminate for WSDA.

WSDA would continue to use existing systems and any initial cost estimate would be based on staff time to conduct the system assessments first. The definitions in the bill requires review of all mission-critical applications, business-essential applications, and other resources containing category 3 and category 4 data used by WSDA.

WSDA has identified a third-party application that is mission critical and contains category 3 and category 4 data. This application catalogs all state hemp registrations and inspection records. The application is vendor designed and maintained and is hosted on WSDA system. To meet the assessment, reporting, and compliance requirements as stated in section 3(4) of HB 1464, in FY24 WSDA would need to contract for a project manager and business analysis service to evaluate this application, identify changes needed, evaluate the current contract, and develop a project plan for changes. This would be at a cost of 16 hours x \$135 for a project manager and 16 hours x \$135 for a business analysis for a total cost of \$4,320.

The cost to remediate any deficiencies found as a part of the analysis is indeterminate at this time.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	4,320	0	4,320	0	0
Total \$			4,320	0	4,320	0	0

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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts	4,320		4,320		
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 \$	4,320	0	4,320	0	0

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

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

No capital impacts.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 540-Employment Security Department
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
Account					
Employment Service Administrative Account-State 134-1	283,745	283,745	567,490	567,490	567,490
Total \$	283,745	283,745	567,490	567,490	567,490

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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Hope Gamez	Phone: 360-763-2919	Date: 01/31/2023
Agency Approval: Lisa Henderson	Phone: 360-902-9291	Date: 01/31/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/31/2023

Part II: Narrative Explanation

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

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

This bill mandates the protection of critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities.

Section 2: This section contains definitions of key terms and language used throughout the bill.

Section 3: Employment Security Department (ESD) must ensure applications and data have immutable backups. By September 30, 2023, ESD must review applications and report to the state chief information officer a list of the following: size of data, mission critical applications, business essential applications, and applications that do not have an immutable backup.

By March 31, 2024 ESD must ensure that applications are in compliance. If the agency cannot comply than they shall submit a plan of detailed steps to comply to the state chief information officer.

In order to implement this bill, the Employment Security Department (ESD) would need to develop, standards specific to malware and ransomware protection, backup, and produce reports to the state chief information officer.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

In order to implement this bill, the Employment Security Department (ESD) would need additional systems, support staff, training to facilitate the protection of agency data. This would include complying with National Institute of Standards and Technology (NIST) standards. Staffing would need to inventory and evaluate agency data for compliance.

Agency Ongoing Costs:

Management Analyst 3 To build and maintain the tracking and ensure adherence to the reporting, standards, training, etc. required by this bill. (FY24 and ongoing; 1.0 FTE; \$121,186)

IT Business Analyst - Journey To be responsible for technical, data, and systems analysis, ensuring we are following processes and requirements, as well as implementing necessary work outlined by security needs. (FY24 and ongoing; 1.0 FTE; \$162,559)

Total Agency and Ongoing Costs:

FY24 and ongoing: \$121,186+ \$162,559= \$283,745

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
134-1	Employment Service Administrative Account	State	283,745	283,745	567,490	567,490	567,490
Total \$			283,745	283,745	567,490	567,490	567,490

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
A-Salaries and Wages	151,516	151,516	303,032	303,032	303,032
B-Employee Benefits	60,606	60,606	121,212	121,212	121,212
C-Professional Service Contracts					
E-Goods and Other Services	30,300	30,300	60,600	60,600	60,600
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	41,323	41,323	82,646	82,646	82,646
9-					
Total \$	283,745	283,745	567,490	567,490	567,490

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 2024	FY 2025	2023-25	2025-27	2027-29
IT Business Analyst - Journey	86,268	1.0	1.0	1.0	1.0	1.0
Management Analyst 3	61,632	1.0	1.0	1.0	1.0	1.0
Total FTEs		2.0	2.0	2.0	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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5518 SB	Title: Protection of critical constituent and state operational data	Agency: 699-Community and Technica College System
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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: Angela Kleis	Phone: 360-786-7469	Date: 01/22/2023
Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 01/31/2023
Agency Approval: Cherie Berthon	Phone: 360-704-1023	Date: 01/31/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/03/2023

Part II: Narrative Explanation

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

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

This bill seeks to ensure data protection and disaster recovery practices at state agencies are consistent with enterprise technology standards to protect against ransomware and other malicious cyber activities.

SECTION 2

- “Immutable” means to provide state agencies with recovery capabilities that do not permit the editing or removing of any protected information.
- “Information protection” includes backups and other methods to allow the preservation and recovery of information.

SECTION 3

3(1) – The Office of the State Chief Information Officer (OCIO) is 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 that use state technology services.

3(3) – Each state agency must ensure that all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data have immutable backups.

3(4) – Each state agency must review all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data and submit report to the OCIO. Reports are to include:

- The total size of managed data
- A list of mission critical applications and business essential applications containing category 3 or category 4 data
- A list of applications that do not have immutable backups
- A list of prioritized applications based on mission criticality and impact to constituents in the event of system failure or data loss.

Reports must be submitted by September 30, 2023, and bi-annually thereafter.

3(5) – By March 31, 2024, state agency must ensure that all mission critical applications, business essential applications, and other resources containing category 3 or category 4 data have immutable backups and report to the OCIO if they are in compliance with this requirement.

3(7) – This section of the bill does not apply to Institutions of Higher Education.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

No cash receipts impact.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

No expenditure impact.

SECTION 3

The OCIO is directed to modify existing portfolio reporting mechanisms to allow the collection of relevant data necessary to baseline and monitor risk associated with malware and ransomware protections. Incorporating information specified in the bill into reports already used can be done within existing resources.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.